



***TPCORP***  
***ANNUAL REPORT***  
**2017**



การประชุมสามัญผู้ถือหุ้น **TPCORP** ครั้งที่ 42  
เมื่อวันที่ 25 เมษายน 2560  
ณ โรงแรมมณเฑียร ริเวอร์ไซด์ ถนนพระราม 3  
มีผู้ถือหุ้นให้ความสนใจเข้าร่วมรับฟังผลการดำเนินงาน  
ของบริษัทในปีที่ผ่านมา



งาน “นักลงทุนพบกลุ่มสหพัฒน์ ครั้งที่ 9”

เมื่อวันที่ 29 มิถุนายน 2560 ณ ศูนย์การประชุมแห่งชาติสิริกิติ์  
โดยมี คุณอานัติ รัตนปฎิมากร กรรมการรองผู้จัดการ เข้าร่วมเสวนา  
และได้รับการตอบรับจากนักลงทุนที่สนใจเข้าฟังเป็นจำนวนมาก



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Investors may access further information details per the Annual Registration Statement (Form 56-1) displayed by the company at [www.sec.or.th](http://www.sec.or.th) or at the company website [www.tpcorp.co.th](http://www.tpcorp.co.th)

## **Report of the Directors**

Overall economic conditions in 2017 were in favorable development and the good signs have been clearly surfaced since the end of Q3/2017, for instance, expansion of investment by private sector, rise in export of goods and services, expansion of expenditure by public and private sectors and expansion of number of tourists. Moreover, overall economic conditions of the major business partners in 2017, i.e. the United States of America, Europe and Asian countries, were also on upward direction.

Performance of the Company during the past year could well reflect economic conditions of the country and of major business partners, for instance, revenues from sales of the Company and its subsidiaries in 2017 was 941 million Baht, compared with 1,090 million Baht of last year. Even though, such revenue has decreased by 13.6%, but revenues from sales in Q4/2017 has increased from those of Q2/2017 and Q3/2017 which was averaged around 226 million Baht per quarter to approximately 234 million Baht, or an increase by 3.5% when compared by quarter. When considering from overall revenue from sales for the whole year, it was found that most of them derived from products for automotive industries, which accounted for 73% of total revenue from sales, while the remaining amount of 27% were revenues from sales of products under other industries, healthcare and home textiles. Consequently, net profit of the parent company of the Company and its subsidiaries in 2017 was recorded at 129 million Baht, when compared with the previous year, which was at 163 million Baht (excluding special item incurred from assets disposition and liabilities under business transfer/sale contract).

With regards to corporate governance of the Company for the past year, the Board of Directors are pleased to inform the shareholders that the Company has been selected by Thaipat Institute to be in ESG100 list. Such achievement signified strong intention and efforts of the Board of Directors on appropriated implementation of policy and supervision of the Management's business operations which could conform to circumstances, with regard to economic, social aspects and expectation of the shareholders.

For the incoming year of 2018, the Board of Directors expects to see the Company move forward steadily and in harmonious with the changes of economic and social conditions caused by various factors, particularly, disruptive technology, which can be witnessed these days amidst the expectation for continued expansion of the world economy. Nonetheless, the Board of Directors has assigned the Management to keep monitoring the economic conditions, both internally and externally, as well as domestic political situations owing to the incoming election as it might impact to business operations of the Company.

Lastly, on behalf of the Management and all staff, the Board of Directors would like to thank all shareholders and stakeholders for their supports of the Company's intention to achieve the targets, as well as policies and operations that could lead the Company to overcome difficulties that it becomes successful nowadays.



## **Report of the Audit Committee**

To: The shareholders,

The Audit Committee of Textile Prestige Public Company Limited consists of 3 independent directors who have experiences and qualified pursuant to the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), namely Mr. Padoong Techasarintr, the committee chairman and Mr.Thanavat Pugavanaja and Mr. Krisada Visavateeranon, the committee members. The committee performed duties as per assigned by the Company's Board of Directors pursuant to the Audit Committee Charter which were consistent with the requirements of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

During 2017, the Audit Committee held 13 meetings where all the three committee members were presented to discuss and exchange opinions with the Management and the external auditor by adhering to corporate governance principle and adequacy of the internal control system. The operating results have been reported to the Board of Directors every quarter and material information could be summarized as follows:

- **Financial Statements Review**

The Audit Committee reviewed quarterly and annual financial statements of the Company and its subsidiaries of the year 2017 which have already been reviewed and audited by the external auditor to consider and make certain that the financial reports were prepared pursuant to the accounting standards and material accounting policies and information were completely and adequately disclosed. The Audit Committee was of opinion that the essence of financial positions and correct operating results pursuant to the financial reporting standard were presented in such financial statements and the accounting and financial reports had been prepared on timely manner, reliable and beneficial to the financial statement users. The external auditor has performed duties and expressed opinions independently. Information and connected transactions of the subsidiaries and the associated company have been adequately disclosed. Additionally, the Audit Committee also attended the meeting with the external auditor without attendance of the Company's Management to discuss about duties, independence and comment in material issues observed from review and audit operations.

- **Review of Connected Transaction or Transaction which May Have Conflict of Interest**

The Audit Committee has reviewed the connected transaction or the transaction which may have conflict of interest that could be regarded as the connected transaction during the year between the Company, its subsidiaries or the connected persons, and the Audit Committee deemed that such transactions have been reasonably performed pursuant to normal business and trade practices, relevant regulations and they did not cause any benefit transfer. Operation regarding and information of the connected transaction have been disclosed pursuant to the notifications of the Office of the Securities and Exchange Commission (SEC) and as well as the requirements of the Stock Exchange of Thailand (SET). Additionally, the Audit Committee placed importance on supervision and reviewing of the connected transaction relating to obligation under building lease agreement and rendering of operation service, so that the transfer/disposition business could be undertaken continually. In this regard, it was found that both parties have performed duties pursuant to the agreed contract.

- **Review of Internal Control System and Internal Audit Operations**

The Audit Committee reviewed the internal control system by taking into consideration and assessment of the risk management and internal audit reports including the external auditor's report, as well as the assessment form on adequacy of internal control system of the Office of the Securities and Exchange Commission. The Audit Committee provided suggestion and recommendation to the Management on improvement of the internal control system to make it adequately and appropriately including followed-up such improvement operations continually. In this regard, no issue or flaw which may significantly affect to the Company was found.

The Audit Committee has supervised the Internal Audit to ensure that it can independently operate the works and directly report to the Audit Committee as per specified in the Internal Audit Charter. The Audit Committee also oversaw the audit mission and gave recommendation to make such mission conform to work plans and stipulated that the audit plan must cover risk management and anti-corruption in order to provide extensive and adequate internal control system and audit. The Audit Committee also assessed appropriateness and operating results of the Head of Internal Audit as well as reviewed the Audit Committee Charter and Internal Audit Charter to make them conform to the internal audit professions standards and international standards.

- **Risk Management Review**

The Audit Committee has considered work plans and risk management guidelines pursuant to the enterprise risk management framework by taking into account both internal and external risk factors, likelihood of significant impacts so that risks can be managed and controlled to be in the acceptable level and in accordance with the Company's policies. The Management also appointed the Corporate Strategic Risk Management Committee with aims to control, supervise and give recommendation in order to make risk management operations achieve as per the specified target.

- **Corporate governance**

The Audit Committee constantly reviewed operations to ensure compliance with the laws governing securities and exchange, requirements of the Stock Exchange of Thailand and laws pertaining to the Company's business. In addition, changes in laws and regulations have also been monitored to make sure that the Company has complied with such changes.

- **Appointment of the External Auditor**

The Audit Committee selected and appointed the external auditor for the year 2018 by taking into consideration knowledge, capabilities, reliability, independence based upon the execution of works as well as qualifications as per specified by the Office of the Securities and Exchange Commission (SEC) and was of opinion that the current external auditor has delivered satisfactory works and auditing fee proposed was reasonable. Therefore, it was deemed appropriated to request for approval from the Board of Directors to further request for approval from the shareholders to appoint Mr. Anusorn Kiatgungwalgri, certified public accountant no. 2109 or Ms. Kwunjai Kiatgungwalgri, certified public accountant no. 5875, of ASV & Associates Limited, as the external auditor for the year 2018.

The Audit Committee independently performed duties pursuant to the assigned scope of work and responsibilities and supervised the correct preparation of the Company's financial statements pursuant to the accounting standards with adequate information disclosure. The operations have been adhered to good corporate governance principles, complied with the laws, regulations and requirements relevant to the Company's business. The Company has an effective and suitable internal control system with its current business condition, with appropriate and adequate risk management. The connected transactions have been carried out in accordance with normal business practices as well as complied with the laws, regulations and requirements relevant to the Company's business. The Audit Committee has performed self-evaluation for the previous operations and the evaluation results were in the very satisfactory level.

Dated February 20, 2018

On behalf of the Audit Committee

.....  
*Mr. Padoong Techasarintr*

Mr. Padoong Techasarintr  
Chairman of the Audit Committee

## Report of the Nominating Committee

In 2017, the Nominating Committee consists of

- |                  |                 |                                       |
|------------------|-----------------|---------------------------------------|
| 1. Mr. Boonsithi | Chokwatana      | Chairman of the Nominating Committee. |
| 2. Mr. Manu      | Leelanuwatana   | Member of the Nominating Committee.   |
| 3. Mr. Suchai    | Narongkananukul | Member of the Nominating Committee.   |

The Nominating Committee held 1 meeting in February. In the meeting, the committee has considered all agendas including the acknowledgement of the result of granting the shareholders to nominate directors to be elected in the Annual General Meeting of Shareholders in advance. The company had provided the opportunity to the shareholders during December 1 to December 30 of every year. In 2017, there was not a nominating of any director submitted.

Therefore, the Nominating Committee proceeded on considering the qualified candidates to replace the directors who retired by rotation in the Annual General Meeting of Shareholders (AGM) no. 42 The AGM was held on April 25, 2017. There were 3 retiring directors consisted of Mr. Wachara Poomarintr Mr. Padoong Techasarintr and Miss Sirikul Dhanasarnsilp. All three retiring directors were nominated to be directors of the company for another term and were approved by the shareholders in the AGM.

The Nominating Committee had performed its Authority of as assigned by the Board of Directors in compliance with the Charter of the Nominating Committee. The Nominating Committee is responsible for the selection of qualified candidates, taking into account the knowledge, skills, experience and expertise from various professions. The Nominating Committee also consider their leaderships, visions, ethics, transparency, and must not be prohibited by laws and regulations of the company and not being sexual prejudice for their nominations. The Nominating Committee has performed its Authority of as assigned discreetly and reasonably.

.....*Mr. Boonsithi Chokwatana*.....  
(Mr. Boonsithi Chokwatana)  
Chairman of the Nominating Committee

### **Report of the Remuneration Committee**

Textile Prestige Public Company Limited has appointed the Remuneration Committee, according to Good Corporate Governance Principles, to support the operation of The Board of Directors for determining the limits and criteria for the allocation of directors' remuneration. The Remuneration Committee consists of 3 members as follows:

- |                 |                 |   |
|-----------------|-----------------|---|
| 1. Ms. Sirikul  | Dhanasarnsilp   | Chairman of the Remuneration Committee. |
| 2. Mr. Suchai   | Narongkananukul | Member of the Remuneration Committee.   |
| 3. Mr. Thanavat | Pugavanaja      | Member of the Remuneration Committee.   |

In 2017, The Remuneration Committee held 2 meetings. The committee had performed its duties as assigned by the Board of Directors in compliance with the Charter of the Remuneration Committee to set a compensation limit and criteria of remuneration for directors. The Remuneration should be appropriate to effectively motivate and maintain personnels who has the knowledge and talented to stay with the company.

The Remuneration Committee has set the remuneration limits for directors by comparing with other companies in the same industry, growth and operating results of the company. The limit was approved by the Annual General Meeting of Shareholders in the past year. The amount of compensation actually allocated to directors in the Board and in the sub committees will be determined by the authority, responsibility and performance within the limit approved by the shareholders.

Remuneration of Directors and sub committee have already been disclosed in the annual report. The Remuneration Committee considers that it is appropriate and it complies with the duties, responsibilities and the policy of the company.

*Ms. Sirikul Dhanasarnsilp*

.....

(Ms. Sirikul Dhanasarnsilp)  
Chairman of the Remuneration Committee



## **Report of the Corporate Governance and Risk Management Committee**

During 2017, the Corporate Governance and Risk Management Committee held 2 meetings where all of 5 committee members (3 of them are independent directors and 2 are executive directors) attended the meetings. The operations of this Committee have been divided into 2 parts: corporate governance which is under responsibility of the Corporate Governance Sub-committee and risk management which is under responsibility of Risk Management Sub-committee. Both sub-committees support operations of the Corporate Governance and Risk Management Committee. Essence of the operations can be summarized as follows:

### **Corporate Governance:**

- Review the Company's corporate governance policy and anti-corruption policies of which the Committee deems that they are suitable with the Company's business and business conditions. Those policies can strengthen confidence of the shareholders and all stakeholders as well as can support the Company on compliance with corporate governance principles. Disclosure of information and contents in the annual registration statement (56-1 Form), annual report (56-2 Form) and CSR Report were corresponding with the corporate governance guidelines. In addition, the annual general meeting of shareholders has been transparently and efficiently arranged.
- The Company received recognition level of "Excellent" from the assessment on 2017 Corporate Governance Report of Thai Listed Companies (CGR) arranged by the Thai Institute of Directors Association with the support from the Office of SEC and the Stock Exchange of Thailand.
- The Company obtained full assessment score of 100, or "Excellent" level on quality for the arrangement of the 2017 Annual General Meeting of the Shareholders as assessed by the Thai Investors Association. The Company can maintain this excellent level for four consecutive years now.
- Encourage the Company to communicate policy and practice on corporate governance, business code of ethics and code of conduct to the employees at all levels including the relevant persons for their acknowledgement and understanding via various channels, i.e. website, intranet as well as arrange the training to new employees. In addition, the directors and the executives are encouraged to attend the training course on 2017 Corporate Governance Code for Listed Companies (CG Code).
- Supervise on assessment of performance of the Board of Directors where each individual member of the Board shall provide opinion on overall performance of the Board. Results gained will be used as framework for amendment and improvement of Authority of of the Board. Average assessment result on overall performance of Board of Directors in 2017 was good.
- For anti-corruption operations, the employees and the relevant persons have been encouraged to attend training on anti-corruption policy and practices.
- For social responsibility operations, the Company always places importance on community, society and environment in order to reduce impacts to stakeholders caused by the Company's business operations. Hence, the result from such efforts made the Company become one of the selected 100 companies (ESG100) which have outstanding sustainability performance on Environmental, Social and Governance (ESG) arranged by Thaipat Institute.
- The Company's factory for manufacturing of raw material to be used as automotive parts received certificate including 2017 CSR-DIW Continuous Award from the Department of Industrial Works, for 3 consecutive years. The project's objectives are to promote the industrial operators' business operations with social responsibility and sustainable development.

**Risk Management:**

- Consider on review and approval of the revised risk management manual, review risk management policy and promote enterprise-wide risk management.
- Support trainings on risk management guidelines to the employees, the superiors and relevant persons, so that they will have basic knowledge and understandings on risk management as well as acknowledge their participation and roles on risk management;
- Consider and approve 2017 risk management plan and approve 2018 risk management target and plan.
- Consider and approve the adequacy of risk management system which is appropriated with the current situations of the Company.
- Support the establishment of risk management working group on corporate strategy as the Committee deems that it can strengthen potential on management, so that the organization's objectives can be achieved with more efficiency.
- Review material risks and manage 3 risks, i.e. risk on security of IT system (system disruption), risk on fire prevention and suppression and corruption risk, as well as manage such risks to make them in control level.
- Support business continuity management system on information technology by approving the establishment of emergency backup center. Approve the measures to improve and revise the emergency plan in case of fire in various scenarios (Emergency Plan), so that they can be used for fire drill operation every year.

The Corporate Governance and Risk Management Committee considered that the Company has completely complied with rules, regulations and laws and information technology system has been implemented to monitor the compliance with such rules, regulations and laws.

The Company has planned the meeting of the Corporate Governance and Risk Management Committee in advance every year. In addition, the Committee has performed Authority of as per assigned by the Board of Directors as well as complied with the Corporate Governance and Risk Management Committee Charter.

*Mr.Krisada Visavateeranon*

.....  
(Mr.Krisada Visavateeranon)

Chairman of the Corporate Governance and Risk Management Committee

## Anti-Corruption Policy

The Board of Directors of Textile Prestige Public company Limited has approved the resolution to sign a Declaration of Intent of Collective Action Coalition Against Corruption enacted by Thai Private Sector on February 27, 2014. In order to be in compliance with the company's Corporate Governance as well as corroborate its aims and Corporate Social Responsibility as a whole, the company follows the policy relevant to laws countering corruption by prohibiting the company directors, executives and employees from accepting or supporting every type of corruption both in direct and indirect manner, which is written for exercising it as follows;

1. The company will not be a party to pay bribes. In case of contributions to charity, to political parties as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform Authority of in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or Authority of to use the company's data to seek benefits for oneself or others.
4. Setting the system to report financial status transparently and accurately, providing an efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

This anti-corruption policy is approved by the Board of Directors' Meeting No. 1/2558 and effective since February 24, 2015.

.....*Mr. Manu Leelanuwatana*.....

(Mr. Manu Leelanuwatana)

Chairman

### **Corporate Social Responsibility Policy**

One of Textile Prestige Public company Limited's management policies is to pursue international standard to bring about sustainability development. The company intends to manufacture quality and safe products to comply with her responsibility toward society and environment. Manufacturing processes are carried out in a minimal impact to the environment. Furthermore, the company intends to comply with business ethics and transparency. The company is concerning stakeholders' benefit by strictly complying with laws and regulations. The company is supporting business partners who commit to society, against corruption, respect to human right and are transparently operating their businesses.



## Policy and Business Overview

### 1. Vision Mission Value

The Board of Directors have considered and reviewed the vision and missions of the company in the past year to comply with the company's operations and goal in the future as follows:

#### Vision

To be the leader in textile manufacturing and distributing by producing high quality products with social and environmental responsibilities.

#### Mission

1. Aim to produce and distribute high quality products in order to achieve highest customer satisfaction
2. Do business by considering social and environmental impact and build good relationship with the community
3. Provide reasonable benefits to shareholders, and treat them fairly and equitable Treatment of Shareholders
4. Maintain Good Corporate Governance practices in the organization for sustainable business growth
5. Encourage and Improve employee's capability to build up their career stability and encourage their involvement in company's development.
6. Adhere to and promote transparent business and Anti-corruption all forms.

#### Value

T	=	Team Work
P	=	Positive Thinking
C	=	Creative
O	=	Organized
R	=	Responsibility
P	=	Professional

### 2. COMPANY HISTORICAL BACKGROUND & DEVELOPMENT

Textile Prestige Public Co., Ltd. was established on July 7<sup>th</sup> 1976, in the name of "Thai Powernet Co., Ltd." initial registered capital one million Baht. Since the manufacturer of raw-material for underwear at that time could not produce the product matching to market demand, compiling with our strong purpose develop underwear raw-material market to be compatible for oversea market, We accordingly established our company in order to serve the niche market at that moment.

At the beginning, the main objective was to manufacture quality raw material to serve Domestic Lingerie market comparable to those that imported. The company started its production with Ground Fabric; the Powernet Fabric, then expanded to Hooks and Eyes, Embroidery, Elastic Tape and Non-Woven Fabric. The company became a manufacturer of variety of product and almost cover all material required to make intimate apparel. With its production capability, the company diversified its customer base to include Sportswear later on.

- 1984 : Changed the name of the company from "Thai Powernet Co., Ltd." to "Textile Prestige Co., Ltd." being the first company in Thailand which manufactures of an encompassing range of ladies underwear raw-material.
- 1987 : Increased registered Capital to 36 million Baht and listed in the Stock Exchange of Thailand.
- 1988 : Increased registered Capital to 72 million Baht.
- 1994 : Transferred its identity to Public Company Limited.
- 1996 : Increased registered Capital to 108 million Baht. To expand capacity and develop of product to meet market need.
- 1997 : Joined the first "Saha Group Export", later changed to "Saha Group Export & Trade Exhibition"  
Introduced the ISO 9002 initiative under the quality assurance firm, "Bureau Veritas Quality International (BVQI).  
Subsequently, it was awarded the ISO 9000 certificates by TUV Rhienland and complete all factories.
- 1999: Received an Environmental - friendly and skin-safety Certificate from Oeko-Tex, Switzerland on June 18, 1999., and continuing to the present.

- 2002: Joined “Interfilere”, the largest lingerie exhibition in Europe, for the first time. TPCORP continues to join international exhibition, such as in Hong Kong and Shanghai to promote her success and products.
- 2003: Reduced company’s Par Value from 10 Baht to 1 Baht, thus increase the shares from 10,800,000 shares to 108,000,000 shares to increase liquidity.
- 2005: Started company’s first “Energy Conservation Together Project” to save operating cost and has continued ever since.
- 2006: Selected by “Material ConneXion Library” to exhibit the company’s Nano Fresh, Jacquard and Spun Silk in 4 Fashion cities; New York, Milan, Cologne and Bangkok.
- 2007: - Prestige Plus Company Limited, a subsidiary specializing in bleaching, received an ISO 14001 from the quality assurance institute, “TUV Rhienland (TUV)”.
- Invited by Wacoal - Japan to exhibit the company’s products in Tokyo.
- 2010: TPCORP and its subsidiaries received ISO 9001:2000 certificate, the present day ISO 9001:2008
- Mr. Suchai Narongkananukul, MD of T.U.C. Elastic Co.,Ltd. received ESCO Project Award 2010 ; which efficiency to reduced its Electricity consumption for 26%. from Dr. Wannarat Channukul, minister of Industry.
- Prestige Plus Co.,Ltd. won the first place in “Lean Production, Best Practice 2010” in Textile Industry Category which organized by Department of Industrial Promotion and Technology Promotion Association (Thailand-Japan)
- 2011: - Received a “Carbon Footprint” certificate from Thailand Greenhouse Gas Management Organization (Public Organization) that carbon dioxide can be produced by natural occurrences. It was a first and big step toward a social responsibility.
- T.U.C. Elastic Co.,Ltd. received its second consecutive year “ESCO Project Award” from its success in Heat Exchange Project from Mr. Pramoul Chanpong Deputy Director General of Department of Alternative Energy Development and Efficiency in “Thailand ESCO Fair 2011” .
- 2013: TPCORP and Dynic Corporation entered into an agreement to carry out the establishment of 2 following Joint Venture companies:
1. TPCNIC Co., Ltd., the office located in Bangkok and Sriracha to perform manufacturer and distributor of Cabin Filter and
  2. PT. DYNIC TEXTILE PRESTIGE, the office located in Indonesia to perform production and distribution of Non-woven fabrics supplied to Automotive Industry. This is one of important steps to AEC proactive strategies and readiness to approaching other ASEAN countries.
- 2014: The company announced its intention to participate in The Private Sector Collective Action Coalition against Corruption (CAC) and has been studying to improve on all related processes and aim to be certified on time.
- 2015: On October 12, 2015, the Shareholders passed a special resolution to transfer the underwear-related business of Textile Prestige PLC., and entire business transfer of 3 subsidiaries (T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd., Prestige Embroidery Co., Ltd.) and 1 affiliate (Value Added Textile Co., Ltd.) to A Tech Textile Co., Ltd. On closing date 1 February 2016.
- 2016: The company sold and transferred its business only that related to the production of the underwear business and entirely sold the business of its 3 subsidiaries (T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd., and Prestige Embroidery Co., Ltd.) and an affiliate (Value Added Textile Co., Ltd.) since February 1, 2016. The Subsidiaries and the Affiliate were registered to dissolve the company on 25 February 2016 and now under liquidation and the company has disclosed such information to the public via SET’s web site.



On October 14, 2016, the company was certified and accepted as a member of The Private Sector Collective Action Coalition Against Corruption (CAC)



2017: The company has opened another non-woven fabric factory in Saha Group Industrial Park –Sriracha. The factory of manufacturing raw materials for industrial and hygiene and household Product. This is an extension of Non Woven Fabric products to related industries by modern machinery and high technology .

The company specializes in the manufacture and distribution of raw materials in the market, which can extend to the Textile industry. TPCORP a variety of products from well-known both at home and abroad. It also shows the potential to produce new innovations to the market regularly. To meet the needs of even more customers. The company continues to strive to develop products and brands. And satisfaction to our customers with quality products. To strengthen and stabilize the organization. This will lead to a sustainable competitive advantage.

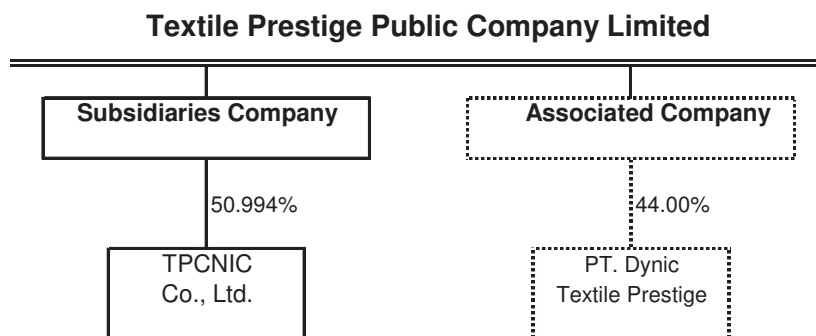
### 3. The shareholding structure of the company group

#### Business allotment policy for the company group

#### The company

The company Produces and distribution of non-woven fabric products. The procurement of raw materials, information technology, accounting & finance, personnel management, The company has supported marketing and distribution of its subsidiaries company.

The shareholding structure of the company, subsidiaries and associated companies as follows:



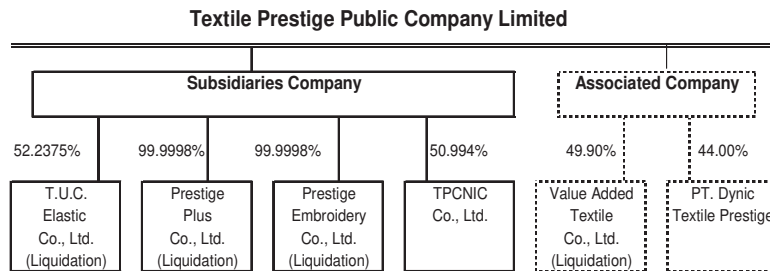
#### **TPCNIC CO., LTD.**

- Operating the business of manufacturer and distributor of Cabin Filter, Stationary.
  - With its factory located in the Industrial Park, Amphoe Sri Racha, Chonburi Province
- With Textile Prestige Public Company Limited as distributor.

#### **PT. DYNIC TEXTILE PRESTIGE**

- Operating the business of Non-woven fabrics for industrial factories and general customers.
- With its factory located in Indonesia.

The shareholding structure of the company before transfer (specific transaction involving the production of underwear) as follow;



### Cross-shareholding

While the company allows the structure for cross-shareholding, nevertheless, such cross-shareholding is not of the nature conflicting with nor contradicting to the announcement by The Capital Market Supervisory Board no. Thor Chor 28/2008 regarding “the permission request and the permission to offer newly-issued shares” no. 14

Name of Company	Proportion of Shareholding (%)	
	Company's Shareholding in Other company	Other company's Shareholding in the company
<b>1. Shareholdings exceeding 50 %</b>		
(a) Other company holding more than 50% of the company's shares; the company must not have cross-shareholding in the other company	-	-
(b) the company holding more than 50% of shares in other companies; the Other company must not have cross-shareholding in the company	-	-
(c) The company holding more than 50% of shares in 2 or more other companies; such other companies must not have cross-shareholding amongst themselves		
1. Prestige Embroidery Co., Ltd.*	99.9998%	-
2. Prestige Plus Co., Ltd.*	99.9998%	-
3. T.U.C Elastic Co., Ltd.*	52.2375%	-
4. TPCNIC Co., Ltd.	50.994%	-
All 4 Companies are subsidiary companies which do not have cross-shareholding amongst themselves.		
<b>2. Shareholding exceeding 25 % but not exceeding 50 %</b>		
(a) Other company holding more than 25% but not more than 50% of the company's share; the company's cross-shareholding in the other company must not exceed 10%	-	-
(b) The company holding more than 25% but not more than 50% of the company's share; the Other company cross-shareholding in the company must not have exceed 10%		
1. Value Added Textile Co., Ltd.*	49.90%	-
2. PT. Dynic Textile Prestige	44.00%	-
Both of the Companies are as the associated company which do not have cross-shareholding amongst themselves.		
<b>3. Shareholding not exceeding 25 % **</b>		
(a) Other company holding not more than 25% of the company's share; the company's cross-shareholding in the other company must not exceed 25%	-	-
(b) The company holding not more than 25% of other company's shares; the other company's cross-shareholding in the company must not exceed 25%		
1. Saha Pathana Inter-Holding PLC.	0.09%	12.03%
2. I.C.C. International PLC.	0.46%	10.43%
3. Sahapat Properties Co., Ltd.	2.50%	0.00046%

Note \* The Subsidiaries and the Affiliate's to transfer and Dissolution of the company on February 25, 2016 and Liquidation.

\*\* Data only shown for companies with cross-shareholding



## Nature of Business

The Company and its subsidiaries have revenue from production and distribution of the following products.

### Revenue Structure of company and its subsidiary company

(Unit : Million Baht)

Products	2017	%	2016	%	2015	%
1. Products for Automobile	690.95	73.29	792.55	66.33	749.52	41.11
2. Products for Industrial factory	205.35	21.78	341.14	28.55	1,030.78	56.54
3. Products for Hygiene and household	46.42	4.93	61.13	5.12	42.91	2.35
<b>Total</b>	<b>942.72</b>	<b>100.00</b>	<b>1,194.82</b>	<b>100.00</b>	<b>1,823.21</b>	<b>100.00</b>

### Geographical areas at the end of 31 December

(Unit : Million Baht)

Consolidated financial statements	2017	%	2016	%	2015	%
Domestic sales	649.58	68.96	787.66	66.03	1,382.64	76.57
Export sales	292.34	31.04	405.25	33.97	423.22	23.43
<b>Total</b>	<b>941.92</b>	<b>100.00</b>	<b>1,192.91</b>	<b>100.00</b>	<b>1,805.86</b>	<b>100.00</b>

### Change From The Previous Year

The company has opened another factory in Saha Group Industrial Park – Sriracha. The factory of manufacturing raw materials for industrial and hygiene and household product line. This is an extension of Non Woven Fabric products to related industries by modern machinery and high technology for development of the unique products only at TPCORP (Advanced Non-woven Technology by TPCORP)

### Market Situation

The company's market and competitiveness, currently, are stable since its major products are made from Non Woven Fabric. The lack of new comers and specific type of the market itself have support the market stability and do not impact the company's market share.

### Competition Strategy

After the business transfer early this year, the company has been able to concentrate in businesses that relates to Non Woven Fabric. Most of the finished goods are sold to the automobile related companies. The long and good relationships with the customers and product development are the keys to maintain the company's sustainable growth, furthermore, the company will continue to explore new business opportunities as it has always been doing.

### Target customers

The company has the target customers in the automotive industry both of domestic and international. There were constantly co-developing products with customers. there are increase of sales and expansion in the new product every year. The hygienic product is a new group that is expanding its product range to meet disposable products in hospitals. This will be a high potential for growth in the future.

## **Risk Management Policy**

Textile Prestige Public Company Limited (“the company”) realizes the importance of managing risks that may affect corporate objectives, thereby implementing enterprise risk management system to reduce possible loss and increase management potentiality by establishing risk management process which covers all aspects and is aligned with good corporate governance and anti-corruption policy. The company sets the risk management policy as follows:

- Setting up a risk management committee which includes representatives from all sections with Authority of include gather risks, assessment and support the risk management framework in order to report to the Executive Board and Corporate Governance and Risk Management Committee (CG&RC).
- Developing an enterprise risk management system and process by setting up enterprise risk management manual which includes process, guidelines and risk management methods and shall be implemented to become culture and normal operations of the organization.
- All executives and staff must be a part of the risk management process and must promoting the recognition and risk prevention throughout the organization so that the risk shall be mitigated into the acceptable risk level.
- Monitoring and evaluating the risk management policy by continued reviewing and developing the process to align with internal and external changing environments.

The Board of Directors, the management and the employees shall strictly affirm to promote effective risk management processes with continued operations.

The Corporate Governance and Risk Management Committee shall constantly verify and review appropriateness of corporate risk management policy at least once a year to ensure that contents in such policy conform to the objective and strategy of the Company’s risk management.

This risk management policy has been reviewed by the Meeting of the Board of Directors No. 6/2017 held on December 26, 2017 and it became effective since December 27, 2017.

.....*Mr. Manu Leelanuwatana*.....

(Mr. Manu Leelanuwatana)

Chairman

## **Risk Factors**

Textile Prestige Public Co., Ltd. realized the importance of risk management for it is regarded as an important tool for business management which can support the organization to achieve business targets effectively and efficiently as well as enhance competitiveness of the organization.

### **Strategy for Risk Management**

The Company has concordantly integrated corporate risk management system with good governance principles where roles, interests and expectation of each stakeholder group have been taken into account. Preliminary, Management Hierarchy of Risks has been classified into 3 levels as follows:

1) Risk Management at Corporate Strategy Level: This level places importance on review of the organization's directions of business operations and long term risk management in order to build up business sustainability. The Company has appointed the Corporate Strategy Working Group to oversee and ensure that risk management at this level can be supervised effectively. In addition, communication and operation channels have been established so that the Board of Directors, the Managing Director and the top management can take part for such management.

2) Risk Management at Supply Chain Process or Business Process Level: This level is about managing of risk in supply chain which is the process to create and deliver value to the customers of the organization and it also relates to important business processes which support such value creation and delivery. The channel to perform risk management at supply chain process or business process is via the organizational annual risk management where the management guidelines will be jointly considered and specified by the Board of Directors, top management and middle management.

3) Risk Management at Functional Process Level: This is the fundamental risk management of the organization that all functional units of the organization have to be responsible in order to support the operational excellence of the organization. The main drivers for risk management at this level are management of the functional units while the top management of the organization will supervise and control during the organizational annual risk management.

The abovementioned Management Hierarchy of Risks can make the Company be able to effectively consider potential risks and cover important dimensions of risk management, for instance risks which are required to have participation and decision from the top management, risk issues that the middle management or functional unit management can make decision, and issues on short-term and long-term risks which reflect importance and urgency for management, and etc. Those issues are crucial for decision-making mechanism, internal organization communication as well as development on risk management guidelines.

### **Important risks for the Company's business operations in 2017**

Important risks for the Company's business operations in 2017 can be divided into 2 sub-sections as follows:

#### **1. General Business Operations Risks**

##### **1. Risks from fluctuation of domestic economic conditions**

Source for this risk primarily came from the volatility of domestic economic conditions which have not yet fully recovered so it may impact to the Company's order volume of products. The Company managed this risk by development of foreign markets and expansion of sales proportion in foreign countries. In addition, the Company also develops varieties of products to make them cover basic needs that the customers' usage will be at high frequency and continuity.

## **2. Risks from fluctuation of exchange rate**

During the sluggish recovery of economic condition, it is very important that there must be the appropriated cost control for business operations in place. However, as nature of the Company's business operations is required to purchase raw materials or manufacturing machines from foreign countries, therefore, the Company cannot avoid risks from fluctuation of foreign exchange rate which might impact to efficiency on its cost control operations. Hence, the Company mitigated such risk by allocating some income in foreign currency to pay for raw materials and machinery / equipment without converting into other currency and also entered into the forward contracts. Such operations can make the Company be able to control fluctuation of exchange rate and limit the scope of impact which might occur in some certain extent.

## **3. Risks from natural disaster, severe accidents and political circumstances**

Even though the occurrence of force majeure events, such as severe natural disaster (i.e. the great flood), severe accident (i.e. fire) and political unrest, is not much but if it does occur to the Company, particularly at the manufacturing plant, it may delay business operations of the Company that it may lead to business opportunity loss and loss of customers. Guidelines for management of risk which has high impact like this are to prepare readiness within the organization, for instance, preparation of Disaster Recovery (DR) Site and development of personnel and system to handle fire incident. Other guidelines are to transfer risks to others to mitigate the impact, for instance to purchase the insurance policy or request for cooperation with business partners with regards to production assistance during the time the Company encounters emergency situation.

## **2. Corporate Specific Risk**

### **Risks from competitive condition within automotive industry**

This risk derives from highly competitive condition in automotive industry which is the main source of income of the Company. Therefore the Company puts high emphasis for this risk management, both at corporate strategy level and business strategy level, for example, not reliance on income from only one type of products or any one market in automotive industry, maintaining long-term business relationship with the customers in automotive industry, joint development of technical textile for automobile that are interested by the customers including development of new core business in other industries to make them become the Company's other main source of income.



## **General Information and Other Important Information**

### **1. General Information**

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED** or securities of symbol “TPCORP”

**Issued and paid-up share capital** 108,000,000 ordinary shares of par value Baht 1 each

#### **Head Office Address**

704/1-9 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

Tel. (66 2) 294-0071 Fax. (66 2) 294-0150, 294-2386, 294-3050

#### **Type of Business**

Manufacturing and distribution of non-woven fabric, products made of non-woven fabric such as Automotive Parts; car roof, carpet, air filter, face mask and raw materials of Industrial Textile and the outsourcing.

**Company Registration** 0107537001447 (BOR.MOR.JOR. 391)

**Website** : <http://www.tpcorp.co.th> **E-mail** : [tpc@tpcorp.co.th](mailto:tpc@tpcorp.co.th)

**Investor Relations/ Corporate Secretary Contact** : [investor@tpcorp.co.th](mailto:investor@tpcorp.co.th)

#### **Complaint Channel :**

1. Complaint or report of a Corruption, Fraud, Bribery either directly or indirectly to e-mail: [cac@tpcorp.co.th](mailto:cac@tpcorp.co.th)
2. Complaint or report of illegal act in Corporate Governance, Business Ethics, Code of Conduct to e-mail: [cg@tpcorp.co.th](mailto:cg@tpcorp.co.th)

#### **Share Registrar**

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building, Ratchadaphisek Road, Din Daeng, Bangkok, 10400, Thailand

Tel. (66 2) 009-9000

SET Contact Center: (66 2) 009-9999

**Website**: <http://www.set.or.th/tsd/th/tsd.html>

**E-mail**: [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)

#### **Certified – Public Auditor (CPA)**

Ms. Kwunjai Kiatgungwalgri C.P.A. no. 5875, and/or

Mr. Anusorn Kiatgungwalgri C.P.A. no. 2109,

ASV & ASSOCIATES LIMITED

Locate at 47 Soi 53, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120

Tel. (66 2) 294-8504, (66 2) 294-8587 Fax. (66 2) 294-2345

#### **Legal Advisor**

The Dharmniti Law Office Company Limited

2/4 4<sup>th</sup> floor, Nailert Tower, Wireless road, Lumpinee, Bangkok 10330

Tel. (66 2) 252-1260, (66 2) 655-0711 Fax. (66 2) 252-1104, 252-1108

Legal Entities with over 10% Shareholding by the company.

<b>Company Name/ Head Office Address</b>	<b>Type of Business</b>	<b>Issued Shares</b>	<b>Amount of Shares</b>	<b>% of Holding</b>	<b>Type of Shares</b>
1. TPCNIC Co., Ltd. 704/1-5 Rama 3 Rd., Bangpongpan, Yannawa Bangkok. Tel. 0-2294-0071 Fax. 0-2294-0150	Manufacturer and distributor of Cabin Filter	500,000	254,970	50.994	Common
2. PT. DYNIC TEXTILE PRESTIGE Kawasan Greenland International Industrial Center (GIIC), Blok CD No.01, Kota Deltamas, Desa Pasir Ranji, Cikarang Pusat, Bekasi, Jawa Barat, Indonesia.	Manufacturer and distributor of Non Woven	50,000	22,000	44.00	Common
3. T.U.C. Elastic Co., Ltd.* 704/1-5 Rama 3 Rd., Bangpongpan, Yannawa Bangkok. Tel. 0-2294-0071 Fax. 0-2294-0150	Elastic Tape	1,600,000	835,800	52.2375	Common
4. Prestige Plus Co., Ltd.* 704/1-5 Rama 3 Rd., Bangpongpan, Yannawa Bangkok. Tel. 0-2294-0071 Fax. 0-2294-0150	Dyeing and Finishing Fabric	1,000,000	999,998	99.998	Common
5. Prestige Embroidery Co., Ltd.* 704/1-5 Rama 3 Rd., Bangpongpan, Yannawa Bangkok. Tel. 0-2294-0071 Fax. 0-2294-0150	Embroidery Lace	1,000,000	999,998	99.998	Common
6. Value Added Textile Co., Ltd.* 600/3 Moo11 Sukhapiban 8 Rd., Nongkham, Sriracha, Chonburi. Tel. 0-2294-0071 Fax. 0-2294-0150	Multihead Embroidery & Special Piece, Printing	165,000	82,335	49.90	Common
7. Thai Staflex Co., Ltd. 12/1 soi 16 yak 2 Thungwatdon, Sathorn, Bangkok. Tel. 0-2285-6493 Fax. 0-2285-6501-2	Fuse	600,000	84,000	14.00	Common

Note: \* The company transferred its entire business and take its dissolution on February 25, 2016.

## Shareholders

### 1. Number of registered capital and paid-up capital

The company, TEXTILE PRESTIGE PLC., or securities of symbol “TPCORP”, has registered capital of 108 million Baht and paid-up 108,000,000 Baht, divided into Common Shares: 108,000,000 shares at Par Value of 1 Baht. A shareholder has one share and equal to one vote.

### 2. Shareholders List of shareholders at the closing date of share register book on March 6, 2017.

#### Distribution of shareholding by nationality and type

Type	Amount of Shareholder	Amount of Share	%
Juristic Persons			
Thai Nationality	35	65,856,390	60.98
Foreign Nationality	1	400	0.00
Total Juristic Persons	36	65,856,790	60.98
Natural Persons			
Thai Nationality	1,123	42,055,370	38.94
Foreign Nationality	5	87,840	0.08
Total Natural Persons	1,128	42,143,210	39.02
Total	1,164	108,000,000	100.00

#### Distribution of shareholding by proportion held

	Amount of Shareholder	Amount of Share	%
Shareholders holding more than 0.5% (540,001 shares onwards)	24	90,268,408	83.58
Shareholders holding not more than 0.5% but not less than one trading unit. (100 shares to 540,000 shares).	982	17,727,808	16.42
Shareholders holding less than one trading unit. (1 share to 99 shares).	158	3,784	0.00
Total	1,164	108,000,000	100.00

#### Top ten major shareholders of the company

Name	Amount of Share	%
1. Thai Wacoal Public Company Limited	19,598,850	18.15
2. Saha Pathana Inter-Holding Public Company Limited	12,993,750	12.03
3. I.C.C. International Public Company Limited	11,261,720	10.43
4. Saha Pathanapibul Public Company Limited	9,390,370	8.69
5. Mr. Boonsithi Chokwatana	8,949,430	8.29
6. Mr. Samrerng Manoonpol	8,196,400	7.59
7. I.D.F. Company Limited	5,922,960	5.48
8. Universe Beauty Company Limited	1,391,000	1.29
9. Thai NVDR Company Limited	1,055,500	0.98
10. Thanulux Public Company Limited	1,034,920	0.96

Note : Prior to the General Shareholder’s Meeting. Investors may visit the company website at [www.tpcorp.co.th](http://www.tpcorp.co.th) to view the list of the top ten major shareholders of the company.

### 3. The issuance of other securities. The company has only ordinary shares. None of the other Securities.

## Dividend Policy

### The company

The company has a policy to pay dividends regularly to shareholders at the rate of 0.25 Baht per share (equivalent to 25% of Par). However, this rate principally depends on economic conditions and business performance of the company as well as the resolution of the shareholders' meeting. Dividend payment will comply with clause 55-57 of the Articles of Association of the company. The stated clauses have an essential stipulation that dividends must be paid on the basis of profit only but not from other incomes. In case the company remains in accumulated loss status, it is prohibited to pay dividend. Dividend will be calculated on the amount of shares basis. Each share has an equal dividend. The dividends must be paid within one month after the date of the Shareholders' or Board of Directors' meeting has a resolution.

The board may pay interim dividends to Shareholders if the board regards that the company has a sufficient profit to do so and report to shareholders in the next meeting.

The company paid dividends continuously and paid dividends more than the dividend policy.

The dividend payout ratio during the past five years is as follows:

Separate financial statements	2017	2016	2015	2014	2013
Earnings per share attributable to owners of the parent company (Baht)	1.19	2.71	1.11	0.99	0.93
Rate of Dividend per share (Baht)	**0.70	1.70	0.60	0.55	0.50
Dividend Payout Ratio. (%)	58.97	62.68	54.21	55.59	53.96

Note \*\*The company will be paid out of the dividend of 0.70 Baht per share, total 75.60 million Baht, which will be proposed to Shareholders at the 43<sup>rd</sup> AGM on April 24, 2018.

### Subsidiary Companies

The company has a policy for all subsidiaries to pay dividends according to business performance of each subsidiary.

## Management Structure

### 1 The Board of Directors

In 2017, there are 9 members of the Board of Directors who named in the certificate letter of Ministry of commerce, as follow :-

Name	Present Position	Date of Appointed
1. Mr. Manu Leelanuwatana	Chairman	July 7, 1976
2. Mr. Suchai Narongkananukul	Managing Director	August 10, 1977
3. Mr. Arnut Rattanapathimakorn	Deputy Managing Director	April 26, 1991
4. Mr. Wachara Poomarintr	Director	April 26, 1999
5. Miss Sirikul Dhanasarnsilp	Director	July 7, 1976
6. Mr. Chanin Ratanavijai	Director	May 11, 2016
7. Mr. Padoong Techasarintr	Independent Director	April 26, 1999
8. Mr. Thanavat Pugavanaja	Independent Director	April 27, 2009
9. Mr. Krisada Visavateeranon	Independent Director	April 27, 2009

Whereas Mr. Chanin Ratanavijai acted as Corporate Secretary since May 8, 2008.

The company's independent directors at least one third of all directors and at least three persons.

### Summary of Number of Meeting of Directors, Sub-Committee and Executives during 2017.

Details as follow; Each Director's attendance ratio of at least 75 percent.

List	Attendance						
	The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Corporate Governance and Risk Management Committee	The Executive Board	The Shareholders' Meeting
1. Mr.Boonsithi Chokwatana	-	-	1/1	-	-	-	-**
2. Mr. Manu Leelanuwatana	6/6	-	1/1	-	-	-	1/1
3. Mr. Suchai Narongkananukul	6/6	-	1/1	2/2	2/2	14/14	1/1
4. Mr. Arnut Rattanapathimakorn	6/6	-	-	-	2/2	14/14	1/1
5. Mr. Wachara Poomarintr	5/6**	-	-	-	-	13/14**	1/1
6. Miss Sirikul Dhanasarnsilp	6/6	-	-	2/2	-	-	1/1
7. Mr. Chanin Ratanavijai	6/6	-	-	-	-	14/14	1/1
8. Mr. Padoong * Techasarintr	6/6	13/13	-	-	2/2	-	1/1
9. Mr. Thanavat * Pugavanaja	6/6	13/13	-	2/2	2/2	-	1/1
10. Mr. Krisada * Visavateeranon	6/6	13/13	-	-	2/2	-	1/1
11. Miss Rachanee Luevipasakul	-	-	-	-	-	14/14	1/1
12. Mr. Somnuek Thungpukdee	-	-	-	-	-	13/14**	1/1
13. Miss Darunee Supo	-	-	-	-	-	14/14	1/1

Notes \* Independent Director and Audit Committee member, the qualifications required by the relevant regulations.

\*\* On leave

### Directors with authority to sign on behalf of the company

Any two out of the six following directors can sign and seal on behalf of the company.

- |                                 |                               |
|---------------------------------|-------------------------------|
| 1. Mr. Manu Leelanuwatana       | 2. Mr. Suchai Narongkananukul |
| 3. Mr. Arnut Rattanapathimakorn | 4. Mr. Wachara Poomarintr     |
| 5. Miss Sirikul Dhanasarnsilp   | 6. Mr. Chanin Ratanavijai     |

**Report on the company in shareholding of the Directors and Executives as of 31<sup>st</sup> December**

	Name	Position	Number of shares 2016	Number of shares 2017	Number of Shares of changes Increase / (Decrease) at 2017	Share-holding in the company (%)
1	Mr. Manu Leelanuwatana Spouses and minor children.	Chairman	- -	- -	- -	- -
2	Mr. Suchai Narongkananukul Spouse and minor children.	Managing Director	106,260 1,900	106,260 1,900	- -	0.10 0.002
3	Mr. Arnut Rattanapathimakorn Spouse and minor children.	Deputy Managing - Director	322,140 24,170	322,140 24,170	- -	0.30 0.02
4	Mr. Wachara Poomarintr Spouse and minor children.	Director	232,860 21,630	232,860 21,630	- -	0.22 0.02
5	Miss Sirikul Dhanasarnsilp Spouse and minor children.	Director	498,120 -	498,120 -	- -	0.46 -
6	Mr. Chanin Ratanavijai Spouse and minor children.	Director	- -	- -	- -	- -
7	Mr. Padoong Techasarintr Spouse and minor children.	Independent Director	- -	- -	- -	- -
8	Mr. Thanavat Pugavanaja Spouse and minor children.	Independent Director	250,340 -	250,340 -	- -	0.23 -
9	Mr. Krisada Visavateeranon Spouse and minor children.	Independent Director	19,500 -	19,500 -	- -	0.02 -
10	Miss Rachanee Luevipasakul Spouse and minor children.	Executive Director	70,930 -	70,930 -	- -	0.07 -
11	Mr. Somnuek Thungpukdee Spouse and minor children.	Executive Director	150 -	150 -	- -	0.0001 -
12	Miss Darunee Supo Spouse and minor children.	Executive Director	- 3,970	- 3,970	- -	- 0.004
13	Mr. Supachai Taechalapanarusmie Spouse and minor children.	Internal Audit - Manager	161,510	161,510 -	- -	0.15 -
14	Mrs. Sukjai Rachadej Spouse and minor children.	Factory Manager	900 -	900 -	- -	0.001 -
15	Mrs. Suwannee Naipongprasit Spouse and minor children.	Factory Manager	- -	- -	- -	- -
Total			1,714,380	1,714,380	-	1.59

The Board of Directors, Executives together hold does not exceed 25% of the total issued and paid up

## Information on the Board of Directors, Executives and Corporate Secretary

Name / Position Date of appointment	Ages	Educational Qualifications	Share* Holding percentage (%)	Relationship	Working Experience as of 31 December 2017		
					Period	Position	Company
1. Mr. Manu Leelanuwatana o Chairman o The Nominating Committee Member o Director with authority to sign on behalf of the company  Date of appointment 7 <sup>th</sup> July 1976	72	- Bachelor Degree in Mechanical Engineering, Chiba University, Japan - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 Thai Institute of Directors Association (IOD)	none	none	Other Listed Company		4 companies
					1990-Present 1987-Present 2004-Present 2007-Present	Chairman Director Director Director	Thai Wacoal Plc. O.C.C. Plc. I.C.C. International Plc. Saha Paththana Interholding Plc.
					Other Non-Listed Company		20 Companies
					1999-Present 2012-Present	Chairman Chairman & Managing Director	Thai Staflex Co., Ltd. Bangkok Tokyo Socks Co., Ltd.
					2017-Present	Chairman	Waseda Education (Thailand) Co.,Ltd.
					<u>Positions in the other company or any organization in the past year which significantly affected Director's dedication</u> - None		
2. Mr. Suchai Narongkananukul o Managing Director o Chairman of the Executive Board o The Nominating Committee Member o The Remuneration Committee Member o The CG-RM Committee Member o Director with authority to sign on behalf of the company  Date of appointment 10 <sup>th</sup> August 1977	71	- Bachelor Degree in Architecture, Tokyo Kogyo University, Japan - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 Thai Institute of Directors Association (IOD)	0.10	none	Other Listed Company		none
					Other Non-Listed Company		6 Companies
					2013-Present 1988-Present 1994-Present 2002-Present 2003-Present 2014- Present	Chairman Director Director Director Director Director	TPCNIC Co., Ltd. Thai Staflex Co., Ltd. Saha Seiren Co., Ltd. Thai Sakae Lace Co., Ltd. Thai Asahi Kasei Spandex Co., Ltd. PT.Dynic Textile Prestige
					<u>Positions in the other company or any organization in the past year which significantly affected Director's dedication</u> - None		



Name / Position Date of appointment	Ages	Educational Qualifications	Share* Holding percentage (%)	Relationship	Working Experience as of 31 December 2017		
					Period	Position	Company
3. Mr. Arnut Rattanapathimakorn o Deputy of Managing Director o Executive Board Member o The CG-RM Committee Member o Executive Director Production o Director with authority to sign on behalf of the company  Date of appointment 26 <sup>th</sup> April 1991	61	Bachelor Degree in Chemical and Textile Engineering,Rajamangala Institute of Technology Director Accreditation Program (DAP) 3/2003 Thai Institute of Directors Association (IOD)	0.32	none	Other Listed Company		none
					Other Non-Listed Company		1 company
					2014-Present	Commissioner	PT.Dynic Textile Prestige
<b><u>Positions in the other company or any organization in the past year which significantly affected Director’s dedication</u></b> - None							
4. Mr. Wachara Poomarintr o Director o Executive Board Member o Executive Director Business and Marketing o Director with authority to sign on behalf of the company  Date of appointment 26 <sup>th</sup> April 1999	61	Bachelor Degree in Business Information Technology, Sukhothai Thammathirat University Director Accreditation Program (DAP) 3/2003 Finance for Non-Finance Director (FND) 23/2003 Thai Institute of Directors Association (IOD)	0.24	none	Other Listed Company		none
					Other Non-Listed Company		1 company
					2017-Present	Vice Chairman	PT.Dynic Textile Prestige
					2014-2017	Director	PT.Dynic Textile Prestige
<b><u>Positions in the other company or any organization in the past year which significantly affected Director’s dedication</u></b> - None							

[illegible]







Name / Position Date of appointment	Ages	Educational Qualifications	Share* Holding percentage (%)	Relationship	Working Experience as of 31 December 2017		
					Period	Position	Company
15. Mrs. Suwannee Naipongprasit o Factory Manager <sup>1</sup>  Date of appointment <sup>1</sup> 21 <sup>st</sup> April 2017	49	- Bachelor Degree in Education Science - Chemistry Srinakharinwirot University	none	none	Other Listed Company	none	
					Other Non-Listed Company	none	
<u>Positions in the other company or any organization in the past year which significantly affected Director’s dedication</u> - None							

Note :

\* Including shareholding by spouse and underage children

<sup>1</sup> means the date appointed to be an "Executive" as defined by the Notification of the Capital Market Supervisory Board No. TorChor. 23/2551

### Directors of Subsidiary Company and Associated Company

Name of Director	Subsidiary Company	Associated Company
	TPCNIC Co., Ltd.	PT. DYNIC TEXTILE PRESTIGE
Mr. Suchai Narongkananukul	X	/
Mr. Arnut Rattanapathimakorn		&
Mr. Wachara Poomarintr		\$
Mr. Chanin Ratanavijai		/
Mr. Somnuek Thungpukdee	@	
Mrs. Sukjai Rachadej	/	
Mr. Yoshio Oishi	\$	/
Mr. Kokubo Satoshi		X
Mr. Kurita Toshihisa		/
Mr. Hiroshi Endo	/	
Mr. Kazuhito Yokoyama	//	

Note X = Chairman

\$ = Vice Chairman

// = Managing Director

@ = Deputy of Managing Director

/ = Director

& = Commissioner

### Legal offence record

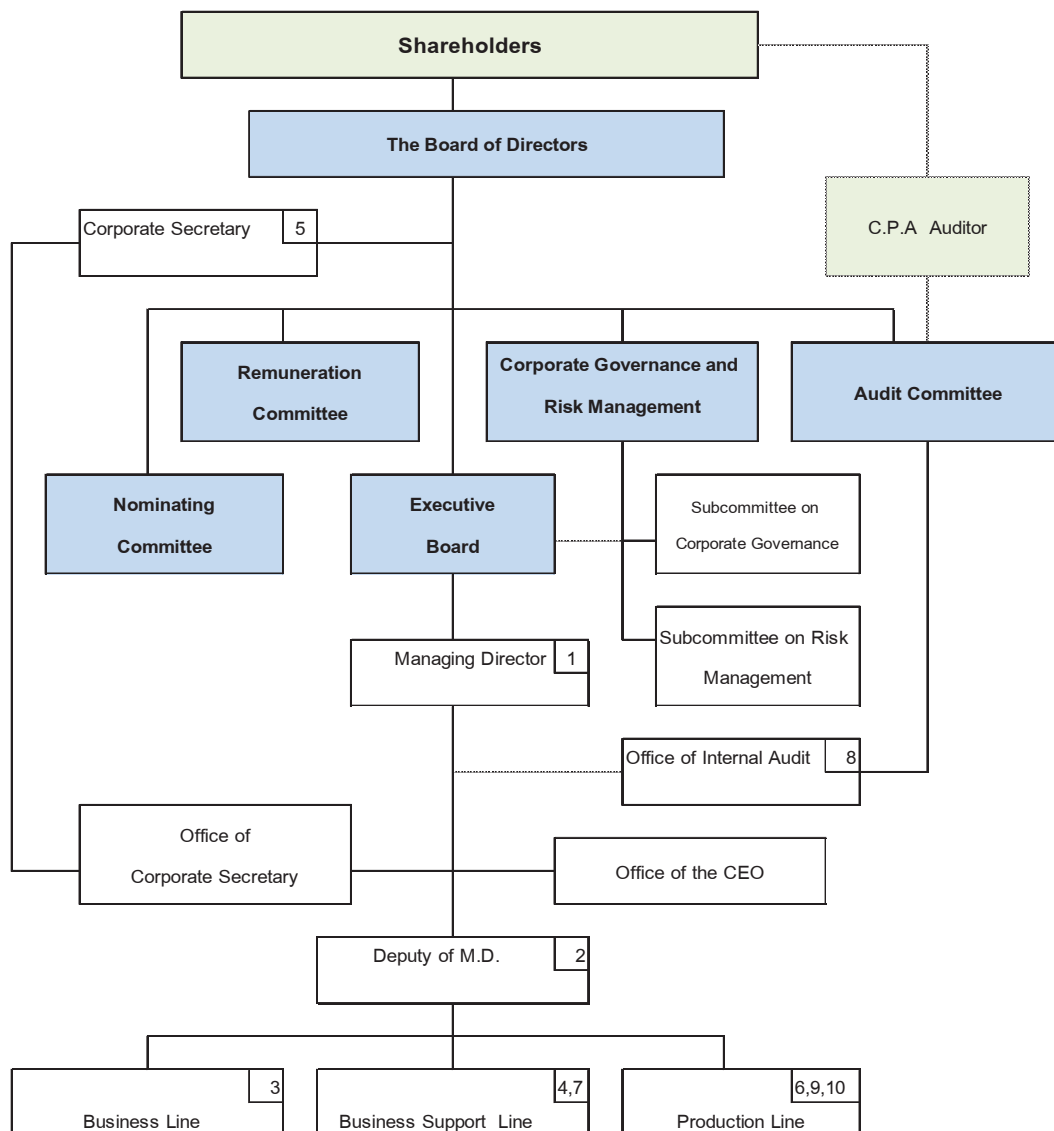
The company hereby warrants that none of its present executives has ever had any legal offence records.

## 2. The Executive

As of December 31, 2017 as the executive as defined by the Securities and Exchange Commission, consists of 10 members as follow;

Name			Position
1.	Mr. Suchai	Narongkananukul	Managing Director and Chief Executive Officer
2.	Mr. Arnut	Rattanapathimakorn	Deputy of Managing Director and Director of Production
3.	Mr. Wachara	Poomarintr	Executive Director and Director of Sales & Marketing
4.	Miss Rachanee	Luevipasakul	Executive Director and Human Resources and Administration Manager
5.	Mr. Chanin	Ratanavijai	Executive Director and Senior Manager-office of the CEO and Corporate Secretary
6.	Mr. Somnuek	Thungpukdee	Executive Director and Factory Manager
7.	Miss Darunee	Supo	Executive Director and Accounting and Finance Manager (CFO)
8.	Mr. Supachai	Taechalapanarusmie	Internal Audit Manager
9.	Mrs. Sukjai	Rachadej	Factory Manager
10.	Mrs. Suwannee	Naipongprasit	Factory Manager

Management Structure of company as of December 31, 2017





### 3. The Corporate Secretary

The Board of Directors resolved to appoint Mr. Chanin Ratanavijai, Executive Director, who is qualified, with sound knowledge and experiences since May 8, 2008. He attended a “Corporate Secretary Development Program” from Thai Listed Companies Association.

Corporate Secretary’s Authority of must comply with section 89/15 and section 89/16 of the Securities and Exchange Act (no. 4) B.E.2551 to perform with full responsibility, care, and loyalty to gather with, company’s objectives, Articles of Association and resolutions of the Board of Directors’ meeting & the shareholders' meeting.

The company Secretary is responsibilities as regulated are as follows;

1. To prepare and maintain the following documents:
  - Directors’ register
  - Invitation letters to of The Board of Directors’ meeting and minutes of The Board of Directors’ meetings and Annual reports (Form 56-2)
  - Notice of the shareholders’ meeting and minutes of shareholders’ meeting.
2. To maintain report of interest reports filed by directors or executives and send copy to the chairman of company and the chairman of Audit Committee for their acknowledgement within 7 working days after receiving such report as stated by section.89/14
3. To carry out other proceedings as prescribed by The Capital Market Supervisory Board.

Together with other Authority of assigned by The Board of Directors, as follows;

- Set up the Board of Directors, Executive Board and the shareholders’ meeting.
- To ensure that the company and board members complies with relevant legislation and regulation, Board’s/Shareholders’ resolutions and the company’s good corporate governance policy.
- To monitor and report substantial changes of rules and regulations to the directors/ executives
- To organize the Board of Directors’ Self-Assessment

### 4. Remuneration for the Directors and Executives In 2017

#### Remuneration criteria for the Directors and Executives

The Board of Directors earlier appointed The Remuneration Committee to set the budget and allocation criteria for the directors, based on the comparison with other companies within the same business category, business expansion, the company’s growth rate and its performance results, the authority, duty, responsibility scope, and performances by the directors, in term of meeting allowance and yearly remuneration. Such proposal shall be proposed to The Board of Directors’ meeting for consideration prior to submitting to the shareholders’ meeting for final approval of said remuneration budget.

#### Performance of Directorial Authority of

- Meeting allowance paid to attending directors;
  - Chairman of the Board of Directors at Baht 12,000.- per meeting.
  - Director at Baht 10,000.- per meeting.
- Annual Remuneration (Gratuity) paid to every director by the Remuneration Committee to consider allocation.

#### Performance of Audit Committee Authority of

- Monthly meeting allowance paid to attending directors;
  - Chairman of the Audit Committee at Baht 10,000.- per meeting.
  - Director at Baht 8,000.- per meeting.
- Quarterly meeting allowance paid to attending directors;
  - Chairman of the Audit Committee at Baht 60,000.- per meeting.
  - Director at Baht 30,000.- per meeting.

#### Performance of the Nominating Committee

- Meeting allowance shall be paid to attending directors;
- Chairman of the Nominating Committee at Baht 10,000.- per meeting.
- Director at Baht 8,000.- per meeting.

#### Performance of the Remuneration Committee

- Meeting allowance shall be paid to attending directors;
- Chairman of the Remuneration Committee at Baht 10,000.- per meeting.
- Director at Baht 8,000.- per meeting.

#### Performance of the Corporate Governance and Risk Management Committee

- Meeting allowance shall be paid to attending directors;
- Chairman of the Corporate Governance and Risk Management at Baht 10,000.- per meeting.
- Director at Baht 8,000.- per meeting.

### **4.1 Monetary remuneration**

#### Remuneration of the Board of Director

In 2017 the company paid remuneration to the Board of Directors 9 persons consist of

1. Meeting allowance 6 meetings Total Baht 542,000.-
2. Annual Remuneration Total Baht 6,290,000.-

#### Remuneration of Sub-Committee

In 2017 the company paid remuneration to Sub-Committee consist of

1. Meeting allowance

	Number of persons	Number of times	Amount (Baht)
The Audit Committee	3 persons	13 meetings	714,000.-
The Nominating Committee	3 persons	1 meeting	26,000.-
The Remuneration Committee	3 persons	2 meetings	52,000.-
The Corporate Governance and Risk Management Committee	5 persons	2 meetings	84,000.-

2. Annual Remuneration – None -

#### Remuneration of the Executives

In 2017 the company paid remuneration to the Executive consist of Salary, Bonus and Meeting allowance to 10 persons total of Baht 39,184,200.-

### **4.2 Other Remuneration**

#### Other Remuneration of the Board of Directors

The company also does not provide other remuneration to directors.

#### Other Remuneration of the Executives

The company has provided the Provident fund. Executives who are members of this fund will need to pay 4 percent of their wages to the fund, and at the same time, the company will pay at the same amount to the fund to support them. When their membership is terminated, they will receive their money back, as well as, the supporting fund from the company and other benefits according to terms and conditions of the fund.

In 2017 the company has contributed the Provident funds for the Executive 4 persons a total of Baht 295,758.-

## 5 Employee

The company had 532 employees (as of 31 December 2017). In 2017, the company paid employees a total of 189.48 million Baht. The amount included salaries, overtime, meeting allowances, living expenses, bonuses, special allowances, contribution into social security, contribution into provident fund and retirement fund, etc. In addition, the subsidiaries paid compensation to employees in the same manner as the company in the amounts as follows:

- TPCNIC Co., Ltd. had 30 employees and paid employees a total of 8.55 million Baht.

### **Policy on Employee Development**

The company recognizes the importance of developing human resources by developing a workforce with the knowledge and skills needed in the direction of the business in order to increase the competitiveness of current and future development of the knowledge, skills and attributes. Knowledge and skills are applied to the person in charge or the exchange of knowledge and new skills to work together to convey by supervisors or mentors who provide guidance / training and gain knowledge. Skills training to its employees by conducting training both inside and outside the curriculum as follow;

1. The knowledge courses for vision, strategy and sustainable management, such as
  - risk management According to ISO 31000 risk management guidelines.
  - Securities and Exchange Act (New Issue)
  - Internal Controls in "Thailand 4.0"
  - Asian IT Security Conference 2017
  - TIS 22301-2556 Business continuity management (BCM).
2. The basic courses For employees in each position, such as
  - Corporate Social Responsibility Environment and Good Corporate Governance
  - Basic knowledge in textile and technical textiles.
  - Conscious mind for energy conservation
  - anti-corruption., etc.
3. The course is compulsory under the law and the ISO system, such as
  - system integration Environmental management Occupational Health and Safety ISO 14001
  - Regulation of Biocidal Products and Treated Articles
  - Environmental management within the factory.
  - Prevention and fire suppression.
  - ISO 9001: 2008
4. The course of management for training needs and supports the work of the organization, such as
  - Teamwork / Communication: Effective Teamwork
  - Management / Leadership / Supervisor Curriculum: Linking JD to the Career Path Design Concept, Succession Plan
  - Potential Development Course / Quality in Work: Thinking Skills for Problem Solving and Decision Making

## Corporate Governance

The Board of Directors has attached importance and devoted its determination to undertake business operations on the basis of good governance principles. The rules on good corporate governance and regulations of the Securities and Exchange Commission have been factors in strengthening the organization in terms of securing efficient governance systems and exhibiting loyalty, honesty, transparency, fairness, responsibility and accounting of the rights of all stakeholders. The company adheres to its principles of Good Corporate Governance. The policy has been regularly reviewed for its appropriateness.

The Board of Directors' Meeting, session 1/2557 on February 27th, 2014 had reviewed and passed a resolution on the company's principles of Good Corporate Governance to replace the issued edition in 2002. The principles are disclosed on its website: [www.tpcorp.co.th](http://www.tpcorp.co.th) for public acknowledgement.


### **The newly company's principles of Good Corporate Governance comprise of ;**

1. Corporate Governance Policies
2. The Principles of Corporate Governance 5 categories
3. Business Ethics
4. Code of Conduct for Company Directors, Executives and Employees

In 2016, the company was certified and accepted as a member of The Private Sector Collective Action Coalition Against Corruption (CAC) on October 14, 2016. The company has also supported the idea of going against corruption by setting up policies and manuals which include "Anti-Corruption, Receptions, Receiving or Giving Gifts" as a guideline for business operations and practices.

In this regard, Whistle Blowing has been utilized to provide the channels of reporting of any malpractices and corruption as well as of stipulating the measures to protect whistle blower in disclosing infringement on law, regulations are able to contact for E-mail : [cac@tpcorp.co.th](mailto:cac@tpcorp.co.th) or Telephone : 0-2294-0071 ext.150, 166, 189, 260 or Fax : 0-2294-5627

In 2017, The company has been awarded as the listed company which abided by the Good Corporate Governance Principles and regulations of shareholder's meeting.

1. Corporate Governance Report of Thai Listed Companies 2017. Award granted by the Thai Institute of Directors Association under the support of the SEC and SET, with total rating score of 86, classified at "Very Good" four Star level. 
2. Assessment of arrangement quality of the Annual General Shareholders' Meeting 2017 by the Thai Investors Association with total score of 100 is classified at "excellence and a good example" level from Thai Investors Association.
3. The company was selected as a company in the securities group ESG100 of the year 2017 (Consumer Products) from Thaipat Institute. By evaluating environmental, social and governance information.



## 1. Corporate Governance Policies

The Board of Directors is confident that a proper, transparent and accountable governance system is in place along with checks and balances and an internal control system that is sufficient and appropriate. Alongside these mechanisms are due respect for the rights and equality of shareholders and accountability to all stakeholders. These key factors contribute to the enhancement of the organization's immunity and promotion of a balanced and sustainable growth in the long-term.

In pursuance thereof, the Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the Company Directors, Executives and all employees.

- Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to company operations.
- Company Directors, Executives and all employees must perform their Authority responsibly, prudently, earnestly and honestly in accordance with the relevant laws, company Articles and Notifications.
- Actions shall be taken to ensure that the company management structure contains clear prescriptions of powers, Authority of and responsibilities of each Company Committees and Executives.
- An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
- Information shall be disclosed in a sufficient, reliable and timely manner to the extent that the legitimate interests of the company are not prejudiced.
- The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
- Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
- There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
- Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
- Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
- Conflict of interests shall be dealt with prudently and reasonably with due regard for the company's interests.

In order to comply with The Principles of Corporate Governance of the Stock Exchange of Thailand, the company has divided this report into 5 categories, as follows.

Chapter 1 Rights of Shareholder

Chapter 2 Equitable Treatment of Shareholders

Chapter 3 Role of Stakeholders

Chapter 4 Disclosure and Transparency

Chapter 5 Responsibilities of the Board

The company has recognized the importance of the Corporate Governance Code (CG Code) which introduced by the Securities and Exchange Commission to replace the Principles of Corporate Governance.

The Board of Directors acknowledged the compliance of CG Code and recognized the role of leadership in creating sustainable business value. The company have considered and reviewed the use of CG Code for apply to the overall business of the company.

## **Chapter 1: Rights of Shareholder**

The Board of Directors has realized the importance of the shareholder rights in having basic rights and individual rights through acceptable methods and measures without violating shareholder rights. However, every shareholder has only one voting right and no privileges. The regulations on shareholders rights are described as follows:

- Right to own, sell, buy or transfer shares
- Right to participate in the shareholder's meeting, and to vote for any significant approvals.
- Right to authorize the independent Directors or any person(s) as proxy in attending the meeting
- Right to appoint or discharge the Directors as well as consider their remuneration
- Right to appoint auditors and their remuneration
- Right to give opinions and ask questions in the meeting of shareholders
- Right to be equally allocated of the profit/dividend
- Right to be acknowledged the adequate, prompt and updated information in both Thai and English languages in the websites of the Stock Exchange of Thailand: [www.set.or.th](http://www.set.or.th) and company's website.

Disclosure of the company's shareholding structure, including a list of the 10 largest shareholders of the company at the close of share register prior to the annual general meeting of shareholders, as a notification to the shareholders, via the company website. These disclosures are undertaken to secure the confidence and trust of shareholders in the operational structure which is transparent and accountable, as well as to show that the operations are efficient and achieving a sustained growth generating a return to shareholders at a suitable rate.

Moreover, all shareholders; major shareholders, retail shareholders, general investors and foreign shareholders, are able to contact for information to Corporate Secretary E-mail : [investor@tpcorp.co.th](mailto:investor@tpcorp.co.th) or Telephone : 0-2294-0071 ext. 166 Fax : 0-2294-0150 All information is given on the basis of accuracy and equality.

### **The Right to Attend Shareholders' Meetings and Voting Rights**

The Board of Directors has promoted to hold the shareholder's meeting placing importance on rights and equality of shareholders according to the laws, and the good corporate governance principles of the Office of Stock Exchange of Thailand (SEC) as well as the principles on the rights and equitable treatment of shareholders. The Board of Directors has held a meeting of shareholders every year within 4 months as from the end of the company's annual accounting year on 31 December each year. In case of emergency which the company needs to propose special agenda regarding shareholders' benefit, regulations or related laws which need to be approved by shareholders, the company shall call for an extraordinary shareholders' meeting.

The company set the Record Date for distribution of shares on 3 March 2017 to determine the persons eligible for attendance of the Annual General Meeting of Shareholders no.42 held on 25 April 2017. The names were collected in accordance with Section 225 of the Securities and Exchange Act by closing the share register book on 6 March 2017.

The Members of the Board of Directors and their Spouse as well as children who are underage hold a combined amount of 1.59% of issued shares, which does not exceed 25%. The free float proportion was 25.52% of issued shares.

### **Treatment of Shareholders Prior to the Meeting of Shareholders**

In 2017, the company conducted the 42 General Shareholder's Meeting on 25 April 2017. In this respect, the shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance, during 1-30 December 2016, according to the company's regulations. Regarding the meeting, the company has informed shareholders of "Investor Relations" via information board of SET, and on the company's website. Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.

The company has disclosed a scheduled meeting and agenda for AGM no.42 at least 30 days before the meeting on the company website (www.tpcorp.co.th.) and via through the SET website on 24 March 2017 to the shareholders to set aside time to attend the meeting in advance., so as to enable the shareholders to set aside time for attending the meeting.

The company had disclosed the meeting notice with attached documents was translated in to Thai and English Version via company website announced 30 days prior to the meeting since 24 March 2017. And sent to the registrar of Thailand Securities Depositories Co., Ltd. Company's Registrar, to send the Notice of the Meeting of Shareholders in advance, and announced 21 days prior to the meeting since 3 April 2017. For foreign shareholders, the meeting notice with attached documents was translated in to English Version. For the shareholders could have more time studied the information. Advertisements were also placed in daily newspapers for a period of 3 consecutive days since 3-5 April 2017.

Shareholders are notified of the rules and procedures for attending the meeting in the meeting notice, with which Proxy Form B as prescribed by the Ministry of Commerce was also attached so as to enable shareholders who were unable to attend the meeting to grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the company as specified or a choice of either Proxy Form A or Proxy Form C. All three Proxy Forms can be downloaded from the company website. The company also gave notice of such publication guidelines via the press release system of the Stock Exchange of Thailand.

The company has disclosed its annual report, both in Thailand and English on the company's website (www.tpcorp.co.th) within 120 days after the fiscal year. As well as information on the company given its Depository for Securities (Thailand) Limited, the share registrar of the company is sent to shareholders.

The company has a policy to support and facilitate the shareholders, including institutional investors, to attend the general meetings of shareholders by selecting the meeting venues where the mass transit system are available and sufficient for the shareholders to conveniently commute to attend the meetings In 2017, the company determined the date for the 43 Annual General Meeting of Shareholders on Tuesday 24 April 2018, at 10.00 a.m., Chao Phraya Room 2, Montien Riverside Hotel, No. 372, Rama 3 Road, Bangkhlo Sub-district, Bang Khor Laem District, Bangkok 10120. As a place to hold a meeting of shareholders annually.

Prior to the meeting date, the company had provided an opportunity for shareholders to exercise their right to propose matters for inclusion in the agenda of the meeting of shareholders and to propose names of persons for election as company Directors for 2018 in advance. Such criteria was disseminated via SET NEWS and company's website in both Thai and English and was arranged in form of letter addressed to Company Secretary during 1 - 30 December 2017. At the end of such period, then it turns out that none of shareholder proposed agenda and the candidate for election as Company Directors for the Annual General Meeting of Shareholders 2018.

<b>Day of Shareholders' Meeting</b>
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Shareholders were able to register with the barcode system at least 2 hours prior to the meeting and in the subsequent period until the end of the meeting, a right given to shareholders attending after the meeting had already commenced. Such latecomers would have the right to cast votes in the pending agenda that had not yet been voted on. The quorum would be counted as from the agenda of first attendance and vote, except where held otherwise by the shareholders. The company assigns adequate staff members to administer the registration and prepares duty stamps for affixing on the Proxy Form on their behalf.

Shareholders who were unable to attend the meeting can grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the company as specified for retaining the right.

The Board of Directors has attached significance to the meeting of shareholders. It is deemed as a duty to attend every meeting, with the exception of illnesses or other important engagements. In the 42 Annual General Meeting of Shareholders held on 25 April 2017, including the Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Remunerations Committee, Chairman of the Corporate Governance and Risk Management Committee, Chairman of the Executive Committee, Managing Director and Chief Financial, who all attended the meeting to give explanations and respond to questions posed on matters related to the meeting agenda, or to the company (Chairman of the Nominating Committee did not attend the



meeting because of the sudden burden) and Mr. Anusorn Kiatgungwalgri of the office of ASV & Associates Limited as the company auditors was also attended the meeting.

- **Prior to the commencement of meeting pursuant to the agenda**, the Corporate Secretary notified the meeting of the number and proportions of shareholders present and declared the meeting open. An explanation was given on the voting procedures and vote-counting procedures for shareholders casting votes in each agenda according to the law and articles of the company. The Chairman of the Board of Directors, acting as chairman of the meeting opens the meeting.

Voting rights in the meeting were commensurate with the number of shares held, with one share equal to one vote. The shareholders' meeting was carried out

- In accordance with the agenda notified in the meeting notice. No additions or changes were made to significant data without giving prior notice to the shareholders. Appropriate and sufficient time was set aside for presenting various matters in each agenda and opportunities were given to shareholders to pose questions and express opinions fully in each agenda.

- If shareholders need to propose agenda which were not contained in the notice for consideration during the meeting, such proposal need to be approved by the meeting with the minimum vote of 1/3 of shareholders who attend the meeting and have the right to vote. For 2017, There is no additional agenda from that specified in the notice.

- Votes were cast openly. Voting on each agenda is made by barcode system, voting card and ballot were prepared for all shareholders. In vote counting, only votes for disapproval and/or abstentions are counted and there are deducted from the total shares represented in the meeting. The balance is counted as votes for approval. The company employed an information system for summarizing the voting results obtained from the vote counts in each agenda, which was displayed on a screen shown to all shareholders simultaneously.

In 2017, the company has used the ballot papers in all the agendas and allow shareholders to vote on individual directors for transparency. After the end of the shareholders' meeting, the company storing ballot papers at the Head Office in Bangkok for inspected.

**The important meeting agenda were** as follows.

1. **Appointment of Directors** : The company gave an opportunity for shareholders to elect Directors individually. The shareholders had been provided with preliminary information on the nominees, positions held in other businesses, clearly specifying the cases of companies carrying out businesses identical to or in competition with the company, and the attendance of Board of Directors' Meeting. The nominees had been vetted by the Nominating Committee.

2. **Directors' Remuneration** : Details were provided on the amount of remuneration proposed, which were in accordance with the policies and conditions for directorial remunerations considered and reviewed by the Remuneration Committee. In any event, the company has regularly proposed a remunerations limit for approval by the meeting of shareholders every year.

3. **Appointment of Auditor and Determination of Audit Fee** : The company provided details on the name of auditor, audit office, the relationship between the audit office and the company, the number of years of work performed, reasons for changing the auditor, and comparative data on audit fees for the current year and the preceding year. Such information had also been considered by the Audit Committee.

4. **Dividend Payment** : The company provided details on profit distribution, dividend payment in accordance with the company's dividend policy, and a comparison of dividend payment for the current year and the preceding year. The closing date of the register (Record Date) for the determination of the right to receive dividend payment was also specified.

#### **Subsequent to the Meeting of Shareholders**

- After the meeting, the company has published the resolution of the Shareholders' Meeting or later than 9.00 a.m. in the next business day via the SET Portal.

- The Corporate Secretary recorded the information and prepared accurate and complete minutes for the general meeting of shareholders and the extraordinary meeting of shareholders including the names of Directors present/absent together with the reasons for absence, essential explanations and a summary of questions or answers or opinions. In the past year, all directors were



present and no questions were posed by the shareholders. The details on each agenda item were in accordance with the facts in the meeting. Summaries of the votes in each agenda item were divided into approvals, non-approvals and abstentions. Such minutes were signed by the Chairman of the Board of Directors, acting as chairman of the meeting, and submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 14 days of the meeting of shareholders and also submitted to the Ministry of Commerce within the period prescribed by law.

- The minutes were also published on the company website in both Thai and English as a channel for shareholders to search and inspect data without having to wait for the subsequent meeting.

- The meeting atmosphere and minutes were tape recorded and disseminated via company website. A copy can be obtained by contact directly via Corporate Secretary E-mail : investor@tpcorp.co.th, Tel. 0-2294-0071 ext. 166

- After the shareholders' meeting approved dividend payment, company shall inform the resolution including dividend payment's details via SET news and cooperate with the registrar of Thailand Securities Depositories Co., Ltd. to ensure all shareholders receiving payment correctly and completely.

## **Chapter 2: Equitable Treatment of Shareholders**

The company attaches importance and ensures that all shareholders are treated equally and fairly by without supporting one group of stakeholders. Shareholders can ensure that their rights are protected and they can vote on behalf of taking a part of company owner.

1. The company's shares is Common Stocks. None of the other securities and the right for shareholders to vote in one share, one vote. The number of voters according to the number of shares to existing shareholders.

2. The shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance, during 1st-30th December every year, according to the company's regulations. Regarding the meeting, the company has informed shareholders of "Investor Relations" via information board of SET, and on the company's website. Nonetheless, in 2017 there was neither meeting agenda nor nomination of the Directors proposed in advance.

3. If any shareholders could not attend the meeting, the company had attached the letter of proxy Form B with the notice. This is identified through the use of proxy documents and evidence clearly. The letters of proxy Form B with voting recommendation by providing the independent directors or authorized by shareholders representing registered attendees addition, the shareholders can choose to use the letter of proxy Form A or Form C (for foreign investors with custodians in Thailand to oversee their stocks). And can download in the company website [www.tpcorp.co.th](http://www.tpcorp.co.th) the revenue stamps are also provided for the letter of proxy.

4. The company had published the meeting notice with attached documents were translated in to Thai and English Version via company website announced 30 days prior to the meeting. And sent to the registrar of Thailand Securities Depositories Co., Ltd. Company's Registrar, to send the Notice of the Meeting of Shareholders in advance, and announced 21 days prior to the meeting. For foreign shareholders, the meeting notice with attached documents was translated in to English Version. For the shareholders could have more time studied the information.

## **Prevention of Insider Trading**

- The company has a policy to prevent the use of insider information by determining in the company's code of manual on good corporate governance. It also includes Corporate Governance Policies, business ethics and Code of Conduct for Company Directors, Executives and Employees, they must be individuals of integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and / or others. All relevant employees must protect the interests and the company's asset. They must not use company information or assets for benefit of themselves and/or not to engage in any action which assists any individual in business that competes with company. The manual on good corporate governance were distributed to directors, executives and staff, also disseminated via company website. Besides, regulation regarding operation is determined including the discipline punishment which all directors and staff are aware of this and act accordingly.

- Company share trading is covered in the code of business ethics. Directors, Executives and Officers in possession of insider information are prohibited from selling or purchasing company share within one month before disclosing the financial statements to the public.

- In 2017, Directors and Executives of the company had observed strict compliance with the said policies. No share trading with the internal data use by Directors and Executive officers of the company was found during the prohibited period.

#### **Trading of Securities**

- Company share trading is covered in the code of business ethics. Directors, Executives and Staff in possession of insider information are prohibited from selling or purchasing company share within one month before disclosing the financial statements to the public. Corporate secretary annually arranges the Board of Directors' meeting schedule which is sent to all Directors in advance in order to inform the period when securities trading should be abstained.

- Besides, Directors and Executives are required and notified of their Authority of to report changes in securities holdings in the company to the Securities and Exchange Commission within 3 working days of such changes together with the submission of a copy to the Corporate Secretary. A report would then be made to the meeting of the Board of Directors and Executive Committee on every occasion, in which every agenda would include a report of securities holdings of Directors and Executives. Directors and Executives assuming office for the first time are also required to report securities holdings in the company to the Securities and Exchange Commission within the above time limit.

- In 2017, Directors and Executives of the company had observed strict compliance with the said policies. No share trading was found during the prohibited period.

#### **Preventing Conflict of Interest**

- With the transparent structure of shareholding, there is no report of the conflicts of interest. Meanwhile, the disclosure of shareholder structure has deliberately shown in the annual report as well as the overall shareholding of the Board of Directors.

- The Board of Directors proceeds carefully and rationally with regard to conflict of interest and connected transaction. The company most concern on its benefits and set pricing strategy in compliance with fair trading conditions as if the transactions are engaged with third party. The process of such transaction is managed transparently and compliance with the regulation of the Stock Exchange of Thailand. Furthermore, the company set the regulation in its good corporate governance and business ethic binding upon company and shareholder.

- The company performs as the announcement of the Capital Market Committee and The Stock Exchange of Thailand in regarding the disclosure of information and operation of registered company on connection transaction.

- The company has set a policy for Directors who has conflict in a discussing agenda has to leave the meeting room and/or abstain in the agenda, so that the rest of the directors can freely express their opinions and vote. The company secretary will inform the meeting of the directors who have conflict in each agenda. After meetings, the company will disclose names, relationship of the directors, pricing policy, value of the transaction and name of directors who have different opinions (if any) to the Stock Exchange of Thailand within the specified period and published in the company's website. The information will also be recorded in minutes of meeting for transparency and verification

- If the transaction is valued criteria which must be approved by shareholders. Shareholders who are interested can attend the meeting to constitute a quorum. But without the right to vote the basis for the calculation of votes to approve the transaction. Excluding the stakeholders. Criteria have had no problems with the quorum and voting.

- Directors or Executives who has an interest in the matter has no right to vote and did not attend the meeting or approve the transaction in that regard.

- In 2017, the company had no connected transactions neither limit financial assistance; borrowing or guarantee transactions. As well as, there was no transactions prohibiting the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

## **Trading Assets**

The company supervised assets transaction in accordance with the announcement by The Capital Market Supervisory Board regarding the acquisition and disposal of assets, whereby directors with possible conflict of interests were not allowed to participate, so as to facilitate fairness and transparency.

## **Chapter 3: Roles of Stakeholders**

The company attaches importance and has laid down policies for the treatment of each stakeholder group, both externally and internally including governance official, related department through having responsibility to social, community and environmental.

The company concern on business growth, mutually beneficial which lead to sustainable growth. A Practical is established in manual on good corporate governance. It also includes Corporate Governance Policies, the principles of Corporate Governance 5 categories, business ethics and Code of Conduct for the Company Directors, Executives and Employees to be confident that all stakeholders will be treated equally and fairly. In case of disadvantage, the company and stakeholder groups shall find the solution that benefit to all party.

The company has never been indicted for relinquishing responsibility in announcing significant information, nor been complained on any violations, namely, labor law, employment, consumers, business competition and environment. The company has prepared a report on corporate social responsibility (CSR REPORT) by analyzing stakeholders for growing together sustainably.

## **Channels for Stakeholders' Participation**

The Board of Directors gives employees and stakeholders an opportunity to give information or file a complaint on a matter which could constitute a violation of the law, dishonest or wrongful act of an employee, including irregular behaviour which could cause a problem or loss to the company. The company also receives complaints on cases where the rights of an employee or stakeholder has been infringed or where they have been treated unfairly. ; are able to contact E-mail : cg@tpcorp.co.th or Telephone : 0-2294-0071 ext. 122, 201 Fax : 0-2294-5627.

The company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the company.

## **Measures for the Protection of Complainants**

1. A complainant may choose to remain anonymous if he/she deems that disclosure could lead to insecurity or loss concerns.

2. The company will keep relevant information secret and take into account the safety of the complainant. Measures have been prescribed for the protection of complainants who are employees, including those who cooperate in the investigation of facts. These persons will be protected from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination of employment.

## **Interpretations**

A supervisor shall be under a duty to take responsibility and give advice to subordinates to ensure knowledge and understanding as well as compliance with the prescribed Code of Conduct. If the Code of Conduct does not provide for any instance, or if there remains a question which renders performance not possible or that a decision cannot be made, the matter shall be consulted with the respectively higher level superior. In the case of a conflict, the decision of the Managing Director, Executive Board and Board of Directors shall be final.

<b>Business Ethics</b>
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Practice guidelines are provided in writing in the manual on good corporate governance. It also includes business ethics and Code of Conduct for Company Directors, Executives and Employees as a practical reference for the Board of Directors,

Executives and Employees at all levels. The policies provide an ethical framework for the business operations, taking into account the balance and fairness for all stakeholders in the code of conduct. Such information has also been published in the company website and intranet system, including the development of a means for participation of stakeholders in the sustained enhancement of the company's performance. The following were provided in this regard.

### **Shareholders**

The Board of Directors performs Authority of responsibly, prudently, earnestly and honestly in order to generate good returns to shareholders on a continual and sustainable basis. In this regard, the following policies and practice guidelines have been prescribed.

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders' access to company information.
5. A report of the Board of Directors' responsibility for the financial statements in the Annual Report shall be prepared.
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors in the Annual General Meeting of Shareholders.
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting.
8. Shareholders' meeting notices in both Thai and English are published on the company website [www.tpcorp.co.th](http://www.tpcorp.co.th) at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings.
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.
10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.
11. The company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

The Company paid dividends regularly and in accordance with the dividend policy, In the 2017, The Company paid the dividend payment for the performan of fiscal year 2016, at the rate of 1.70 Baht per share, Total of 183,600,000 Baht, and it is approved from the General Meeting of Shareholders No. 42 for the year 2017 on Tuesday 25 April 2017

Moreover, the company has made quarterly reports of operational results and disclosed transactions with connected persons under similar terms to third parties via the press release system of the Stock Exchange of Thailand and the company website [www.tpcorp.co.th](http://www.tpcorp.co.th)

### **Employees**

The company regards employees as valuable resources and a key factor to the company's success. The following policies and guidelines have been prescribed in this regard.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to third parties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the company's operations.
3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin colour, race, religion, age, disability or other status that is not directly related to the works.

4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employee participation in the determination of the company's direction and development are promoted.
6. Fair compensation is given as suitable for the knowledge, skill, Authority of , responsibilities and performance.
7. Appropriate welfare and benefits are given to employees, e.g. medical expenses, provident fund and a savings cooperative.
8. Channels are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.
9. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.
10. Employees of all levels are encouraged to participate in social responsibility activities

### **Compensation and Employee Welfare**

The company has reviewed the compensation and benefits to be allocated to employees annually, to ensure that can compete in the same industry.

In addition, The company has established the Provident Fund for employees' long-term benefits to promote the money saving for their future as well as to persuade employees to loyalty work for the company. For members of the Provident Fund, they will monthly receive 3-4% of the wage as monthly contribution, and they will also pay the same. Amount deducting from their wages for their accumulated fund. When the employment is terminated, the employees will receive accumulated fund, contribution and the net profit of the fund.

The company set up the welfare committee in the workplace for employees to participate in the administration of welfare as a mediator to help the welfare of employees for the good quality working life as the following details:

1. Welfare on the Development of Employees
  - Promotion of education during working hours and after working hours
  - Training constantly on working knowledge, conducted by the company and others, such as Textile Knowledge, Anti-Corruption Policy.
2. Welfare on Living-Cost
  - Bonus, shift payment and experiential payment
  - Provision of uniform for both daily and monthly employees
  - Transportation allowance; vehicle, gas and telephone
  - Provision of welfare for accidents, the death of parents and spouse
  - Provision of hygienic canteen with reasonable price
  - Allowance when the employee died which paid to the person who has the legal
3. Welfare on Saving
  - The Provident Fund
  - A savings cooperative.
4. Welfare for Development of Employees'
  - Scholarship for employees' children of the Saha Group
5. Welfare to promote stability in the future.
  - Provide a pension to employees the benefits after retirement.
  - Reward and a token of appreciation to employees who work 10, 20 and 30 years.
  - Housing loans with the Bank.
6. Health Welfare
  - Clinic & medicine
  - Health examination regarding working risk factors.
  - Gift Baskets for visiting sick employees

### **Work Safety and Occupational Health**

Since the company focused on the significance of work safety and occupational health, the Committee of Safety, Health and Environment at Workplace was appointed to provide a welfare for the safety and good health of employees. The company provides 24-hour security officers, fire alarms, warning alarm, fire extinguisher, fighting and evacuation drills as well as the first aids training. In this regard, the following guidelines have been prescribed.

1. Business undertakings shall comply with laws, regulations and policies on safety, occupational hygiene and working environment with due regard to the safety of life and properties as well as to the impact on the health of employees, trading partners and stakeholders. Regular monitors and safety assessments must be conducted.
2. Occupational safety shall be promoted. Work regulations, procedures and standards are prescribed to ensure working safety consistent with risks. Working environment and safe work procedures are improved. Tools and equipment for safety protection are also provided to employees.
3. Preparations are made for emergency events. An emergency plan has been devised and regular drills and improvements are carried out. This is to prevent and minimize any loss to life or properties of the company, employees, trading partners and related persons.
4. A safe working culture has been built for the entire organization to ensure sustainably safe work operations.

In 2017 there was an accident at work a little. Statistics have revealed on CSR Report

### **Channel for Employees' Communication**

The company has provided a channel of communication for employees to make suggestions and identify problems between the employees and their superiors. And operated by a mechanism that does not affect employees who report such abuse. Which has been preserved as a company secret, are able to contact Executive Directors through directly the Subcommittee of good governance via E-mail: cg@tpcorp.co.th or Telephone: 0-2294-0071 Ext. 122, 201 or Fax no. 0-2294-5627

### **Customers**

The company realizes that customer satisfaction and confidence are key factors which contribute to the company's sustainable success. The following policies and guidelines have been prescribed in this regard:

1. The company operates the businesses of manufacturing, product distribution and services which are safe for consumers and environmentally friendly.
2. Businesses are operated with commitment to develop goods and services, introduce new innovations and add value to goods and services in order to continually meet the demands of customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.
3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets are maintained and not exploited for wrongful personal gains or for the gains of others.
4. The company does not demand, receive or consent to the direct or indirect receipt of properties or other dishonest benefits from customers.
5. The company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The company provides communication channels to enable customers to file complaints to the company. Channel for customer complaints, inquiries and suggestions about the quality of products and services conveniently, Complaints are processed with care and dealt with fairly. can contact Managing Director through directly the Subcommittee of good governance via E-mail : cg@tpcorp.co.th or Telephone : 0-2294-0071 Ext.122, 201 or Fax no. 0-2294-5627

### **Trading Partners**

The company realized the significance of impartial and fair treatment with business partners. On the basis of fair business return, the business partner will not disgrace the company's reputation nor commit any violations by prescribing the following policies and guidelines.

1. The company has a system for screening trading partnership the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment. Trading partners are treated on the basis of fair competition, equality and mutual respect.
2. The confidentiality of secrets or communications of trading partners are maintained and not exploited for wrongful gains of oneself or of others.
3. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth.
4. The company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
5. The company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements.

### **Creditors**

The company is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and terms will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors in the company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention.

The company applies Direct Credit, transferring system of Bank to facilitate all creditors. The company has only business creditor, and never been complained of default during the previous year.

### **Competitors**

The company operates businesses in accordance with the provisions of law. In this regard, the following policies and guidelines have been prescribed.

1. The company shall conduct its businesses within the rules of fair competition with due regard to business ethics and trade competition laws of various countries in which the company operates.
2. The company will not damage the reputation of its trade competitors.

In 2017, there was no any dispute about competitors.

**Labor** The company oversees that the operations of all branches do not employ illegal labor.



### **Non-violation of Human Rights**

The company has conducted the business with strictly respect to law and human rights and the employees that receive the honor and respect the rights of individuals equally not discrimination, whole the separation of color, race region, sex, social practices as the main base area of human rights. In this regard, the following policies and guidelines have been prescribed.

1. There shall be no activities or support of activities which violate human rights.
2. Employees are provided with knowledge and understanding of human rights which are applied to work operations.
3. There are no limitations to independence or differences in ideology, gender, race, religion, politics or other matters. The expression of opinions which could cause conflicts or divisions should be avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with the company. Such complaints shall be given attention and processed fairly. Can contact Executive Directors through directly the Subcommittee of good governance via E-mail : cg@tpcorp.co.th or Telephone : 0-2294-0071 Ext.122, 201 or Fax no. 0-2294-5627

Employees are entitled by law to defend themselves from any accusations of malpractice or cheating, and no employee has been terminated. Throughout the period of business operation, the company has never treated employees impartially, nor been complained on this issues.

### **State Sector**

The company undertakes businesses in compliance with the rules and regulations enacted by the State. In this regard, the following policies and guidelines have been prescribed.

1. Knowledge and understanding of the laws governing operations are acquired and no activities are undertaken which would be inconsistent with the law.
2. Proper action shall be taken when conducting transactions with an official or agency of the State.
3. Good relations are fostered between the company and the State sector within suitable bounds.
4. Relevant laws and business traditions are observed in each country or locality.

### **Community and Society**

The company operates businesses with due regard for the Authority of and responsibilities owed to the nation, community and society as well as local traditions in order to maintain a desirable society and participation. In this regard, the following policies and guidelines have been prescribed.

1. A business which could lead to a deterioration of society shall not be undertaken and the rights of others in the community and society shall not be violated.
2. Consciousness of responsibilities towards the community and society as a whole shall be instilled continuously for the benefit of the company and all levels of employees.
3. Measures shall be provided for the prevention and remedy of impact on the community and society as a consequence of the company's operations.
4. The preservation of local culture and traditions shall be promoted.
5. Cooperation shall be entered into with various agencies for the development of communities.
6. Public benefit activities shall be sponsored.
7. Incomes shall be generated and the community economy shall be promoted through employment of community members and use of community products.
8. Good relations shall be fostered between the company and the community and society on the basis of propriety, transparency and fairness.

The company has events or participated in activities. Associated with the development and ongoing community.



## Environment

The company realized the significance of responsible for environment and concerns on impacts of business operation towards natural resources and environment. Thus, it has been stipulated as one of company's vision and missions. In this regard, the following policies and guidelines have been prescribed.

1. Businesses shall be undertaken in accordance with laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment and regular revisions and assessments of performance results shall be undertaken.
2. An organizational culture and consciousness of employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
3. Knowledge promotion and environmental training shall be extended to employees. The company has published a knowledge environment for employees via the intranet. Information Board As well as employee training, knowledge of the environment continues.
4. Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
5. There is a system for selection of trade partners in the value chain who undertake businesses in an environmentally friendly manner.
6. Environmentally friendly technology are developed and published.

Conducting the video conference at the head office with the branch companies as a mean to reduce global warming, risks and transportation fee.

The company has implemented CSR in process, and continuously since 2015, the company (TPCORP Factory 2) certified Green Industry Level 2 certification from the Department of Industry Works because of a policy and activities to reduce environmental impact

TPCORP Factory 5 certified Green Industry Level 3 by the Department of Industry Works because of an environmental management system (CSR-DIW) equivalent to ISO 14001.



## Encouraged to use resources efficiently.

The company had Committee on Energy Conservation with representatives from all departments in the company to foster creativity and encourage employees to monitor the use of resources more efficiently and cost effectively. Provide a control energy system that does not waste energy and awareness for employees and organizations involved in all aspects of the energy savings continuously in electricity savings by using LED lights, oil saving by car pool, and water saving by turn off the water while brushing teeth. Reuse paper etc. Encourage saving behavior both the workplace and in the household.

### **Policy of Non-infringement of Intellectual Property**

The company operates business based on business ethics conducts and integrity principle, the company adheres not to engage in intellectual property infringement, by creating our business innovation on our own. The Board of Directors pursues a policy of non-infringement of intellectual property by prescribing the following guidelines.

1. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights.
2. Intellectual property works of the company shall be maintained. Such intellectual properties shall not be used or allowed to be used by others without authorization.
3. The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall vest in the company. Upon termination of employment, such intellectual property works must be returned to the company regardless of the form which it is stored.

### **Policy and Guideline on Anti-Corruption and Anti-Bribery Practices in Business Operation**

The Board of Directors of Textile Prestige Public Company Limited has approved the resolution to sign a Declaration of Intent of Collective Action Coalition Against Corruption enacted by Thai Private Sector on February 27, 2014. In order to be in compliance with the company's Corporate Governance as well as corroborate its aims and Corporate Social Responsibility as a whole, the company follows the policy relevant to laws countering corruption by prohibiting the company directors, executives and employees from accepting or supporting every type of corruption both in direct and indirect manner, which is written for exercising it as follows;

1. The company will not be a party to pay bribes. In case of contributions to charity, to political parties as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform Authority of in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or Authority of to use the company's data to seek benefits for oneself or others.
4. Setting the system to report financial status transparently and accurately, providing an efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

Throughout the period, the company conducts business with integrity, fairness, and the complaint does not appear to be the case or business bribery of the company. The company was certified and accepted as a member of The Private Sector Collective Action Coalition Against Corruption (CAC) since October 14, 2016.

Although this policy was established for the company, the company has been monitoring and evaluating the implementation of the policy. Communicated this policy to all subsidiaries and other companies under its supervision to build credibility and good image for the group as a whole. The company has provided training to employees on anti-corruption issues who located in Bangkok Office and at the factory on December 2017.

### **Policy and Principles of giving or receiving gifts or other benefits**

The company allows the Executives and employees to give or receiving gifts on special traditional occasions, which have no influence on the decision-making in business operation. In other words, giving or receiving gifts has been done with transparency. In this regard, the following guidelines have been prescribed.

1. No receipts or grants of gifts, tokens or receptions which may influence a decision shall be made. If there is a necessity to receive or grant a gift, token or reception in accordance with tradition to a value in excess of normal circumstances, a report shall be filed with the respective supervisors.
2. In the case of an assignment or authorization by a supervisor to assist in an external agency, monies, objects or gifts may be received in accordance with the generally applicable rules or standards prescribed by such an agency, e.g. gifts, tokens or lucky draws.
3. In the case where an agent, contractual party, partner or any other person wishes to grant a gift, token or reception to the company, prior authorization must be obtained from the company.
4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

The Board recognizes the importance of all stakeholders. Last year, the company has not been commented by any regulator concerning non-disclosure of a significant event. The company also has not violated any law concerning labor, employment, consumer, competition and environment.

### **Whistle-blowing and Complainant**

Any stakeholder or Employee, who attempts to act on behalf of the company or was involved in bribery or corruption, either directly or indirectly, shall be deemed to have committed a fraudulent offense against the rules, regulations, and company policies. Failure to follow the Code of Conduct of set out for Directors, Management and Employees may be reported to the company to act upon the complaint allowing for the accused to be treated fairly in practice.

1. The channels of complaint, practices are as follows:  
Direct verbal complaints or complaints in writing.
  - Internal Audit Manager, Tel: 0-2294-0071 Ext 260
  - HR Manager, Tel: 0-2294-0071 Ext 122
  - Company Secretary, Tel: 0-2294-0071 Ext 166
  - Accounting Manager, Tel: 0-2294-0071 Ext 150
2. Complaint via the company website at [www.tpcorp.co.th](http://www.tpcorp.co.th) or E-mail Address: [cac@tpcorp.co.th](mailto:cac@tpcorp.co.th), that will be sent to above complaint recipient.
3. Complaint box: The complaint box will be opened daily by unit manager and the documents will be sent to the Chairman of the Subcommittee on Good Governance.
4. Mail to Textile Prestige Public company Limited No. 704 /1-9 Rama 3 Yannawa, Bangkok 10120.

The company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the company.

### **Informant protection**

The company will keep relevant information secret and take into account the safety of the complainant by concealing their names, addresses, or any kinds of information which can identify the complainant. The information shall be confidential limited to only those with the responsibility to investigate the complaint or who shall be deemed to comply with measures to protect the complainant as defined in the Code of directors, management and employees.

## **Investigation Audit**

1. The complaint officer will investigate and gather facts or assign designated individuals or entities acting on behalf of the trustees.
2. Those investigators or receiving complaints can invite employees to give information or to send any documents relating to the investigation.
3. Where a decision is made on the evidence of a complaint, the recipient of the complaint shall report to senior management in order for them to report to the Committee on Good Governance and Risk Management, The Audit Committee and The Board of Directors operates refer the matter to the managing Director for further action.

If the complaint to be true, There will be disciplinary action or laws. HR Department punished according to the regulations of the company or refer the matter for further proceedings.

In the case of complaints, causing damage to anyone, it is proposed to mitigate the damage to the victim's rights and in order to be fair.

For urgent cases the receiving of complaints, reporting directly to the Managing Director to carry out urgent. Then report to senior management to report to the Committee of corporate governance and risk management or audit committee and then informed the Board of Directors.

## **Chapter 4. Disclosure of Information and Transparency**

The Board of Directors recognizes the quality of information, accurate, sufficient, expeditious, nondiscriminatory and fair information disclosure which are easy accessible to all stakeholders and party in order to engender the confidential.

### **4.1 Corporate Governance :**

The company arranges the Corporate Governance Policies, The Principles of Corporate Governance are divided into 5 categories, Business Ethics and Code of Conduct for Company Directors, Executives and Employees, in writing and provide to all directors, executives and staff including public relation billboard, Form 56-1, annual report and company website.

### **4.2 Importance information regarding financial and non-financial**

The Board of Directors has carried out the disclosure of the company's significant data, including financial data and non-financial data as required under the Regulations of the Stock Exchange of Thailand and the SEC. Such disclosures were accurate, complete, timely and transparent, having been reviewed under the prescribed procedures. The information were published in both Thai and English via channels of the Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th)) and the company website.

- The information shown in the report (Form 56-1), and the company annual report was transparently and completely disclosed in every aspect, according to the criteria of Disclosure of the Stock Exchange of Thailand and the Securities (SET) and Exchange Commission Thailand (SEC). In order to provide shareholders information in making the investment decision, the information has regularly been updated and has disclosed an annual report within 120 days after the fiscal year.

- In 2017, the company has published an annual report on the SET on 24 March 2017. In the previous year, the company has not been charged on any violation of SET or SEC Criteria of Disclosure.

- Regarding the Financial Statement Yearly and quarter, the auditors have audited them with approval from the Audit Committee and the Board of Directors. Subsequently, the company has disseminated this information to the shareholders and then presented to the SET and SEC. In this regards, it was disclosed to the investors or shareholders before the due period for investors' benefit.

The company auditors are knowledgeable, skillful, independent, and approved by the SET and SEC. Besides, the auditors do not have business relationship with company, parent company, subsidiaries, Executives, major shareholders, relation with any of them. Thus, the auditors have the independent rights in auditing and commenting on the company's financial statement.

The company sent financial statement to SET and SEC on time and not ordered to correct.

#### **4.3 Report on the Board of Directors' Responsibilities with respect to the Financial Statements**

The Board of Directors appreciates the significance of preparing an accurate and complete financial statement in accordance with accounting standards. The disclosure of such data have been reviewed by independent auditors and approved by the Audit Committee and Board of Directors before publication to the shareholders. Also, in order to secure confidence, the Board of Directors have prepared a report on the responsibilities of the Board of Directors to the financial statements, published in the Annual Report and Form 56-1 together with the Auditor's Report.

#### **4.4 Connected Transaction (related party transactions) and /or Acquisition or Disposition of Assets**

All Transaction should be approved by the Audit Committee and the Board of Directors so as to avoid any conflicts of interest. It should be carefully prepared for the best interest of the company and shareholders. The approved report was presented to the SET in both Thai and English languages, and disseminated in the company's website, annual report and Form 56-1, according to the regulations of SET.

In 2017, The Board of Directors has approved the connected transaction which set by regulations of SET and SEC. The transaction does not exceed the approved limit.

#### **4.5 Conflict of Interest**

The Board of Directors and the Executives has to present the report of stock transaction, company's shareholding, their stake holding included the dependents i.e. spouse and minors related to the company's operation. In case of any changes, they have to report to the Board of Directors. The criteria of disclosure are as follow:

- Report on the first office holding as the Director or Executive
- Report on any changes of stake holding data
- Report at the end of year
- In case of termination and reappointment as the Directors in a consecutive way, the Directors shall not present new report if there is no change of stake holding.
- The Directors and Executives should present report of stake holding to the Secretary within 1 month after being elected/appointed and incase changes within 3 months. After that, the Corporate Secretary will send the copy of report, within 7 days, to the Chairman of Board Directors and Chairman of Audit Committee.

#### **4.6 Policy on Corporate Social Responsibility**

The company has announced its intentions policies of social responsibility. The company has defined the company's mission. So essentially practical and concrete action to achieve. This is a mission that everyone in the organization involved. Its details are provided in the " CSR Report "

#### **4.7 Investor Relations**

The Board of Directors has designated the persons who would be able to provide data and information as required by investors and relevant persons. In this regard, the following person can be contacted:

- |                                 |   |
|---------------------------------|---|
| • <b>Mr. Chanin Ratanavijai</b> | <b>Director and Corporate Secretary</b> |
| Telephone : 0-2294-0071 ext.166 | Fax: 0-2294-0150                        |
| E-mail : investor@tpcorp.co.th  | Website: www.tpcorp.co.th               |

In addition, investors have communication with company officials. For information on the investment, the company has cooperated well.

In 2017, There were 15 companies in Saha group cooperated with Stock Exchange of Thailand arranged "Analysts and investors meet Saha Group no.9 held on 30 June 2017 at 21<sup>st</sup> SAHA Group fair. The event provided a venue where analysts, investors and mass media could engage in meaningful discussions with company directors and executives. The opportunity for analysts, investors and mass media to meet with top executive of companies closely. All 14 participated company cooperated on

compose a book to summarize company history and performance disseminated to all attendance. The group received well participation from analyst and investor.

Apart from financial report or other information technologies to the Stock Exchange of Thailand (SET) and Securities Exchange of Commission (SEC) via designated channels completely, precisely and timely, the company has revealed more information on several issues accordingly;

1. The disclosure of structure of shareholding, including name of the first ten major shareholders as closing date in the annual report and company website
2. The disclosure of the Directors, Independent Directors and Sub-Committee, including their backgrounds, roles, Authority of and responsibilities, numbers of meeting attendance, and training issues, which also disseminated in the company website.
3. The disclosure of characters of company's operation and management, analysis on industrial situation and competitive potential, analysis of performance, and financial status of the company.
4. The disclosure of risk factors in operating, types of risks, causes and effects, as well as guidelines to prevent or decrease risks.
5. The disclosure of policy on distribution of dividend.
6. The disclosure of internal control and risk management
7. The disclosure of company's quarterly financial statement reported in Thai and English on the company website, which is able to download.
8. The disclosure of annual report and notice of the shareholder's meeting in Thai and English on the company website, which is able to download.

#### **Chapter 5 : Responsibility of the Board of Directors**

The Board of Directors appreciates the importance of good governance. Continual undertakings are implemented to ensure that Company Directors, Executives and employees are aware and comply with standards under the framework of the Code of Conduct and conduct oneself honestly, cautiously and prudently for the greatest benefit of the company and all related parties. As a consequence, the following “Code of Conduct for Company Directors Executives and Employees” has been prescribed.

<b>Conduct for Company Directors Executives and Employees</b>
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- **Company Directors and Executives**
  1. Authority of shall be performed responsibly, prudently, honestly and in good faith in compliance with the law, Company Articles and relevant notifications.
  2. Authority of shall be performed to the utmost of ability in order to generate the greatest returns to the company. This includes attendance at all meetings, except where there is an unavoidable necessity.
  3. Authority of shall be performed impartially. In a Board Meeting, Company Directors and Executives shall not vote on matters which they have interests.
  4. Conflicts of interests shall be administered prudently and reasonably, in adherence to the company's interests, to ensure transparent management of operations.
  5. The acquisition or disposal of assets of the company, Company Directors and Executives, including their Spouse and children who have not attained legal age, shall comply with the relevant rules and a disclosure shall be made to the Board Meeting in the subsequent meeting.
  6. Company Directors and Executives are prohibited from buying or selling company shares in the 1-month period prior to the public disclosure of financial statements.
  7. Company Directors and Executives must disclose personal interests and those of related persons in accordance with the prescribed rules.
  8. There shall be regular appraisals of the Board of Directors' performance every year.

- **Employees**

1. Employees must support and cooperate in the company's activities on a regular basis. Assigned tasks must be performed to the best of ability in order to ensure good results and advancement of the company and employees.
2. Employees must comply with the relevant law, policies, terms of employment, regulations and notifications.
3. Persons contacting the company must be treated courteously, hospitably and provided with an excellent service in order to preserve the company's image and reputation.
4. Trade secrets must be kept and the company's inside information must not be disclosed to third parties.
5. Loans shall not be obtained from customers, persons connected to customers or business counterparts of the company, except for loans obtained from a bank or financial institution.
6. Lawful orders of supervisors shall be complied.
7. There shall be a commitment to teamwork, mutual assistance, harmony and mutual respect for the benefit of the company and employees.
8. Co-workers must be treated generously and with good human relations. No groundless allegations shall be made against others. Credit shall not be claimed for the works of others.
9. Authority of shall be performed with determination, in earnest and honesty, and the roles and responsibilities in the company shall not be abused for the purpose of acquiring wrongful benefits for oneself or for others.
10. Authority of shall be performed responsibly, cautiously and without neglect in such a manner which could cause a loss to works or properties of the company.
11. Employees should conduct themselves as good citizens who comply with the Constitution and relevant laws. Political rights shall be exercised appropriately. Employees shall also avoid any involvement in an activity which is unlawful or inconsistent with public order or the good morals of the people.

## **5.1 Roles, Authority of and Responsibilities of the Board of Directors**

The Board of Directors has been elected by the shareholders as their representatives in implementing company's policies. They collaborated with the Executive in formulating vision, missions, strategies, operational plan, annual budget, good governance, and supervision so as to support and direct the performance of the Executives and employees.

In 2017, the Board of Directors has legally operated the company in compliance with the laws and regulation. Therefore, there is no infringement on the official regulations found.

### **5.1.1 Leadership and Vision**

The Board of Directors is comprised of persons with knowledge, competence, skills and experience in the company's principal business. The vision, mission, strategies and goals as well as working plans and annual budget are determined in order to enhance operational efficiency for the greatest benefits of the business and achievement of the company's business goals. In this regard, the Board of Directors undertakes the Authority of monitoring the management of the executive according to the various working plans, as well as the determination and delineation of roles, functions and responsibilities between the Board of Directors, executive officers, employees and relevant persons.

In addition, the Audit Committee has been entrusted with the function of supervising the operations of the internal audit section so as to ensure sufficiency for the business and to ensure suitable risk management in order to achieve the highest safeguard of interests. The principles of good corporate governance are applied as management tools for adding value to the business and the shareholders.

In regard to the company's vision and missions, the Board of Directors has supervised the company's performance by considering the quarterly report of operation, company's turnover, and security holding of the Directors and Executives.



### **5.1.2 Good Corporate Governance**

The Board recognizes the importance of good corporate governance. The review updates to suit the situation and to comply with the requirements of the Stock Exchange of Thailand., Contains 4 parts: Corporate Governance Policies, the principles of Corporate Governance 5 categories, business ethics and Code of Conduct for Company Directors, Executives and Employees of the company which approved by the Board of Directors' Meeting No. 1/2557 on February 27, 2014 effective and published already on the website of the company at [www.tpcorp.co.th](http://www.tpcorp.co.th)

### **5.1.3 Conflict of Interests**

The Board of Directors has clear guidelines for managing the avoidance of conflict of interests prudently and reasonably, and in order to confer the greatest benefits for the company and the shareholders. Transactions which might entail conflicts of interests have been notified by the company and the resolutions disclosed specifying the value of the transaction, the contractual party and reasons of necessity for entering into such a transaction in accordance with the rules of the SET. The interested Directors have left the meeting room and did not vote on such agenda so as to ensure independence in decisions and information were disclosed immediately in the Interest of transparency. Connected transactions would be considered by the Board of Directors' meeting on the suitability of the transaction and the Audit Committee would give its approval for the disclosure of information in Form 56-1 and the Annual Report.

In 2017, the Board of Directors approved the related transactions which perform strictly to prescribed rules. Company Directors and Executives are required to report their own interest and related persons. Such interest shall connect to the company operation in accordance with the following principals;

1. Directors and Executives shall report their personal and related persons' interests in the report form within 1 (one) month as from the effective date of the law, or as from the date of election/appointment.
2. If there is a change in information on interests, the amended interest report shall be submitted to the Corporate Secretary within 3 (three) month as from the date of the change.
3. The Corporate Secretary shall submit a copy of the report to the Chairman of the and Chairman of the Audit Committee within 7 (seven) days as from the date of receipt of interest report.

In 2017, All Directors and Executives have already filed such reports, including any amendments thereto.

### **5.1.4 Promotion of Social Responsibility, Environment, and Human Rights**

The company has realizes on the importance of social responsibility and environment in parallel with the business operation. Therefore, the company focuses on fostering quality of life in surrounding communities, human rights awareness, and fair employment in the sustainable ways. The details were in the CSR Report.

### **5.1.5 Internal Control and Audit**

#### **Internal Control**

The Board of Directors attaches importance to and has installed a control system for operations, financial reporting and compliance with rules, regulations and policies. The internal audit units were entrusted with the Authority of and responsibilities of carrying out audits on compliance with the installed internal control systems for subsequent reporting to the Audit Committee and the Board of Directors. Such audit units are independent in the exercise of their functions. The Board of Directors would conduct an annual review of the suitability and sufficiency of internal control systems in all 5 items, i.e. Internal Control, Risk Assessment, Control Activities, information & communication and Monitoring Activities.

In Board of Directors' meeting no. 1/2561, held on 26 February 2018, which was also attended by the Audit Committee, the sufficiency appraisal form of the company's internal control system was considered. The meeting was of the opinion that the company had sufficient and effective internal control systems as per the Audit Committee report in Form 56-1 and the Annual Report.



### **The Internal Audit**

The Board of Directors has assigned the Audit Committee to inspect the sufficiency, appropriateness, and effectiveness of the internal control system. The results of the internal audit should be reported to the Board of Directors and shareholders. Moreover, the Internal Audit Unit, separated as one unit of the company, should reports directly to the Audit Committee They are responsible for the assessment of sufficiency and effectiveness of the internal audit using standard auditing measures in proposing improvement for the added value of the organization, and simultaneously supporting the good corporate governance.

In 2017, the Board of Inspection has effectively performed their responsibilities as assigned. Thanks to the qualified personnel in the Internal Audit Unit, the mission has been completely accomplished. The evaluation of internal control system revealed that there were some issues to be improved as well as recommendations for corporate operation, which were presented to the Board of Directors in the quarterly meeting.

### **5.1.6 Risk Management**

The company has set up The Corporate Governance and Risk Management Committee, to manage probable company risks in a systematic and efficient manner. Provide the risk management manual as a guideline for risk management across the enterprise according to the vision and missions of the company. The company has set up a Risk Management Sub-Committee to follow and update risk-factors internally and externally to observe and pinpoint any probable risk which may impact the business, to prevent and mitigate any loss that may arise. The Risk Management Working Groups are divided to monitor and cover risks that may arise from each department for the entire company and subsidiaries. The Corporate Governance and Risk Management Committee will be reporting directly to the Board of Directors.

### **5.1.7 Appointment of the Audit Committee, the Nominating Committee, the Corporate Governance and Risk Management Committee.**

The Audit Committee must consist of not less than 3 members, they must be the directors and independent directors which a qualified audit by The Securities and Exchange Commission and appointed by the Board of Directors or the Shareholders' Meeting. The term of position of one year.

The Nominating Committee and the Corporate Governance and Risk Management Committee must not less than 3 members. The Board of Directors shall appoint from Director and / or other persons whose status as employees of the companies and / or individuals from the external that in the position must have a knowledgeable and experienced enough to act properly. The term of position of one year.

### **5.1.8 Board of Directors' Meeting**

- The Board of Directors has determined that meetings shall be held at least once every quarter. A schedule of Board of Directors' meeting is prepared one year in advance wherein the agenda are clearly stated. The Corporate Secretary would submit such schedule in the December meeting of each year together with the submission of documents at least 7 days prior to the meeting date so as to give the Board of Directors sufficient time to consider and examine the data prior to attending the meeting, except in the event of urgency for the protection of the company's interests where notice may be given less than 7 days.

The Chairman of the Board of Directors would compile the opinions and conclusions obtained from the meeting. Interested Directors in each agendum would abstain from voting or abstain from giving an opinion or be absent from the meeting on such agendum, as the case may be. In a meeting of the Board of Directors, if there is a query or a need to obtain additional information from relevant persons, the Managing Director would invite a high level executive to give an explanation.

The Corporate Secretary would record the meeting and archive the minutes of past meetings that had been endorsed by the meeting and verified by signatures of the Chairman of the Board of Directors. In additional, company directors can express opinion or amend on the minutes of the meeting.

Minutes of Board of Directors' meetings and committee meetings are made in writing. Such documents are archived in original document format at the company Head Office for convenience of reference by the Directors and relevant persons.

- The Board of Directors had scheduled 4 meetings a year which were considered as the appropriate numbers and adequate time for the performance of the Directors. If the Directors would like to have more information, they could make a request to Corporate Secretary, with the possibility of other meetings in the event of an emergency.

In 2017, the company has held the Board of Directors Meeting 6 meetings

- The audit committee and internal audit have to a meeting with the CPA Auditor of the company without management in attendance at least once a year regularly and the report shall be informed the executives for information and take action.

#### **5.1.9 Self-Assessment of the Board of Directors**

The Board of Directors has prepared a self-assessment form for the Board of Directors. Such assessment provides an opinion of each Director on the performance of the Board of Directors as a whole, not on the individual performances of each Director. The objective was to carry out a review of performances and problems for further improvement in order to enhance the efficiency of the Board of Directors and to foster the relationship between the Board of Directors and the management. In 2017, Self assessment result was “good”.

Nevertheless, the company did not evaluate directors individually, since the evaluation in the form of The Board of Directors can reflect the performance as a whole, which each director can improve deficient parts of the topic very well.

The Audit Committee shall provide a self-assessment at least once a year. In 2017, the result of self-assessment by individual was 100%

#### **5.1.10 Remuneration of the Directors and Executives**

The Remunerations Committee would determine the appropriate remunerations limit after taking into account the experience, Authority of , scope of roles and functions, participation and responsibilities of each Director for proposal to the Board of Directors and to the meeting of shareholders for approval of such remunerations limit. In this regard, the 42nd annual general meeting of shareholders held on Tuesday, 25<sup>th</sup> April 2017, approved a Directorial remunerations limit of 12 million Baht per year. The Board of Directors has delegated to the Remunerations Committee the tasks of determining the remunerations for the Directors and Committee Members. Such remunerations were in accordance with the resolution of the meeting of shareholders that had approved of the directorial remunerations the appropriate remuneration to the Board of Directors for approval. The company fairly and logically specifies the compensation paid to directors, taking into account each director’s responsibility, its financial performance, and compatibility with industry peers. The directors who are member in sub-committee shall be paid for such duty appropriately.

#### **5.1.11 Development of Directors and Executives**

The Board of Directors and executive officers have appreciated their roles, Authority of and responsibilities to the company. Thus, the company has attached importance to the development of all personnel throughout the organization, consistent with the leadership and vision of the Directors and executives, in order to enhance knowledge, competencies, skills and potentials. The Board of Directors and executives are encouraged to attend seminars and training in courses that are beneficial to the performance of functions as are held internally or externally, including work visits abroad.

#### **Orientation of New Director**

The company has arranged for the orientation of new Director in order to inform them of the company’s policies and relevant information, such as the company’s principal business, operating results, organizational structure, shareholders, including relevant rules. Also, for the benefit of the discharge of functions by new Director, the company has prepared a handbook for Director.

### **Current Directors and Management Executives**

Continuing education is provided to these directors through sponsorship of relevant training courses offered by IOD. From nine Company Directors, or 100% underwent such courses, and participation in more such courses are in the works, both concerning directors' Authority of and company business in general. All executives are continually trained in relevant laws and regulations that are helpful to their performance in the management role.

- Executive Directors and executives; Mr. Suchai Narongkananukul, Mr. Arnut Rattanapathimakorn, Mr. Wachara Poomarintr, Miss Rachanee Luevipasakul, Mr. Chanin Ratanavijai, Mr. Somnuek Thungpukdee, Miss Darunee Supo, Mr. Supachai Taechalaparnarusmie, Mrs. Sukjai Rachadej and Mrs. Suwannee Naipongprasit joined training course on "Risk Management in accordance with ISO 3100 Risk Management Guidelines" date on 16, 26 January 2017 at Grand Howard Hotel. Narrator by Nithima Nulung (คุณนิธิดา หนูหลง) from NPC Safety and Environmental Service Co., Ltd.

- Mr. Chanin Ratanavijai and Miss Rachanee Luevipasakul, attended a seminar on "Securities and Exchange Act (New Issued)" on March 6, 2017, which was held by Mr. Chinapat Visuttiapat (คุณชินภัทร วิสุทธิแพทย์) from SCL. Law Group as a narrator

- Directors namely; Mr. Arnut Rattanapathimakorn, Mr. Chanin Ratanavijai, Mr. Thanavat Pugavanaja, Mr. Krisada Vissavateeranon and executive namely; Miss Rachanee Luevipasakul joined a seminar on "the good corporate governance (CG Code) guidelines" that will be started in 2018, Narrator by Mr. Thanakrit Permpoonkantisuk (คุณธนกรฤต เพิ่มพูนขันติสุข) on September 20, 2017 and October 18, 2017.

- Independent Director namely; Mr. Thanavat Pugavanaja, Mr. Krisada Visavateeranon attended in the Independent Director Forum on "Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance" on November 8, 2017 at Plaza Athenee Hotel, Wireless Road, Cooperation between IOD and PWC.

- Director and Executives Director namely; Mr. Krisada Visavateeranon, Mr. Chanin Ratanavijai, Miss Rachanee Luevipasakul and Miss Darunee Supo Attend the lecture on "Roles and Responsibilities of Directors "The Case Study: Insider Trading" on December 13, 2017 at Auditorium, Saha Pathanapibul Plc., Narrator by Prof. Kitipong Urappattanapong (คุณกิติพงษ์ อูร์พิพัฒน์พงศ์)

- Miss Darunee Supo, Executive Board member and Accounting and Finance Manager (CFO) attended the Director Certification Program (DCP) 246/2017, organized by the Thai Institute of Directors (IOD)

- Miss Darunee Supo, Executive Board member and Accounting and Finance Manager (CFO) Participated in the course. "Prepare...Supports changes to financial reporting standards."Financial Instruments", organized by the Stock Exchange of Thailand

### **Relevant Parties in Corporate Governance**

The Corporate Secretary an officer engaged in investor relations, as well as those doing relevant jobs, regularly attend assorted training courses and seminars on relevant and current topics, and topics that are helpful to their performance organized by SEC, SET, Listed Companies Association, and IOD.

2017, Miss Amornrath Piriyanachoti, Assistant Section Manager to Corporate Secretary Office, attended the Company Secretary Program (CSP) 80/2017 on 21-22 June 2017, organized by the Thai Institute of Directors (IOD)

#### **5.1.12 Succession Plan**

The company has implemented a succession planning by setting up a preparation processes for management and staff as detailed below:

1. Study and pinpoint all key executive positions as well as the critical positions of the organization.
2. Prepare the Job Competency and Characteristics Descriptions of key positions According to the competency set.
3. Analyze and compare candidates to suit each position based on
  - Performance
  - Potential

4. Set up each successor's development plan (IDP – Individual Development Plans) for each individual replacement required by the organization.
5. Develop successor in the framework and guidelines.
6. Continue monitoring, evaluating and modifying the capability of employees' development and improvement methods as planned.

The company is aware of the availability of management skilled and knowledgeable employees to sustain and enhance the company's strength and competitiveness.

## 2. Sub - Committee

The Board of Directors has appointed 5 sub-committees which has the appropriate expertise, responsible. The company has the operations and scrutinize carefully. The 5 sub-committees which comprise of the Audit Committee, the Remuneration Committee, the Nominating Committee, the Corporate Governance and Risk management Committee and The Executive Directors.

The Board of Directors defines the authority and responsibilities of each committee in the charter. To operate in accordance with the policies and objectives of the company. the Committees, each set has 1 person who chairman carry on the operations in accordance with the policies of the Board of Directors.

### 2.1 The Structure of the Board of Directors

The company's regulations clause 18, the Board of Directors is comprised of at least 5 directors, and the greater part is currently living in the Kingdom of Thailand. List of the Board of Directors refer to "Management Structure"

In 2017, there are 9 directors consisting of:-

	Person(s)			(%)
	Male	Female	Total	
Executive Director	4	-	4	44.44
Non-Executive Director	1	1	2	22.22
Independent Director	3	-	3	33.33
Total	8	1	9	100.00

In 2017, the company has formulated the structure of the Board of Directors. As a result, the proportion of the Executives Director, Non-Executive Director, and Independent Directors was more appropriated in monitoring the good corporate governance rigorously, and The Board of Directors has the meeting 6 times annually.

The structure of the Board of Directors comprised of Independent Directors constituting one-third of the Board of Directors' composition with consistent of the regulation of Capital Market Supervisory Board. though having the Independent Director less than 50%

The chairman is not the same person as the managing director.

There were 3 directors with extensive experiences relating to the company's business operations, but did not serve as the Management, namely; Mr. Manu Leelanuwatana, Miss Sirikul Dhanasarnsilp and Mr.Krisada Visavatheeranon

However, the Directors and Executives have never been employed or being a partner of the external audit firm during two years previous.

**Authority of the Board of Directors :-**

1. Appoint, remove, and assign authority to advisors to The Board of Directors, the Managing Director, and various committees, to carry out the assigned Authority of .
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Approve loan transaction to be used as the company's working capital, for such portion exceeding the authority of The Executive Board.
4. Approve or cancel credit facility, for such portion exceeding the authority of The Executive Board.
5. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
6. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
7. Approve the set-up, merger, or dissolution of subsidiary company.
8. Approve the investment for the purchase or sales of common shares, and/or other securities, for such portion exceeding the authority of The Executive Board.
9. Approve the procurement and investment transactions of fixed asset, for such portion exceeding the authority of The Executive Board.
10. Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer functionable, for such accounting value exceeding the authority of The Executive Board.
11. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Board.
12. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
13. Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
14. Approved the Executive Board to define the Operational Manual, other procedures as deemed appropriate.
15. Authorize The Executive Board members, management members, managers or other persons, to act on their behalf.
16. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
17. Appoint and remove Company Secretary.
18. The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of The Capital Market Supervisory Board.

**Duties and Responsibilities of the Board of Directors:-**

1. Set the direction, goal, and business policy for the company.
2. Approve the annual business plan and annual budget, as well as supervising the operations by the management to well comply with the laws, policies, and plans in an efficient and effective manner.

3. Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.
4. Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets.
5. Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the persons having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner.
6. Grant approval to financial statements already audited and verified by the certified public accountant, and earlier approved by The Audit Committee.
7. Being accountable to all shareholders on an equal basis, while ensuring that information are disclosed to the shareholders and investors in an accurate, reliable, and transparent manner.
8. Acknowledge the corporate management report prepared by The Executive Board.
9. Set the date, time, and place for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any), and provide comments relating to the meeting agenda to the shareholders. In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its subsidiaries for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to finalize the shareholders' list (Record Date) no longer than 2 months prior to the meeting, to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.
10. Prepare The Board of Directors' responsibility report toward financial statements compilation, and disclose said report in the company's annual report (form 56-2) and the annual registration statement (form 56-1).
11. Supervise the compilation of the documents required to be submitted to concerned regulating agencies, to ensure that all information contained therein are true and accurate in accordance with the information appearing in the accounting books, the registration book, and other official documents of the company. Endorse the Charter of the Board of Directors and/or other committees.
12. Grant approval to the charter for The Board of Directors, and/or other committees.
13. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

## **2.2 The Audit Committee**

For Good Corporate Governance regulated by SET, to increase investor confidence in administration of public company, B.O.D. appointed an Audit Committee the members are non-executive directors and one\*\* of them possess well understandings and experience in Accounting and finance

The audit committee comprised of at least 3 independent directors matched with the Securities and Exchange Commission regulation, and one of them possess well understandings and experience in Accounting and finance. The audit committee are nominated by BOD. and have authority and duty according to charter of audit committee and clearly right to promote the performance in order to get rid of beneficial conflict problem. Also to audit the financial statement to be proposed to the shareholders, and communicate with the certified public auditor (CPA) of the company. Each member has 1 year term. In 2017, the Audit Committee held 13 meetings.

Name		Position
1. Mr. Padoong	Techasarintr**	Chairman
2. Mr. Thanavat	Pugavanaja	Director
3. Mr. Krisada	Visavateeranon	Director

Note \*\* Audit Committee are possess well understandings and experience in Accounting and finance

**Authority of the Audit Committee :-**

1. Coordinate to facilitate common understanding regarding company operations among the certified public accountant, The Board of Directors, and the internal control office.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.
3. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of The Audit Committee.
4. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.

**Duties and Responsibilities of the Audit Committee :-**

1. Review the company's financial statements to ensure that they are accurate and adequate by reviewing the company's major accounting policies, and supervising information disclosure in such manner complying with Thai Financial Reporting Standards.
2. Review the company's internal control system to ensure that it is suitable and review fraud and corruption prevention and internal audit system to ensure that they are effective.
3. Review operational independence of the internal audit office; approve, appraise, appoint, transfer, or dismiss the chief of internal audit office or any other office responsible for internal audit operations. Supervise to ensure that chief of internal audit office has sufficient education, experiences, and training, adequate to such internal audit operations.
4. Grant approval to the Internal Audit Charter.
5. Grant approval and monitor the progress made in relation to the internal audit plan.
6. Review to ensure that the company duly follows the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, and the laws concerning the company's business operations.
7. Review, select, nominate and/or dismiss independent persons to serve as the company auditor, and propose related remuneration. Also take part in joint meeting with the company auditor, in the absence of the management for at least once a year.
8. Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, the regulations of the Stock Exchange of Thailand, and the notification of the Capital Market Supervisory Board and that they are justified and are of maximum benefits to the company.
9. Prepare the report by the Audit Committee and disclose it in the company's annual report. Said report requires the signature of the Audit Committee Chairman, and needs to contain at least the following information:
  - a. Opinion regarding the accuracy, complete coverage and reliability of the company's financial statements
  - b. Opinion regarding the adequacy of the company's internal control, fraud and corruption and the risk management system
  - c. Opinion regarding the practices in compliance with the law on securities and stock exchange, the regulations of the Stock Exchange of Thailand, or other laws concerning the company's businesses operations
  - d. Opinion regarding the suitability of the company auditor and the chief of internal audit office.



- e. Opinion regarding the transaction with possible conflict of interests
  - f. The number of the Audit Committee's meetings, and the attendance record of each member
  - g. Overall opinion or comment provided by the Audit Committee out of its practices in accordance with the Charter
  - h. Other items deemed to benefit the shareholders and general investors, in accordance with the authority and duty scope assigned by the Board of Directors.
10. During the course of its duty, should The Audit Committee come across or have any doubt relating to below transactions that they may significantly affect the company's financial position or performances, they are then required to report the matter to The Board of Directors, in order for necessary remedial actions to taken within the timeframe decided upon by The Audit Committee:
- a. Transaction incurring conflict of interests.
  - b. Significant fraud and corruption, irregularity or deficiency within the internal control system.
  - c. Breach of laws concerning securities and stock exchange, the regulations of The Stock Exchange of Thailand, and other laws concerning the company's businesses operations.
- In the case where The Board of Directors or the management fail to rectify the items within the timeframe assigned by The Audit Committee, and member of The Audit Committee may report said problems to The Securities and Exchange Commission or Stock Exchange of Thailand.
11. Encourage and follow-up to ensure that the company has effective risk management system.
12. Supervise to ensure that the company has adequate channel to take care of complaints or tips relating to suspicious or improper items contained in the financial statements or fraud and corruption. At the same time, ensure that the company has protective confidential measurement for whistleblower, transparency and independence investigation process, and appropriate follow up.
13. Supervise to ensure that the company implements adequate management system in accordance with the good corporate governance practice.
14. Review, revise and amend the Audit Committee Charter for further submission to The Board of Directors for approval.
15. Implement self-appraisal review at least once a year.
16. Engage in other acts as assigned by The Board of Directors and deemed justified by The Audit Committee in accordance with company regulations and the law.

In carrying out its above duties, The Audit Committee is directly responsible to The Board of Directors, who in turn is responsible to the shareholders and general investors.

### **2.3 The Remuneration Committee**

Remuneration Committee comprises of at least 3 Directors appointed by the Board of Directors and/or others in order to consider determine the criteria for payment of remunerations of the Board of Directors and proposed to the Board of Directors and Shareholders. Each member has 1 year term. In 2017, The Remuneration Committee has the meeting 2 times annually.

Name		Position
1. Miss Sirikul	Dhanasarnsilp	Chairman
2. Mr. Suchai	Narongkananukul	Director
3. Mr. Thanavat	Pugavanaja	Director



**Authority of the Remuneration Committee :-**

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed as necessary.

**Duties and Responsibilities of the Remuneration Committee :-**

1. Review the remuneration policy and criteria for the company directors and if deemed necessary, propose the suggestion or revision to existing criteria, in order to make them more suitable.
2. Review the remuneration budget earmarked for the company directors, by taking into account the practices by other companies in the same business category, the business growth and the company's performances, the remuneration budget approved by the shareholders' meeting, and the actual remuneration amount for the previous year, for further presentation to The Board of Directors for consideration, and for final approval by the shareholders' meeting.
3. Review the remuneration budget for the company directors, the Audit Committee members, the Nominating Committee members, the Remuneration Committee members and the Corporate Governance and Risk management Committee members by taking into account their duty and responsibility scope and related performances, based on the remuneration budget approved by the shareholders' meeting.
4. Review the remuneration budget for the Nominating Committee members, the Remuneration Committee members and the Corporate Governance and Risk management Committee members (who do not serve as company directors), by taking into account their duty and responsibility scope, and related performances.
5. Review and revise the charter for The Remuneration Committee, and present to The Board of Directors for approval.
6. Engage in other acts as assigned by The Board of Directors.

**2.4 The Nominating Committee**

Nominating Committee comprises of at least 3 Directors appointed by the Board of Directors and/or others. They must be knowledgeable and experienced to consider and nominate qualified persons to Board of Directors and Shareholders in the Shareholders meeting. In case that a directorship is vacant, Nominating Committee may select and appoint a candidate to replace. Each member has 1 year term. In 2017, The Nominating Committee has the meeting 1 time annually.

Name		Position
1. Mr. Boonsithi	Chokwatana	Chairman
2. Mr. Manu	Leelanuwatana	Director
3. Mr. Suchai	Narongkananukul	Director

**Authority of the Nominating Committee :-**

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed as necessary.

**Duties and Responsibilities of the Nominating Committee:-**

1. Set the criteria and method in selecting the persons to be nominated as directors and top management.

2. Review the background and relevant information of the persons to be nominated as directors and top management, by considering their knowledge, experiences, and expertise from various professions, so as to secure qualified persons according to the selection criteria, company regulations, and related laws.
3. Select and evaluate the candidates qualified to be nominated as company directors, for The Board of Directors to consider and approve. However, in the case of the director retiring upon term completion, such nomination needs to be submitted to the shareholders' meeting for approval.
4. Prepare comment and suggestion to serve as references for The Board of Directors' consideration.
5. Review and revise the charter for The Nominating Committee, to be proposed to The Board of Directors for consideration and approval.
6. Engage in other acts as assigned by The Board of Directors.

## **2.5 The Corporate Governance and Risk management Committee**

The Corporate Governance and Risk management Committee of at least 3 directors who appointed from Board of Directors and/or others persons Both as employees Or employees of the company and / or any third party with knowledge. Sufficient experience to serve the good governance and risk management. Each member has 1 year term. In 2017, The Corporate Governance and Risk management Committee has the meeting 2 times annually.

	<b>Name</b>		<b>Position</b>
1	Mr. Krisada	Visavateeranon	Chairman
2	Mr. Padoong	Techasarintr	Director
3	Mr. Thanavat	Pugavanaja	Director
4	Mr. Suchai	Narongkananukul	Director
5	Mr. Arnut	Rattanapathimakorn	Director

### **Authority of the Corporate Governance and Risk management Committee :-**

1. To have the authority to call for any related Management or Employees of the company for an explanation, giving their opinion, meeting attendance or document submission as deemed necessary.
2. To consult with experts or consultants with the company (if any) or hire the external consultant or experts at the expense of the company if necessary.
3. To have the authority to appoint the working team in order to implement in good governance and risk management across the organization.

### **Duties and Responsibilities of the Corporate Governance and Risk management Committee:-**

#### **Good Governance**

1. Review and update the Good Corporate Governance, Good Principles of Good Corporate Governance, Code of Ethics, and Code of Conducts for Executives and Employees, Anti-corruption Policy and Procedure in order to be in line with the changes in related business, regulations, announcement, rules, and laws.
2. Set the operational guidelines in accordance with the Principles of Good Governance, Anti-corruption, and to monitor, supervise, and assess the operation.
3. Promote and support the Board of Directors, Executives, and Employees to comply with the Principles of Good Governance and Anti-corruption.

#### **Risk Management**

1. clearly and continuously determine the policy and targets, plan, assess the risk, and provide the risk management system of the company in order to deal with any significant risk and report to the Board of Director.

- 2 Promote and encourage cooperation in risk management at all levels in the organization.
- 3 Monitor, supervise, and assess the performance in order to have appropriate and effective risk management by paying attention to all possible warning signs and irregularities.
- 4 Continuously develop effective risk management throughout the organization.

Also includes reviewing the Charters of Good Governance and Risk management Committee and proposing to the Board of Directors for approval and to perform any operation as assigned by the Board of Directors.

## **2.6 The Executive Board**

The Executive Directors comprised of at least 5 directors who appointed from Board of Directors and/or others who are knowledgeable and experienced in order to perform their management roles under Board of Directors' policy concerning with shareholders benefit. Each member has 1 year term. In 2017, The Executive Board has the meeting 14 times annually.

	<b>Name</b>		<b>Position</b>
1.	Mr. Suchai	Narongkananukul	Chairman
2.	Mr. Arnut	Rattanapathimakorn	Director
3.	Mr. Wachara	Poomarintr	Director
4.	Miss Rachanee	Luevipasakul	Director
5.	Mr. Chanin	Ratanavijai	Director
6.	Mr. Somnuek	Thungpukdee	Director
7.	Miss Darunee	Supo	Director

### **Authority of the Executive Board :-**

1. Appoint, remove, transfer, and evaluate the performances, as well as deciding on the remuneration and benefits to be granted to the employees at all levels.
2. Appoint and remove any committee assigned to carry out duties for the benefits of the company.
3. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
4. Issue the rules and announcement pertaining to company operations, and assign the authority to executive directors and/or staff members acting in the management position, to sign their names approving the disbursement of company assets.
5. Approve loan transaction to be used as the company's working capital, not to exceed an amount specified in the charter and short term under annual budget.
6. Approve or cancel credit facility, with credit amount not to exceed an amount specified in the charter.
7. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, with such loan extension for each company not to exceed an amount specified in the charter.
8. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as shareholders or companies engaging in business transaction, or other companies, with such loan guarantee for each company not to exceed an amount specified in the charter.
9. Approve investments and sales of investments in capital instruments and/or debt instruments, each transaction not exceeding an amount specified in the charter.
10. Approve procurements and investments in fixed assets, each transaction not exceeding an amount specified in the charter.

11. Approve the modification, demolition and writing off of fixed assets and intangible assets which are decommissioned, out of order, lost, damaged, deteriorated or outdated and no longer usable, the total book value of such transactions not exceeding an amount specified in the Charter.
12. Approve the adjustment of price and destruction of raw materials and/or outstanding stocks that have deteriorated or become outdated, which could have an effect in reducing the book value as actually occurred.
13. Approve a settlement, dispute settlement by arbitration, filing of complaint, lawsuit and/or to participate in any legal proceedings on behalf of the company pertaining to matters which are not within the normal trade of the company, each case involving a disputed amount not exceeding an amount specified in the charter, and/or which are within the normal trade in relation to a disputed amount that does not exceed an amount specified in the charter for each case.
14. Approve transactions not part of the normal business, each transaction not exceeding an amount specified in the charter.
15. Assign management members, managers or other persons, to act on their behalf.
16. Authorize to summon management members or employees concerned to provide explanation or opinions, to join the meetings, and to submit those documents deemed necessary.
17. Issue work guidelines deemed necessary and appropriate.
18. The authority scope for The Executive Board pertaining to the acquisition or disposal of assets and connected transactions, shall comply with the Notification of The Capital Market Supervisory Board.

**Duties and Responsibilities of the Executive Board :-**

1. To propose the goals, policies and annual budget to the Board of Directors.
2. To take responsibility for the management of the company in accordance with the direction, goals and business policies of the company.
3. To take charge in enhancing the competitiveness of the company and to promote continual innovations.
4. To supervise the operations of the company in accordance with the laws, objects, Articles of the company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, as well as relevant rules and regulations.
5. Executive Committee members may divide the Executive Committee's works and responsibilities amongst themselves, in which case reports on the activities within each member's supervision must be submitted to the meeting of the Executive Committee for acknowledgement.
6. To supervise the preparation of financial statements, which shall be submitted to the auditor for audit and/or review prior to submission to the Audit Committee and Board of Directors respectively.
7. To consider matters submitted to the Board of Directors for approval or endorsement.
8. To revise and amend the Charter of the Executive Committee and to submit such revision or amendment to the Board of Directors for approval.
9. To carry out any other acts as assigned by the Board of Directors.

**2.7 Duty and Responsibility of the Managing Director:-**

1. To manage the company and administer the operations in compliance with policies, laws, objectives, Articles of the company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, resolutions of the Executive Committee, as well as relevant regulations and procedures.
2. To issue orders and carry out any act as necessary and appropriate in order to satisfactorily carry out the functions under article 1, and in the case of an important matter, a report shall be made and/or notice shall be given to the Board of Directors and/or the Executive Committee.
3. To command, allocate, appoint, relieve, transfer, promote, enforce disciplines, evaluate as well as to determine the company personnel's remuneration and welfare benefits of employees. All said power must not be inconsistent with the power of Executive Committee.

4. To issue regulations on the company's operations, such regulations not being inconsistent with or contrary to the policies, articles of the company, regulations orders and resolutions of the Board of Directors and/or Executive Committee.
5. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.
6. To promote and develop adherence to good conduct, legal compliance, ethics and culture in the company's business operations while observing good governance principles.
7. The above powers of the Managing Director shall not be exercised in the event of the Managing Director's having a potential personal interest in or a conflict of interests of any character with the company.
8. In the event that the above powers may not be thoroughly clarified or causing any doubt (uncertain) in exercising, the matter must be submitted for the Board of Directors' consideration.
9. To carry out any other acts as assigned by the Board of Directors and/or Executive Committee.

### 3. The Selection of the directors and executive members

#### 3.1 Criteria for the selection of independent directors and the recruitment process.

The company has The Nominating Committee which is responsible for the selection of qualified candidates, taking into account the knowledge, skills, experience and expertise from various professions. The Nominating Committee also consider their leaderships, visions, ethics, transparency, and must not be prohibited by laws and regulations of the company and nominate competent candidate(s) who are eligible by law and regulations, set out by the Stock Exchange of Thailand and the Securities and Exchange Commission and not being sexual prejudice for their nominations to the Board of Directors for approval, unless In the case of independent directors retired by rotation to propose to the AGM for approval individually.

#### 3.2 Determination of Independent Directors'

Independent Director means a person who is qualified and independent of management and the major shareholders

The company has given the definition of each "independent director" of the company equal to the announcement of the Capital Market Supervisory Board No. Tor Chor. 4/2552 as follows:

- (1) holding shares not exceeding one percent of the total number of shares with voting rights of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of appointment as an independent director. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the company;
- (3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the company or its subsidiary company;
- (4) neither having nor used to have a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment as an independent director.

The term ‘business relationship’ under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- (5) neither being nor used to be an auditor of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment as an independent director;
- (6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of appointment as an independent director;
- (7) not being a director appointed as representative of directors of the company, major shareholder or shareholder who is related to major shareholder;
- (8) not undertaking any business in the same nature and in competition to the business of the company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the company or its subsidiary company;
- (9) not having any other characteristics which cause the inability to express independent opinions with regard to the company’s business operations.

After being appointed as independent director with the qualifications under (1) to (9), the independent director may be assigned by the board of directors to take part in the business decision of the company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

### **3.3 The term of office of Directors and Independent Director**

The Board of Directors was elected in the shareholders’ meeting. According to the company’s regulations, the Directors can hold office for 3-year term as specified in the Public Limited Companies Act. The Directors who retire upon expiration of their office holding term can be re-appointed. The information of office holding, date-month-year, of the Directors and Independent Directors has been clearly disclosed in section “Information on the Board of Directors, Executives and Corporate Secretary”

- The Board of Directors does not specify the term of office holding for the Directors because the Board of Directors and shareholders are confident in the Directors’ qualifications as the experts equipped with knowledge, business capabilities, determination, and high commitment.

- Like the Directors, the Board of Directors does not specify the term of office holding for the Independent Directors since both positions are appointed by the approval of the shareholders’ meeting.

- The Board of Directors gathers information from the letter of proxy and annual report as well as the office holding term in considering for the appointment of the Independent Directors.

### 3.4 Determining the number of listed companies for the Directors

The Board of Directors does not determine the number of companies; each director will be elected as directors. The Committee has devoted time to perform Authority of for the company effectively. By attending meetings regularly and benefits to companies throughout the company, ensuring that no impact on the performance in any way. so, does not limit the number of listed companies for the Directors to hold office.

The company discloses the names and details of office of each director in other companies in both 56-1 and in the annual report. In present, the company does not directors held any directorship in other listed companies, 5 companies.

Number of Listed Company	Name of Director
4	Mr. Manu Leelanuwatana
4	Mr.Padoong Techasarintr *
1	Miss Sirikul Dhanasamsilp
1	Mr. Krisada Visavateeranon *

Note: \* Independent Director who hold office in other companies

### 3.5 Merger or Segregation of Positions

The company prescribes that the Chairman of the Board of Directors shall not be an Executive Director, Managing Director and shall not have any relationship with the entire management. There is a clear separation in the functions with respect to supervisory policies and the management of routine functions. The company has prepared a Charter of the Board of Directors which clearly prescribes and delineates the powers of all committees and the Managing Director.

#### **Authority, duty, and responsibility scope of the Chairman**

1. Take responsibility as the leader of The Board of Directors in monitoring and supervising the operations of The Board of Directors and various committees.
2. Preside at The Board of Directors' meeting. In case of tie, the Chairman adds an additional vote as a casting vote.
3. Summon The Board of Directors' meeting or may assign another person to act on own behalf.
4. Preside at the shareholders' meeting and control the meeting to be in accordance with the company's regulations regarding the meeting. Conduct the meeting according to the agenda specified in the invitation to the meeting, unless the meeting resolves to change the order of the agenda by votes of not less than two-thirds of the shareholders present at the meeting.
5. Engage in other acts as assigned by The Board of Directors.

**The Chairman of the Board of Directors** is the leader and controller of Board of Directors' meeting in order to ensure independence. All Directors are able to express opinions or make suggestions fully. The management of the executive is supported through the grant of powers and responsibilities to the Managing Director. The Board of Directors does not interfere with routine management work.

Although the Chairman of the Board of Directors is not an Independent Director, the company remains confident that the discharge of Authority of has always been undertaken with an understanding of good corporate governance principles. Decisions on significant matters approved by each relevant committee have achieved a balance and reviewed as well as strictly complied with

### **3.6 The recruitment of Directors and senior management.**

The Nominating Committee will select persons having suitable qualifications by consider their qualifications and expertise in various professions, while also taking into account other qualities such as leadership, vision, morality and ethics, accompanies by transparent, accountable career records. They shall also be required not to possess any forbidden aspect specified by laws and Articles of association. The suitable persons will be nominated as company directors for reconsideration by the Board of Directors prior to submitting to the meeting of shareholders for election by the majority vote of eligible shareholders attending the meeting.

In the case where the retirement took place prior to term completion with the remaining term being not less than two months, the Board of Directors shall then be authorized to select the persons from the candidates proposed by the Nominating Committee, for further appointment as company directors, by the majority votes not less than three-fourth of the existing number of Directors. In such case, the newly-appointed directors shall hold office for the remaining term of their predecessors.

#### **Director Election Process**

According to the Articles of Association Chapter 4, the directors must be elected by the shareholders' meeting according to the regulations and methodologies as follows:

- 1) A shareholder has one share and equal to one vote.
- 2) Each shareholder must apply all the vote according to Item (1), to elect only one or more to be directors but shall not be divided of the vote to any others or how much.
- 3) The person who granted the subordinate maximum votes has been elected to be the director as the amount of directors that the shareholders' meeting must elect. In case of the person who granted the subordinate votes, being a tie over than the amount of directors that the shareholders' meeting must elect, the chairman shall exercise his casting vote.

#### **Minority shareholders' rights**

The company provided the opportunity for minority shareholder to nominate candidates to be appointed company directors, prior to the holding of shareholders' meeting, according to the criteria set forth by the company. Shareholder can find detail document at the company's website ([www.tpcorp.co.th](http://www.tpcorp.co.th))

### **3.7 The Executives Selection Process**

1. The management carries out the duty of selecting persons with suitable qualifications as executive
2. The appointment of other executives not also being members of the Executive Committee shall be carried out jointly by the executive in the relevant line of operation and the Personnel Department submitting nominations for appointment by the Managing Director.

## **4. Corporate Governance's the operations of its subsidiaries and associates**

The Board of Director has a policy for its subsidiaries and associated companies' compliance with corporate governance policy for Directors, executives and employees to adhere to the same.

Any transaction that is considered either as a "connected transaction" or as the "acquisition or disposition of assets", according to the rules of the SET and SEC. The transaction shall be treated and comply with the requirements of the SET and SEC and will be reviewed by the Audit Committee in the event that must be considered by the Board of Directors.



## 5. Controlling the use of inside information

- The company set up a specific obligation in written to prevent company Directors, executives and employees who acquire inside information are prohibited from trading in company shares in the 1-month period prior to public disclosure of financial statements, to use inside information for their own benefits. The obligation stated that they must submit their shareholding reports when any changes of status occurs to the secretary of the company in order that it will be reported to the Board of Directors. Violators are subject to disciplinary action, ranging from warnings to cut wages. Suspension without pay. Until termination and legal proceedings.
- Determine and inform the company directors, executives. When first appointed to the new position A previous report in securities holding company. And for changes in securities holding company informed to the Securities and Exchange Commission under section 59 Securities and Exchange Act of 2535 within 3 working days from the date of the transaction. With a copy to the company secretary. Save the changes and to prepare a summary of the securities of the directors and executive officers individually. To report to the Board of Directors for the next meeting was also informed penalties if they are violated or failed to comply with such requirements.
- Set the Board meeting schedule for the year and distributed to directors in advance. To know how long should refrain from trading securities.

## 6. Remuneration of company Auditor In 2017

### 6.1 Audit Fee

(unit: Baht)

Auditor Name	Company Payer	Audit Fee
Ms.Kwunjai Kiatgungwalgri and/or Mr. Anusorn Kiatgungwalgri From ASV & Associates Limited.	1. Textile Prestige Plc.	790,000.-
	2. TPCNIC Co., Ltd.	150,000.-
Total		940,000.-

### 6.2 Remuneration for other services (Non-Audit Fee)

(unit: Baht)

Provider	Company Payer	Type of Work Other services	Fee
ASV & Associates Limited.	1. Textile Prestige Plc.	BOI promoted business	50,000.-
	2. TPCNIC Co., Ltd.	The Financial Statements (English Version)	3,000.-
Total Non-Audit Fee			53,000.-

## 7. Compliance with good corporate governance principles in other matters

The Board of Directors has adopted corporate governance policies which comply with the principles of good corporate governance for listed companies, according to the Stock Exchange of Thailand. The company has published its corporate governance policies on the company website. [www.tpcorp.co.th](http://www.tpcorp.co.th)

Throughout 2017, the company performed in accordance with its policy on good corporate governance, except for the following issues.

- Chairman of the Board of Directors is not an Independent Director, the company remains confident that his performance has always been undertaken with an understanding of good corporate governance principles. Important Decisions were approved by each relevant committee creating balance and was reviewed as well were strictly complied.

2. The Board of Directors neither determines the number of companies for each director to be assume his directorship nor a length of time for any independent director because each director has effectively devoted time to perform his Authority of for the company by attending meetings regularly providing benefits to the company. Therefore, the company is confident that it does not impact each director's performance in any way.
3. The company did not evaluate directors individually, since the evaluation in the form of The Board of Directors can reflect the performance as a whole, which each director can improve deficient parts of the topic very well.

#### **Corporate Social Responsibility**

The company has a report of the Corporate Social Responsibility was as the book in "CSR REPORT" and also appeared in the CD-annual report of 2016 submitted together with the notice of the General Meeting of Shareholders

## **Internal Control and Risk Management**

The Board of Directors' meeting No.1/2561 on 26 February 2018, attended by the Audit Committee members had evaluated for the company's internal control for the year 2017, and conclusively considered that the company had an internal control system which were sufficient and suitable to its present operation.

**Internal Control** The company has a suitable organization structure which is divided according to job function and responsibility. Board of Directors has carefully set Policy and viable Target which is clear and measurable for the company's management and personnel to implement. Remuneration for management and staff has also been set at the reasonable rate and in line with the company's target and performance.

The company is operating under Charters for Board of Directors, Audit Committee, Nominating Committee, Corporate Governance and Risk Management Committee, Executive Director Committee and Scope of Authority of and Responsibilities of the Managing Director. The company also has a written Operating Manual with guidelines to Good Practices which prohibit the management and personnel to perform any activity that may step into a conflict of interests. There are written policies and procedures against corruption as operating guidelines to prevent corruption. In addition, the company stressed on loyalty and ethics including fairness in business operation and dealing with customers and trade partners.

**Risk Assessment** The company has set up The Corporate Governance and Risk Management Committee, to manage probable company risks in a systematic and efficient manner. Provide the risk management manual as a guideline for risk management across the enterprise according to the vision and missions of the company. The company has set up Risk Management Sub-Committee to follow and update risk-factors internally and externally to observe and pinpoint any probable risk which may impact the business, to prevent and mitigate any loss that may arise. The Risk Management Working Groups are divided to monitor and cover risks that may arise from each department for the entire company and subsidiaries. The Corporate Governance and Risk Management Committee will be reporting directly to the Board of Directors.

**Control Activities** The company had clearly prescribed level of authorized power, and distribute duty and responsibility of each section. With regard to the transactions carried out with connected parties, the company duly followed The Notification of The Capital Market Supervisory Board, together with the regulated process of approval and regularly report to the Audit Committee.

**Information & Communication** The company stressed to the importance of Information and communication system in order to report précised data for directors, executives, the shareholders, or other related persons to be decided. The company exercises SAP Software system in order to manage the company's information for the most efficiency in working which will resulted the management for update information and right decision. There are also safety measures within the information system to prevent risk which might be occurred. All documents and accounting files are classified and cataloged in accordance with the general accepted accounting principles.

Prior to the meeting of the Board of Directors and shareholders, we delivers notice along with data which are sufficient for decision making in advance and within the period prescribed by law.

**Monitoring Activities** The company set performance targets and conducts comparison with actual performance. In the event of a discrepancy between target and actual, the company would effect remedial measure or modify operation plans to be in time and suitable situation. In addition, the regular inspection of performance pursuant to the internal control system are conducted by the internal audit section. The result of these inspections are reported directly to the Audit Committee, in case a significant defect has been detected, the Audit Committee must informed Executive Board and directly report to the Board of Directors for remedial instruction to be given within a reasonable time.

From the appraisal of the company's internal control system in 5 items mentioned above, the Board of Directors has opinion that the company got suitable and sufficient internal control system. Nevertheless, the Board of Directors is well aware that any internal control system could not guaranteed against all losses occurring from significant errors. Such a system is merely capable of preventing or guaranteeing against losses at reasonable level and all members of the Audit Committee have the same opinion.

## Connected Transactions

The financial statements included transactions with related companies. The relationship may be by shareholding or the companies may have the same group of shareholders or directors' assets liability revenues and some expenses of company showed account relationship. On the 31 December, 2017 the significant transactions with the connected companies were as following consolidated the notes to the financial statements notes No. 5, 6 and 10 have done a fair market price and in accordance with normal trade or as agreed in the case where there was no reference market price.

### Connected Transaction in 2017

1. The Board of Directors at the meeting No. 4/2559 held on 9 November 2016 approved the various transactions entered with connected transactions for the year 2017, details as follow:

1.1 Transaction date: From 1 January 2017 – 30 December 2017

1.2 Connected parties and relationship: 6 companies.

No.	Name of connected parties	Relationship*
1	Saha Pathana Inter Holding Plc.	The major shareholders
2	Pitakkij Co., Ltd.	The common major shareholders : SPI
3	Eastern Thai Consulting 1992 Co., Ltd.	The common major shareholders : SPI
4	MBTS Broking Service Co., Ltd.	The common major shareholders : SPI
5	G Tech Material Co., Ltd.	The common major shareholders : SPI, WACOAL
6	A Tech Textile Co., Ltd.	The common major shareholders : SPI, WACOAL

\*Noted

SPI = Saha Pathana Inter Holding Plc.

WACOAL = Thai Wacoal Plc.

1.3 The General characteristics of transaction:

Company	Types of connected transactions	Example	Total amount	Actual value
6 companies as above	<u>Category 2</u> Supporting normal business transaction without general trading conditions	- Business consultancy fee	<u>Revenue item</u> Not over 45 million Baht	<u>Revenue item</u> 3.12 million Baht
	Category 3 Transaction regarding rental or lease of immovable property not exceeds 3 years.	- Immovable property rental fee such as dormitory etc.	<u>Expense item</u> Not over 20 million Baht	<u>Expense item</u> 4.42 million Baht
	Category 4 Transaction relating to assets or service	- Movable property rental fee - Administration Services such as Employee Card, Housekeeping - Utilities - etc.		

1.4 Pricing and Compensation policies :

- Business consultancy fee: Fee depends on the difficult and scope of service.
- Immovable property rental fee: Set by cost plus reasonable profit.
- Assets or Service: Set by cost plus reasonable profit.

Transaction volume: Above transactions are the transactions between Textile Prestige Public Company Limited and the connected parties, which considered to be transactions prescribed in the notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and other acts of Listed companies concerning the connected transactions, 2003 (B.E2546) and amendment.

Category 2 Supporting normal business transaction without general trading conditions.

Category 3 Transaction regarding rental or lease of immovable property not exceeds 3 years.

Category 4 Transaction related to assets or service.

as of the category 2, 3 and 4 states that having transaction volume larger than 1 million Baht but less than 20 million Baht, or otherwise more than 0.03% but less than 3% of net tangible assets (NTA), whichever may be greater.

Since 0.03% of the company's NTA as of June 30, 2016, stand at 0.66 million Baht, as compared to 3% of such amount for 66.31 million Baht, therefore, such transaction volume be approved by the company's Board of Directors, while at the same time being required to be duly disclosed the information to the SET, without having to seek approval from the shareholders' meeting for this matter.

- 1.5 Funding source: From the company's working capital which is adequate and does not affect the company's operations.
- 1.6 Transaction rationale: To support the business which the company invests and are the company's Supply Chain.
- 1.7 Those directors with possible conflict of interest did not attend nor casted votes.
- 1.8 Opinions of the Board of Directors: Agree to approve such transaction intended to support normal business transaction without general trading conditions, transaction regarding rental or lease of immovable property, transaction relating to assets or service to the related company in the year 2017 in revenue an amount not exceed 45 million Baht and expense item an amount not exceed 20 million Baht.

Transaction with connected parties according to above details, as they were considered to be normal business transactions, representing reasonable prices and other conditions concerned. Furthermore, such transactions should contribute to the company's further benefits, as well as help strengthen the company's business potential further, thereby promoting mutual business developments for the parties concerned.

- 1.9 Opinions by The Audit Committee and/or Director significantly different from those by The Board of Directors : - None -

2. The Board of Directors of Textile Prestige Public Company Limited at the meeting No.3/2560 held on June 20, 2017 has a resolution to invest in convertible debentures of Saha Pathana Inter-Holding Plc. on shareholding proportion for the number of 3,539 units, at 1,000 Baht per unit, for total amount of 3,539,000.- Baht from Saha Pathana Inter-Holding Plc., who is a connected party to the company, according to transaction details as follows:

- 2.1 Transaction date : Within June, 2017
- 2.2 Transaction parties involved
  - Buying party : Textile Prestige Public Company Limited ("TPCORP")
  - Selling party : Saha Pathana Inter-Holding Plc. ("SPI"), a connected party to the company
  - Details of connected parties and relationship nature : Saha Pathana Inter-Holding Plc. is a major shareholder in the company, with a 12.03% shareholding proportion.
- 2.3 General transaction description : The investment in convertible debentures on shareholding proportion from connected party. The company holds 437,140 shares or 0.09% stake in Saha Pathana Inter-Holding Plc. on shareholding proportion for the number of 3,539 units, at 1,000.- Baht per unit, for total amount of 3,539,000.- Baht
- 2.4 Purpose of transaction : To maintain the proportion in shareholding in the invested company and to utilize the company's available cash flow aimed at generating better return benefits from said investment transaction on a long-term basis.
- 2.5 Details of acquired assets

Name of convertible debentures : Convertible Debentures of Saha Pathana Inter-Holding Public Company Limited No. 1/2560 Due 2024 with Mandatory Conversion Condition

Type of convertible debentures : The convertible debentures are issued in registered form, unsecured, unsubordinated, associated with the rights of conversion into the newly issued ordinary shares of the Company and with a debenture holders' representative.

Total Offering : Up to 4,000,000,000.- Baht

Units of convertible debentures : Up to 4,000,000 units Face value : 1,000.- Baht per 1 unit of convertible debenture

Issue date : June 29, 2017

Tenor : 7 years (June 29, 2017 - June 29, 2024)

Redemption Date : June 29, 2024

Interest Rate : 0.70% per annum

Interest Payment Date : 4 times per annum, on March 29, June 29, September 29 and December 29 of each year. The first interest payment date is September 29, 2017 and the last interest payment date is the redemption date.

Allocation ratio : 123.508575 existing shares : 1 convertible debenture (any fraction number derived from calculation will be disregarded in all cases)

Subscription right : 3,539 units at the value of 1,000.- Baht per unit

Total transaction value : 3,539,000.- Baht

*In the event that the company wishes to exercise the right to convert the convertible debentures into new ordinary shares*

Conversion price : 45.- Baht per 1 ordinary share

Conversion ratio : 1 convertible debenture : 22.222222 ordinary shares

The company is entitled to convert the convertible debentures into 78,644 ordinary shares.

(The company does not have to do extra investment in exercising the right to convert the convertible debentures into the ordinary shares.)

Conversion date : 4 times per annum, in March, June, September and December of each year. The first conversion date is in June 2018.

- 2.6 General description of connected transaction : Transaction relating to assets and services at 3,539,000.-Baht came under the scope of connected transactions for listed companies as specified in The Notification of The Capital Market Supervisory Board No. Tor Chor. 21/2551, regarding rules on connected transactions provided as transactions relating to assets and services having transaction volume of over Baht 1 million but less than Baht 20 million, or more than 0.03% but less than 3% of net tangible assets (NTA), whichever may be greater. Such 0.03% of NTA value by the company as of March 31, 2017, stood at Baht 0.67 million, as against 3% of said NTA of Baht 67.62 million. Accordingly, said transaction volume warranted the company to seek approval from The Board of Directors and to report said information to the SET, without having to seek further approval from the shareholders' meeting.
- 2.7 Funding source : From the company's working capital
- 2.8 Acquisition and disposition of assets: Transaction volume does not come under the scope for the acquisition or disposal of assets having significant value for listed companies
- 2.9 The Company's director and interest person and/or the director who is the connected person who did not attend the meeting and not eligible for voting: Mr. Manu Leelanuwatana, Miss Sirikul Dhanasarnsilp, who are the Company's directors and Saha Pathana Inter-Holding Public Company Limited, Mr. Boonsithi Chokwatana, who is the Advisor of the Company's Board of Directors and the Chairman of Saha Pathana Inter-Holding Public Company Limited.

- 2.10 Opinion by The Board of Directors : Agreed to approve the investment in convertible debentures of Saha Pathana Inter-Holding Plc. on shareholding proportion for the number of 3,539 units, at Baht 1,000 per unit, for total amount of 3,539,000.- Baht from Saha Pathana Inter-Holding Plc. Said investment transaction will maintain the proportion in shareholding in the invested company. Moreover, the company will receive interest throughout the term of the convertible debenture. And when converted into ordinary shares, there will be the opportunity to earn capital gains in the future.
- 2.11 Opinions by The Audit Committee and/or Director significantly different from those by The Board of Directors : -None -

3. The Board of Directors of Textile Prestige Public Company Limited., at the meeting No.5/2560 held on 9 November 2017, approved the renovation of factory1 by Pitakkij Co., Ltd.: the limit of 5.30 million Baht.

3.1 Transaction date : Since November 2017 – April 2018

3.2 Connected party and relationship

The employer: Textile Prestige Plc. (“TPCORP”)

The employee: Pitakkij Co., Ltd

The relationship: There is one common major shareholder, Saha Pathana Inter Holding Plc. (“SPI”)

Saha Pathana Inter Holding Plc.	Holding TPCORP	Holding Pitakkij Co., Ltd
	12.03%	33.52%

3.3 The General characteristics of transaction: The Company will hire Pietakit Co., Ltd. to renovate some area in Factory1, located at Saha Grop Industrial Park - Sriracha, to provide space for a production line and new machines to expand the capacity of Home Textile Project.

3.4 The total value of the consideration and the criteria used to determine value: The Company opened a bid for construction. There are 3 bidders and Pitakkij Co., Ltd. proposed the minimum bid of 5.30 million Baht (Excluding VAT). Other 2 bidders are not connected parties. It is a medium size transaction (0.24% of NTA), which is more than 0.03% but less than 3% of NTA . When calculate the total in the past six months with Pitakkij Co., Ltd. The total amount is less than 3% of NTA

Since 0.03% of the company’s NTA as of 30 June 2017 stands at 0.66 million Baht, as compared to 3% of such amount for 66.12 million Baht, therefore, such transaction volume shall be approved by the company’s Board of Directors, while at the same time being required to be duly disclosed the information to the SET, without having to seek approval from the shareholders’ meeting for this matter.

3.5 Funding source: From the company’s working capital which is adequate and does not affect the company's operations.

3.6 Acquisition and disposition of assets: Value of 5.30 million Baht, when considered Maximum threshold was calculated as the total value of consideration is 0.20% of total assets.

Furthermore, in addition to the renovate factory 1, the project will invest in related systems plus its infrastructure value of 1 million Baht and a new set of machine including its systems at the estimated 6 million Baht and Other expense (if any) at the estimated 0.7 million Baht, respectively, totaling to 7.7 million Baht. The described transactions will be executed with Non-Related-Parties and they are within the Management authorization.

The estimated total value of the total project will be around 13 million Baht, the maximum threshold calculated is under the total value of the consideration method is 0.5% of the Company’s Total Assets. The Company’s Total Assets was 2,616 million Baht as the book closing on 30 June 2017.

The total amount of Acquisition and Disposition of Assets within six months is not a significant amount (not more than 15%).

- 3.7 Those directors with possible conflict of interest did not attend nor casted votes.
- 3.8 Opinions of the Board of Directors: The Board of Directors approved the hiring of Pittakij Co., Ltd. to renovate Factory 1 in the limit of 5.30 million Baht as proposed. The company would like to provide space for the production line and new machines to accommodate the company's operations. The company had opened a bid and Pitakkij Co., Ltd. submitted the minimum bid and has direct experience in construction when considered from portfolio in the past.
- 3.9 Opinions by The Audit Committee and/or Director significantly different from those by The Board of Directors : - None –

#### **Necessities and Sensibility of transactions with those with possible conflict of interest**

Doing business under highly competitive environment would require business alliance or networks, both upstream and downstream, so as to increase liquidity in business operation which will then leads to the sustainable growth and development. Any interested persons are chain value, the company's business alliance, so it is necessary that the company engage in business transaction with them for the benefit to the company itself and its shareholders. This is achieved by setting as the market price or contracted price for the non-reference price.

#### **Procedures or steps in the authorization of transactions**

1. As regards connected transactions which are part of the routine operations between the company and a director, executive or connected person under general commercial terms as would be concluded by reasonable persons under the same circumstances, negotiated at arm's length without the exercise of any influence derived from the status of a director, executive officer or connected person, the management has sought approval from the Board of Directors on an annual basis, in the first Board of Directors' meeting subsequent to the annual general meeting of shareholders. This is to give the new Board of Directors notice of such matter. The management is also required to report all transactions made under those conditions to the Board of Directors every quarter.

2. Non-routine connected transactions. It must be considered and audited by the Audit Committee of the company's to ensure that such transactions are reasonable and for the best interest of the company. If the transaction value does not exceed the threshold to require approval of the shareholders' meeting pursuant to the regulations of the Stock Exchange of Thailand, the matter must first be considered by the Executive Committee. If the transaction value is within the Executive Committee authorization limit, approval of the connected transaction will be concluded at this stage. An interested person shall neither attend the meeting nor cast a vote. However, if the transaction value exceeds the authorization limit of the Executive Committee, the Executive Committee will submit its resolution to the Board of Directors. The Board of Directors, in the presence of the Audit Committee, will consider the approval of the said transaction. An interested person shall, again, neither attend the meeting nor cast a vote.

#### **Criteria for Approval**

1. Regard to the benefits to the company and subsidiaries in the Group in the present and future, e.g.
  - returns on investment, such as interests and dividends;
  - business opportunities of the company
2. Securities which should be received by the company in the transaction
  - performance bonds for the transaction;
  - Status of the connected company and capabilities of the management.

#### **Policies and Trends of future transactions**

The Board of Directors duly recognized their responsibilities as the directors of public company in carrying out their Authority of toward the shareholders, employees, and all stakeholders, in accordance with good corporate governance practices. Accordingly, those inter-transactions likely to take place in the future, the Company will take into consideration the maximum benefit of the Company, as it is the arm's length basis, with the disclosure of information duly carried out in accordance with The Notification of The Capital Market Supervisory Board, regarding "Rules on Connected Transactions".



### Summary of Financial Information

Textile Prestige Public Company Limited and Subsidiary Companies

#### 1. Information from Financial Statements

(Unit : Baht)

Item	2017	2016	2015
<b>Operating Result - Continuing Operations</b>			
Revenue from sales	941,917,129	1,090,336,514	928,605,097
Total Revenue from operation	942,718,835	1,091,494,035	931,716,590
Cost of Sales	746,208,441	852,356,646	755,381,979
Gross Profit	196,510,394	239,137,389	176,334,611
<b>Operating Result - Discontinued Operations</b>			
Revenue from sales	-	102,579,409	877,250,653
Total Revenue from operation	-	103,326,844	891,495,396
Cost of Sales	-	110,975,864	832,012,032
Gross Profit	-	(7,649,020)	59,483,364
<b>Net Profit (Owners of the parent company)</b>	129,301,152	307,199,611	90,048,046
<b>Financial Status</b>			
Total Assets	2,763,766,748	2,596,262,529	2,545,407,863
<b>Total Liabilities</b>	360,212,941	261,039,696	329,889,407
<b>Shareholders' Equity</b>	2,403,553,807	2,335,222,833	2,215,518,456

#### 2. Financial Ratio as of December 31

Item		2017	2016	2015
<b>Liquidity Ratio</b>				
Current Ratio	(Times)	7.94	7.80	5.95
Quick Ratio	(Times)	7.42	7.08	3.13
Cash Flows from Operating Activities Ratio	(Times)	1.35	0.55	1.06
Account Receivable Turnover	(Times)	3.67	5.11	3.32
Average Collection Period	(Days)	98	70	108
Inventory Turnover	(Times)	9.98	10.38	3.46
Average Period of Sales	(Days)	36	35	104
Account Payable Turnover	(Times)	4.57	5.83	4.36
Payment Period	(Days)	79	62	83
<b>Profitability Ratio</b>				
Gross Margin	(%)	20.85	21.91	18.93
Rate of Operating Profit	(%)	4.81	8.96	7.87
Net Profit Ratio	(%)	12.24	22.33	9.15
Rate of Return on Net Worth	(%)	5.46	13.50	4.03
<b>Efficiency Ratio</b>				
Return on Total Assets	(%)	4.82	11.95	3.48
Return on Fixed Assets	(%)	27.01	65.30	32.26
Total Assets Turnover	(Times)	0.39	0.54	0.38
<b>Financial Policy Ratio</b>				
Debt to Equity Ratio	(Times)	0.15	0.11	0.15
Dividend Payment Ratio	(%)	**58.33	59.86	72.29
<b>Per Share Data</b>				
Book Value per Share	(Baht)	22.26	21.62	20.51
Earnings per Share	(Baht)	1.20	2.84	0.83

Notes : \*\* The Board of Directors resolved for further proposal to set dividend payment rate at 0.70 Baht per share which will be proposed to Shareholders at the AGM on April 24, 2018.

### 3. Summary of financial statements of Textile Prestige Public Company Limited and it subsidiaries.

(unit :thousand Baht)

Highlight of financial statement	2017	%	2016	%	2015	%
STATEMENTS OF COMPREHENSIVE INCOME :						
<b>CONTINUING OPERATION</b>						
Total revenues from operation	942,719	89.26	1,091,494	79.34	931,717	94.69
Other income	113,440	10.74	284,189	20.66	52,223	5.31
<b>Total</b>	<b>1,056,159</b>	<b>100.00</b>	<b>1,375,683</b>	<b>100.00</b>	<b>983,940</b>	<b>100.00</b>
Cost of sales	746,208	79.15	852,357	78.09	755,382	81.07
Operation Expenses	151,188	14.31	141,360	10.28	103,039	10.47
<b>Total</b>	<b>907,568</b>	<b>85.93</b>	<b>1,009,024</b>	<b>73.35</b>	<b>880,758</b>	<b>89.51</b>
EBITDA	212,893	20.16	437,882	31.83	226,500	23.02
Depreciation and amortization	64,303	6.09	71,222	5.18	123,319	12.53
Profit before finance costs and income tax	148,590	14.07	366,660	26.65	103,181	10.49
Profit (loss) for the year of discontinued operations.	(638)	(0.06)	(11,234)	(0.82)	(39,438)	(4.01)
<b>Net Profit (owners of the parent company)</b>	<b>129,301</b>	<b>12.24</b>	<b>307,200</b>	<b>22.33</b>	<b>90,048</b>	<b>9.15</b>
CASH FLOW STATEMENTS :						
NET CASH RECEIVED FROM OPERATING ACTIVITIES	253,142	23.97	120,842	8.78	262,694	26.70
NET CASH USED IN INVESTING ACTIVITIES	(280,606)	(26.57)	128,149	9.32	(211,888)	(21.53)
NET CASH USED IN FINANCING ACTIVITIES	(75,600)	(7.16)	(173,648)	(12.62)	(94,720)	(9.63)
<b>Net increase (decrease) in cash</b>	<b>(103,064)</b>	<b>(9.76)</b>	<b>80,914</b>	<b>5.88</b>	<b>(49,485)</b>	<b>(5.03)</b>
STATEMENTS OF FINANCIAL POSITION :						
cash and cash equivalents	77,043	2.79	180,108	6.94	99,194	3.90
Temporary investments	1,069,082	38.68	884,030	34.05	553,205	21.73
Trade and other receivables	258,147	9.34	255,845	9.85	171,532	6.74
Short-term loans to related copanies	19,558	0.71	51,831	2.00	30,000	1.18
Inventories	72,167	2.61	77,348	2.98	86,945	3.42
Other current assets	7,492	0.27	5,554	0.21	3,729	0.15
Non-current assets held for sale	-	-	-	-	618,587	24.30
<b>TOTAL CURRENT ASSETS</b>	<b>1,503,489</b>	<b>54.40</b>	<b>1,454,716</b>	<b>56.03</b>	<b>1,563,192</b>	<b>61.41</b>
long-term investments	432,379	15.64	427,683	16.47	438,916	17.24
Investment properties-net	205,503	7.44	206,510	7.95	140,482	5.52
Property, plant and equipment-net	566,683	20.50	454,852	17.52	357,268	14.04
<b>TOTAL ASSETS</b>	<b>2,763,767</b>	<b>100.00</b>	<b>2,596,263</b>	<b>100.00</b>	<b>2,545,408</b>	<b>100.00</b>
Trade and other payables	154,135	5.58	172,520	6.64	119,717	4.70
Liabilities associated with assets held for sale	-	-	-	-	136,245	5.35
<b>TOTAL CURRENT LIABILITIES</b>	<b>189,317</b>	<b>6.85</b>	<b>186,435</b>	<b>7.18</b>	<b>262,941</b>	<b>10.33</b>
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>170,895</b>	<b>6.18</b>	<b>74,605</b>	<b>2.87</b>	<b>66,949</b>	<b>2.63</b>
<b>TOTAL LIABILITIES</b>	<b>360,213</b>	<b>13.03</b>	<b>261,040</b>	<b>10.05</b>	<b>329,889</b>	<b>12.96</b>
Registered share capital	108,000	3.91	108,000	4.16	108,000	4.24
Issued and paid-up share capital	108,000	3.91	108,000	4.16	108,000	4.24
Premium on ordinary shares	110,400	3.99	110,400	4.25	110,400	4.34
Other components of equity	81,851	2.96	64,250	2.47	64,692	2.54
Unappropriated Retained earnings	1,846,317	66.80	1,807,260	69.61	1,680,878	66.04
<b>EQUITY ATTRIBUTABLE TO PARENT COMPANY</b>	<b>2,310,073</b>	<b>83.58</b>	<b>2,238,770</b>	<b>86.23</b>	<b>2,106,854</b>	<b>82.77</b>
Non - controlling interests	93,481	3.38	96,452	3.72	108,665	4.27

Note : Percent (%) of Cost of sales comparing with Total revenues from operation

## **Management Discussion and Analysis (MD&A)**

### **Analysis of operations and financial statements**

#### **Economic Overview**

In 2017, the economic growth in Thailand and the world economy began to improve. There were many factors that stimulate the domestic economy. Economic growth accelerated from various government projects and investment in the private sector including improved export and tourism in the country.

During the year 2017, the Company improved its operation plan to suit the situation, focusing on purchasing and controlling costs and expenses. Including investment in modern machinery for fast production and faster response to customer needs.

#### **Overview of Operations**

In 2017, after the transfer of the underwear related business in 2017, the company has been focusing on automotive related products and products for other industries including hygienic products and household related products.

Out of 941 million Baht of Revenue from Sales came from automotive industry 689 million Baht or 73%, other industries 206 million Baht or 22% and group of hygiene and household products 46 million Baht or 5%.

#### **1. Analysis of the results for the year 2017 compared with the year 2016**

In 2017, the Company and its subsidiary has revenue from operations total of 1,056.16 million Baht, previously 1,480.42 million Baht declined by 424.26 million Baht or 28.66% because in 2016, the Company still had some earnings in the lingerie business.

In 2017, the company earned its revenues from the continuing operations for 1,056.16 million Baht, previously 1,375.68 million Baht, declined by 319.52 million Baht or 23.23% because in 2016, there were gained from the transfer of the business of 179.90 million Baht and the revenues from the discontinued operation of 104.74 million Baht.

In 2017, net profit of the parent company was 129.30 million Baht, the previous year was 307.20 million Baht, decreased by 177.90 million Baht or 57.91% as the company had profit from business transfer after tax of 143.92 million Baht the year before. The profit in 2017 was entirely contributed to the continuing operations.

Net profit margin of the parent company was 12.24%, compared to the previous year's sales of 20.75%, decrease by 8.51%.

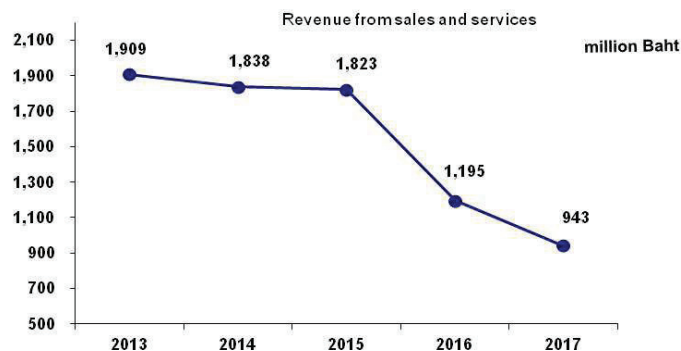
The Company and its subsidiary had total assets of 2,763.76 million Baht, last year 2,596.26 million Baht, increase by 167.50 million Baht or 6.45%. and shareholders' equity of 2,310.07 million Baht, last year 2,238.77 million Baht, increase by 71.30 million Baht or 3.18%, a return on assets of 4.82%, last year 11.95% and a return on equity of 5.46%, last year 13.50%.

The management views that the overall financial performance decreased because mainly due to the gain from the transfer of the business. Overall, the company has a solid financial position. The company has sufficient financial liquidity for investment, for dividend payment and for business continuity.

(unit : million Baht)

	2017	2016	Increase (Decrease)%
Total Revenues	1,056.16	1,480.42	(28.66)
• Continuing Operations	1,056.16	1,375.68	(23.23)
• Discontinued Operations	0.00	104.74	(100.00)
Net Profits for the Year	129.30	307.20	(57.91)
• Continuing Operations	126.97	307.07	(58.65)
• Discontinued Operations	(0.64)	(11.233)	(94.33)
Total Assets	2,763.77	2,596.26	6.45
Equity attributable to Parent Company	2,310.07	2,238.77	3.18
Net Profit Ratio (%)	12.24	20.77	
Return on Assets (%)	4.82	11.95	
Return on Equity (%)	5.46	13.50	

### Revenues from operation



### Revenue from sales and services

In 2017, the company's total revenues from sales and services was 942.72 million Baht, previously was 1,194.82 million Baht, decreased by 252.10 million Baht or 21.10%, it comprise of domestic sales 649.57 million Baht, previous year was 787.66 million Baht, decreased by 138.09 million Baht or 17.53% because the company had revenues from the discontinued business. Oversea Sales volume was 292.33 million Baht last year 405.25 million Baht, decreased by 112.92 million Baht or 27.86% due to exports to Asia declined because of the impact of automotive customers relocated their production bases. Revenues from Hire Work was 0.80 million Baht, a year ago was 1.90 million Baht, decreased by 1.10 million Baht or 57.89%, Most of the hire work income came from the textile business.

### Other income

The company's other income in 2017 equaled 113.44 million Baht, last year 285.59 million Baht, decreased by 172.15 million Baht or 60.28%, which mainly comes from gain of transferred business of 179.90 million Baht

Other income comprises of dividend income 24.69 million Baht last year 24.00 million Baht, slightly increased. Interest income 11.58 million Baht, last year was 11.47 million Baht, slightly increased. Rental income was 18.07 million Baht last year 16.78 million Baht, increased by 1.29 million Baht or 7.69%. Consultant income was 8.21 million Baht, last year 15.52 million Baht, decreased by 7.31 million Baht or 47.10% because last year the company earned consultation fee from the business transferee. Moreover, the company had a gain from the sale of fixed assets of 20.97 million Baht and other income of 29.91 million Baht, last year was 37.92 million Baht, decreased by 8.02 million Baht or 21.15% mainly came from a decline in unrealized gains in short-term investments.

### **Cost of Sales**

In 2017, the company's cost of goods sold equaled 79.15% of revenue from sales and services. Compared to last year at 80.63%, declined by 1.48%

### **Selling and Administrative Expenses**

In 2017, the company's sales expenses equaled 45.55 million Baht, last year 45.46 million Baht. The company's administrative expenses was 97.93 million Baht, last year 94.66 million Baht increased by 3.27 million Baht or 3.45%.

In 2017, the company's share of losses from investments in associated companies equaled 11.86 million Baht, last year 6.24 million Baht, increased by 5.62 million Baht or 90.06% due to the associated companies in overseas operating loss results. It is affected by the loss in interest received and loans for investment.

### **Corporate Income Tax Paid**

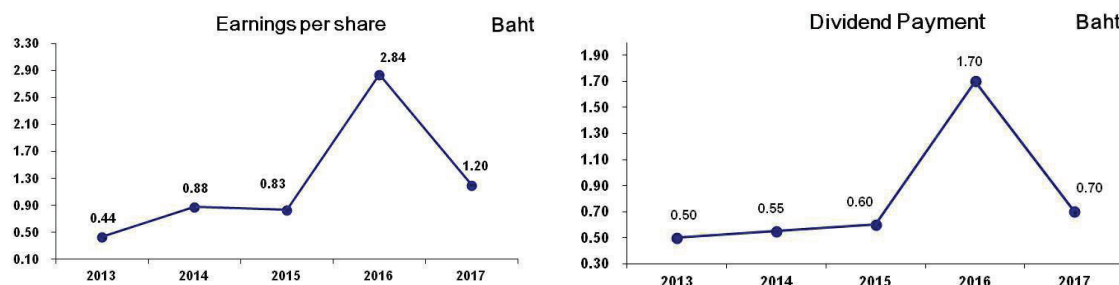
In 2017, corporate income tax paid comprises of corporate income tax 21.80 million Baht, last year 61.57 million Baht, decreased by 39.77 million Baht, because there was an income from the transfer of business in the previous year. Deferred income tax expense was 2.95 million Baht, slightly increased by 2.77 million Baht.

### **Profit Attributable to Owners of the Parent Company**

In 2017, the company earned a net profit of 129.30 million Baht, last year 307.20 million Baht decreased by 177.90 million Baht or 57.91% because there was 143.92 million Baht profit from the transfer of business in the previous year.

In 2017, Earnings per share is 1.20 Baht, last year 2.84 Baht, decreased by 1.64 Baht and net profit margin ratio 12.24%. Return on equity was 5.46%. Return on assets was 4.82%

The Company had cash flow from operating activities of 253.14 million Baht.



### **Return to Shareholders**

The company has a policy to pay dividend to shareholders for not less than 25% of par value depending on its performance and economic conditions. Throughout the past, the company has made consistent dividend payments. In 2017, the company a net profit of 129.30 million Baht. Profit earning per share at 1.20 Baht, and on 26 February 2018 the Board of Directors' Meeting No 1/2561 of the company passed a resolution to request for approval at the ordinary shareholders' meeting No. 43 for dividend payment for performance in 2017 at the rate of 0.70 Baht per share, total of 75.60 million Baht. The dividend yield of 58.33% and dividend will be paid on 18 May 2018.

## **2. Financial Standing**

### **Financial Overview**

By the end of 2017, the company and its subsidiary had total assets of 2,763.76 million Baht whereas the previous year equaled 2,596.26 million Baht, increased by 167.50 million Baht or 6.45%. During in the year, the company investment increased due to increased liquidity. The company's liabilities equaled 360.21 million Baht, while last year equaled 261.04 million Baht, increased by 99.17 million Baht or 37.99%. As a result of the increased debt from the purchase of fixed assets of 110.49 million Baht. The Company's equity attributable to parent company was 2,310.07 million Baht last year 2,238.77 million Baht, increased by 71.30 million Baht or 3.18%. During the year, the Company paid dividends of 0.70 Baht per share

for the total of 75.60 million Baht. The Subsidiary has operating loss, so effective Non-controlling interests of 93.48 million Baht, last year 96.45 million Baht decreased by 2.97 million Baht or 3.08% due to the subsidiary's Income decreased from the last year causing the revenue to lessen than the expenses.

Total Assets consisted of current assets 1,503.49 million Baht or 54.40%, Long-term investments was 432.38 million Baht or 15.64%, fixed assets was 772.18 million Baht or 27.94%, and other assets was 55.71 million Baht or 2.02%.

Total liabilities consisted of Trade and other payables 154.13 million Baht or 42.79%, Fixed Assets Payables 110.49 million Baht or 30.67%, Provision for employee benefits 57.28 million Baht or 15.90%, Deferred income tax liabilities 23.02 million Baht or 6.39% and Other liabilities was 15.28 million Baht or 4.24%.

Shareholders' Equity consisted of the company's equity attributable to parent company of 2,310.07 million Baht or 96.11%, non-controlling interests 93.48 million Baht or 3.89%.

## **ASSETS**

### **Cash and cash equivalents**

At the end of 2017, the company had cash and cash equivalents 77.04 million Baht, comparing with the previous year 180.11 million Baht decreased by 103.07 million Baht or 57.23%. During the year, the Company had cash flow from operating activities and invested in long-term investment and purchased fixed assets and pay dividends to shareholders.

The details include cash 0.26 million Baht compared the previous year 0.45 million Baht slightly decreased. Deposits payable on demand was 6.78 million Baht compared to the previous year at 9.66 million Baht, decreased 2.88 million Baht and Certificates of Deposit 70 million Baht compared to the previous year at 170 million Baht decreased by 100 million Baht. During the year there was a maturity of B/E of the financial institution, so the company increased temporary investments.

### **Temporary Investments**

At the end of 2017, the company had investments in the financial statements at fair value of 1,069.08 million Baht, compared to the previous year at 884.03 million Baht, increased by 185.05 million Baht or 20.93%, due to the increase in company's cash flow from operations. For the benefit of the company, the excess liquidity was alternatively invested in appropriate funds to increase its returns.

The details includes Investment in Fixed Income Fund 499.08 million Baht compared to 789.03 million Baht of last year, decreased by 289.95 million Baht or 36.75%, Certificates of deposit for 540 million Baht, compared to 30 million Baht, increased by 510 million Baht and invested in Debt instrument of 30 million Baht compared to 25 million Baht, increased by 5 million Baht. During the year, Bills of Exchange matured 40 million Baht. The investment offered a better return than the fixed deposit rate of the bank.

### **Trade and other receivables**

At the end of 2017, the company's accounts receivable and other receivables were 258.15 million Baht compared to 255.84 million Baht, increased by 2.31 million Baht or 0.90% slightly increased, according to customer credit.

The company's trade receivables and other receivables are quality receivables that made all payments and, for the most part, were paid on schedule. Customers under doubtful account category are still paying off their debt while their accounts are sufficiently reserved by the company.

The details include Trade Receivables that are not due 68.72% of its total equals to 103.88 million Baht compared to 121.40 million Baht of last year, decreased by 17.52 million Baht or 14.43%, Accounts Overdue less than 3 months was 27.98% of its total equaled to 47.29 million Baht, compared to 51.99 million Baht, decreased by 4.70 million Baht or 9.04%, due to customer's payment policies that do not meet the payment term. The receivables that was overdue more than 3 months was 1.91% of the total was 2.89 million Baht, compared to 3.29 million Baht, slightly decrease due to the customers pay by installments. The company has made allowance for doubtful accounts at 2.89 million Baht fully amount. Total amount of other receivables was 106.98 million Baht compared to 82.45 million Baht increased by 24.53 million Baht or 29.75%

Caused by the debtor to sell the property. The other accounts receivable was an advance payment to minority shareholders 76.42 million Baht. during in the process of liquidation of T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd., and Prestige Embroidery Co., Ltd.,

#### Short-term lending

At the end of 2017, the company had short-term lending of 19.56 million Baht while last year carried 51.83 million Baht, decreased by 32.27 million Baht. It was a loan to related companies with a call condition which already repay in full principal amount of 30 million Baht to the company, during the year.

#### Inventories

At the end of 2017, the company's inventories was 72.17 million Baht, compared to 77.35 million Baht in the last year, decreased by 5.18 million Baht or 6.70%, because the production department managed their inventory by converted the remained raw materials to finished goods to add value for selling.

The details of inventory; finished product was 26.90 million Baht compared to 19.59 million Baht, increased by 7.31 million Baht or 37.31%, goods in production of 6.81 million Baht compared to 7.70 million Baht, decreased by 0.89 million Baht or 11.56%, raw materials were at 28.96 million Baht, compared to 35.33 million Baht, declined by 6.37 million Baht or 18.03%. Most of the remained raw materials in the inventory was used as raw material for production based on orders from customers.

Overall, most of the products are quality products. Can be produced and sold.

#### Other current assets

At the end of 2017, the company had current assets of 7.49 million Baht, compare to 5.55 million Baht in the last year, slightly increased which mostly was Value-Added Tax.

#### Long-term Capital Investment

By the end of 2017, the company's long-term investment with a fair value lessen net impairment of 432.38 million Baht, while the amount in the previous year equaled 427.68 million Baht, increased by 4.7 million Baht. During the year, the Company had invested more as its liquidity increased.

##### Capital Investment can be described as follows:

Net investments in associated companies shown in the financial statement stated at equity method amounting to 35.96 million Baht at year's end in 2017 and 47.82 million Baht for the previous year, a decline by 11.86 million Baht or 24.80% due to the company's diminution in value of investments.

Net investment in related companies and other companies is shown in the financial statement as cost price with allowance for diminution in value of investments. The investment value was 223.62 million Baht at year's end in 2017 and 222.61 million Baht for the previous year for an increase of 1.01 million Baht or 0.45%. During the year, reversed diminution of investments for 1.68 million Baht in 2017. The dividend received was 21.08 million Baht in 2017, compares to 21.07 million Baht in the previous year, Therefore the return on investment was accounted for 8.59%, comparing to 8.56% in the previous year.

Investments in available-for-sale securities are shown in the financial statement at fair cost value at 149.26 million Baht at year's end in 2017 comparing to 127.26 million Baht from the previous year accounted for an increase of 22 million Baht or 17.29% because the fair cost value increased. The aforementioned was recorded as unrealized profit on other components of the shareholder's equity. The return on investment was received as a dividend payment of 3.62 million Baht in 2017 and 2.94 million Baht in the previous year, an increase of 0.68 million Baht. The rate of return for 2017 equaled to 9.54% per year as compared to 7.75% for the previous year.



Investments in debt securities classified as held to maturity. As shown in the financial statement with cost at 20 million Baht at year's end in 2017 comparing to 30 million Baht from the previous year, accounted for a decline of 10 million Baht. During the year there were matured securities.

### **Fixed Assets, Property, Plant and Equipment**

The details are as follows:

The value of property for investment at year end in 2017 amounted to 205.50 million Baht; compare to 206.51 million Baht little decrease. Due to the depreciation charge during the year, the Company has some unused assets so let other companies rent in a short time to generate income.

The value of net property, plant and equipment at year's end in 2017 after depreciation amounted to 566.68 million Baht, while the amount for the previous year amounted to 454.85 million Baht, increase of 111.83 million Baht or 24.59%. During the year there was an acquisition of additional assets and the depreciation of the business transfer.

### **Total Liabilities**

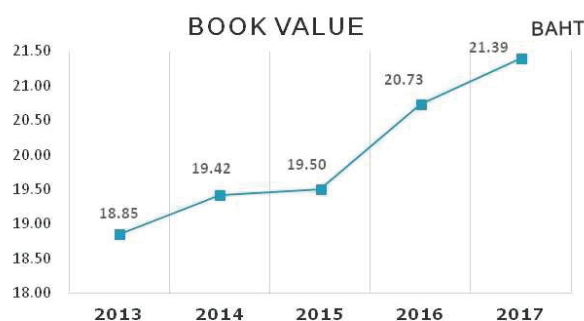
The company's total liabilities at year's end in 2017 was 360.21 million Baht, while the amount for the previous year was 261.04 million Baht, increased by 99.17 million Baht or 37.99% because the creditors for the purchase of property that is not yet due.

Current liabilities comprised of trade accounts payable and other payables of 154.13 million Baht last year, 172.52 million Baht, a decrease of 18.39 million Baht or 10.66%, trade accounts payable on purchase of fixed assets within one year of 24.18 million Baht and Accrued corporate income tax of 7.36 million Baht last year 8.63 million Baht decreased 1.27 million Baht or 14.72% and other current liabilities was 3.64 million Baht last year 5.29 million Baht decreased by 1.65 million Baht slightly decreased.

Non-current liabilities consisted of fixed asset payable of 86.31 million Baht, employee benefit expenses of 57.28 million Baht, last year 52.71 million Baht, increased by 4.57 million Baht or 8.67%, Deferred income tax liabilities were 23.02 million Baht last year 17.87 million Baht, increase of 5.15 million Baht or 28.82%. Deferred income tax liabilities came from the fair value adjustment of investments of The Stock Exchange of Thailand. Other non-current liabilities were 4.27 million Baht, last year 4.03 million Baht slightly increased.

### **Equity Attributable to Parent Company**

At year end in 2017, the equity attributable to parent company totaled 2,310.07 million Baht, while the amount for the previous year equaled 2,238.77 million Baht for an increase of 71.30 million Baht or 3.18% while other components of shareholders' equity was 81.85 million Baht, last year 64.25 million Baht increase 17.60 million Baht or 27.39%. At the end of the year 2017, the fair value of the investment in 2017.. Dividend payment was made at 0.70 Baht per share, total 75.60 million Baht. Therefore, the company's book value at the end of 2017 equaled 21.39 Baht. When comparing with the previous year of 20.73 Baht, the increase was 0.66 Baht per share. The increase was from the profit from operating results.





### **3. Quality of Assets**

#### **Quality of Trade Receivables**

Net trade receivables with deductions of the allowance for doubtful accounts at the end of 2017 amounted to 258.15 million Baht, while last year equaled 255.84 million Baht, increase of 2.31 million Baht (0.90%). Trade receivables are composed of trade receivables to related companies (5.10%) and other trade receivables (94.90%).

Trade receivables from related companies at the end of 2017 amounted to 13.17 million Baht, while the amount for the previous year equaled 15.29 million Baht, an increase of 2.12 million Baht (13.87%). The balances of the aforementioned customers are not due for payment, and the company will be able to collect on receivables in the aforementioned amount since the receivables have engaged in trade with the company for a long of time and have excellent payment records.

Other trade receivables at the end of 2017 amounted to 244.98 million Baht, while the amount for the previous year equaled 240.55 million Baht, an increased by 4.43 million Baht or 1.84%. The balance of the majority of the aforementioned receivables was not due, and the company will be able to collect payment in full because the aforementioned customers have traded with the company for a long time and have an excellent payment record. On the other hand, the company was at risk for customers not making payment from prolonged overdue payment, for which the company has allocated an allowance for the whole amount of doubtful debts.

#### **Quality of Inventories**

At the end of 2017, the inventory of finished goods amounted to 26.90 million Baht, while the amount in the previous year equaled 19.59 million Baht, increase by 7.31 million Baht (37.31%). The majority of goods was composed of good quality sellable goods and goods produced as per customer orders, and that are not due for delivery.

The inventory for goods in the production process at the end of 2017 amounted to 6.81 million Baht, while the amount for the previous year equaled 7.70 million Baht, declined by 0.89 million Baht or 11.56%. The aforementioned products are in the process of production per customer orders and should be delivered and sold as scheduled.

The raw material inventories amounted to 28.96 million Baht by the end of 2017, while the amount in the previous year equaled 35.33 million Baht, a decrease of 6.37 million Baht (18.03%). The majority of raw materials are prepared for use during the production process for customers as per purchase orders, while raw materials remaining from production for customers, the company will manufacture into finished goods for sale at various fairs.

#### **Quality of Investment Capital**

##### **Investments in Available-For-Sale Securities**

The company has 149.25 million Baht in investments in available-for-sale securities as investment in ordinary shares in listed securities shown in the financial statement at fair value at the end of 2017, while the amount for the previous year equaled 127.25 million Baht, an increase of 22.00 million Baht (17.29%). The aforementioned differences in this change have already been recorded in the other components of shareholder's equity and were shown as separate transaction. For investments, the company received dividends 3.62 million Baht in 2017 and 2.94 million Baht in the previous year. The rate of return for 2017 equaled 9.54% per year when compared to the capital of the previous year with return of 7.74%. The aforementioned was considered as good quality asset investment, which provided a satisfactory higher return than the banks' time deposit interest rates.

##### **General Investment**

The company had other long-term investments in the form of investment in non-listed companies as shown in the financial statement in cost method with the allowance for diminution in value of investments, by year's end in 2017, amounted to 223.62 million Baht while the amount for the previous year was 222.61 million Baht for an increase of 1.01 million Baht (0.45%). There was a reversal of impairment loss of 1.68 million Baht in the previous year, with an impairment loss of 2.49 million Baht. Return on investment as dividend was 21.08 million Baht, in the previous year was 21.05 million Baht, a slight increase.

The rate of return was 8.59% per year in 2017 in comparison to the rate of return for the previous year amounting to 8.56% per year. The aforementioned are considered worthwhile investments for the company with satisfactory rates of return and remuneration higher than interest from ordinary bank time-deposits.

#### **Quality of Fixed Asset**

##### **Property, Plant and Equipment**

The lands shown in the financial statement are assets long acquired by the company. Their value was shown in the cost method and the present value of the lands was higher than the financial statement. As for machinery and equipment, their values were shown in the cost value deducted by accumulated depreciation. Most of the machinery and equipment are modern, productive and were regular maintained. Moreover, any unutilized asset would be sold and amortized from the account by the company.

#### **4. Liquidity**

##### **Cash Flow**

In 2017, the company's net cash flow from operations amounted to 253.14 million Baht, last year 120.84 million Baht, increase from the previous year by 132.30 million Baht or 9.48%. During the year, the Company spent 280.06 million Baht in investment activities, last year 128.15 million Baht, decrease of 408.75 million Baht. Because the company got money from the transfer of the business and used in the financing activities of 75.60 million Baht, last year 173.65 million Baht, a decrease of 98.05 million Baht or 43.54% because the Company paid dividend of 172.80 million Baht in the previous year. The subsidiaries paid back some of their share capital to the shareholders.

Important investment activities of the Funds in temporary investment was 172.01 million Baht, investments in debt securities of 23.54 million Baht, investments in fixed assets of 178.39 million Baht and received from matured debt securities 25.00 million Baht. Short-term loans received 30.00 million Baht, Interest income 10.32 million Baht, Dividend received 24.66 million Baht.

The important financing activity is the dividend paid out to shareholders for the amount of 75.60 million Baht.

##### **Capital Structure Suitability**

	Unit	2017	2016	2015
Debt to Equity Ratio	Times	0.15	0.11	0.15

The company's Debt to Equity Ratio was low because the company has a large amount of liquidity. Hence, the company did not require any loan for its business operations, expansions, various investments and for its dividend payment to shareholders.

##### **Liquidity Adequacy**

	Unit	2017	2016	2015
Liquidity Ratio	Times	7.94	7.80	5.95
Quick Ratio	Times	7.42	7.08	3.13
Operating Cash Flow Ratio	Times	1.35	0.55	1.06
Increased Cash Flow from Operations	Million Baht	253.14	120.84	262.69

##### **Cash Cycle**

	Unit	2017	2016	2015
Days Inventory	Days	36	35	104
Average Collection Period	Days	98	70	108
Average Payment Period	Days	79	62	83
Cash Cycle	Days	55	43	129

The company has been closely and constantly monitoring the situation of sales, marketing and economic conditions with other factors posing potential impact on sales and debt collection.

### **Sources of Fund**

The company utilized its capital and retained earnings for operations and investments. The debt of the company are shown in the financial statements mainly are trade and other payables, Creditors of fixed asset purchase, Deferred income tax liabilities and provision for employee benefits of the company's financial statement as of 2017, the company had 360.21 million Baht in total liabilities, whereas the equity attributable to parent company depicted at 2,310.07 million Baht.

### **Factors or events potentially affecting the company's financial position or operations in the future**

#### **Internal factors**

the joint venture in PT.DYNIC TEXTILE PRESTIGE in Indonesia in the year 2016 also had a loss and increased from last year. Since last year, the company has borrowed money to invest in fixed assets. Therefore, the interest expense and Exchange losses

TPCNIC Company Limited, a subsidiary in 2017, had a loss on operating income because of the decline in oversea customer orders as a result, incomes are not enough to cover expenses.

#### **External factors**

- Domestic economic conditions have improved due to stimulus spending and continuous government investment. However, consumers are still cautious in spending.

- Increasing Competition. Customers are requiring acceptable pricing products to control costs. Although there is an increase in wages domestically, the company cannot adjust the price of products.

### **Auditor's Remuneration**

#### **Audit Fees**

The company and its subsidiary paid auditing fees to the auditor's office at the amounts of 940,000 Baht in 2017 and 1,070,000 Baht in 2016.

#### **Fees for Other Services**

The company and its subsidiary paid remuneration for other services such as operational inspections according to the conditions set by the board of the investment promotion to the auditor's office at the amount of 50,000 Baht and The Financial Statements (English Version) for subsidiary at the amount of 3,000 Baht in 2017 and in 2016 operational inspections according to the conditions set by the board of the investment promotion to the auditor's office at the amount of 63,000 Baht and The Financial Statements (English Version) for subsidiary at the amount of 3,000 Baht.

### **Expenditures for research, technological development and innovation**

The company and its subsidiaries had experimented to produce samples and presented to customers and developed products to meet the needs of customers before actual production for the amount of 2.06 million Baht in 2017 and 1.67 million Baht in 2016, an increased by 0.39 million Baht or 23.35%.

## **The Board of Directors' Responsibility Report towards Financial Statements**

Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, to be responsible for the accuracy and completeness of financial statements. The Financial statements of Textile Prestige Public Company Limited and its subsidiary companies, were prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and prepared in accordance with accounting principles generally accepted in Thailand, based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates. Furthermore, adequate significant information was disclosed in the notes to the financial statements, together with necessary clarification and analysis regarding the financial positions and performances by the company and its subsidiaries, so as to contribute to the interests of the shareholders and investors. Moreover, financial statements were duly audited and unqualified opinion by independent certified public accountants.

The Board of Directors has supported and promoted good governance practice, internal control and risk management in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient manner to reflect the company's actual results of operations, while also safeguarding against any significant fraud.

Board of Directors appointed Audit Committee whose members comprising of independent directors to review the quality of the financial statements, internal control and risk management. The opinions of The Audit Committee were displayed in the Audit Committee's report contained in the annual report, as well as the annual registration statement (form 56-1).

The Board of Directors concluded that the good corporate governance practice, internal control and risk management, were well adequate and sufficient to provide the financial statements of Textile Prestige Public Company Limited and its subsidiaries ending December 31, 2017 with confidence and important context was accurately disclosed.

..... Mr. Manu Leelanuwatana .....  
(Mr. Manu Leelanuwatana)  
Chairman

..... Mr. Suchai Narongkananukul .....  
(Mr. Suchai Narongkananukul)  
Chairman of the Executive Board and Managing Director

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS TEXTILE PRESTIGE PUBLIC COMPANY LIMITED**

#### **Opinion**

We have audited the accompanying consolidated financial statements of Textile Prestige Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Textile Prestige Public Company Limited for the same period.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Textile Prestige Public Company Limited and its subsidiaries and of Textile Prestige Public Company Limited as of 31 December 2017, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

#### **Basis for Opinion**

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matter**

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

##### **1. Revenue from sales**

The Group has revenues from operation which comprise of revenue from sales and revenue from hire of works. Revenues from sales are significant to the Group's financial statements and directly impact on the Group's operating results. Moreover, the Group has both domestic and overseas sales transactions under various terms and conditions. We therefore focused on the Group's recognition of revenues from sales, especially the timing of revenue recognition and terms and conditions of sales and goods delivery.

Our audit procedures include assessing and testing the Group's internal controls related to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls selecting representative samples to test the operation of the designed key controls and reviewing the revenue recognition policy of the Group. On a sampling basis, we checked documents supporting sales and terms and conditions transactions occurring during the year and near the period end, and tested sales cut off. We reviewed credit notes issued by the Group to customers after the end of the reporting period and performed analytical review of the revenue from sales and service accounts.

##### **2. Impairment of investments in associated companies, subsidiary companies, and other long term investment**

As discussed in Notes to the financial statements no. 12 and 13 of the separate financial statements, as of 31 December 2017, the Company had net investments in associated companies and in subsidiary companies totaling Baht 25.42 million and Baht 195.48 million, respectively. As discussed in note to the financial statements, no. 14 of the consolidated financial statements and the separate financial statements, as of 31 December 2017 the Company had net

other long term investments totaling to Baht 396.42 million. The Company had recorded the allowances for impairment of investments in associated companies, subsidiary companies and other long term investments totaling to Baht 53.40 million, Baht 113.96 million and Baht 31.81 million respectively.

We considered the above issue a key audit matter due to the impairment in investments test in accordance with Thai Financial Reporting Standard is material to audit because the recoverable amount of such investment may be lower than the carrying value of investment as of 31 December 2017. The consideration of impairment in investments depends on the Group's management judgements and significant assumptions to consider the correct, adequate and appropriate recoverable amount.

Our audit procedures include understanding consideration process and internal control procedures related to the impairment of investments, reviewing the design and implementation of the internal control procedures, calculating test, examining the supporting documents in relation to the management consideration of impairment indicators for investments and assessing the appropriateness of the methodology applied by the Group's management in calculating the impairment charges, and the judgements applied in determining recoverable amount.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Group's Annual Report, but does not include the financial statements and our auditor's report thereon. We reckoned that we would receive the Annual Report after the date of our report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we have read the Annual Report and if we conclude that there is significant material misstatement of this other information, we are required to report that fact to those charged with governance to correct the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting preparation process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for my audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ms.Kwunjai Kiatgungwalgri.



Ms. Kwunjai Kiatgungwalgri

Certified Public Accountant No. 5875

ASV & ASSOCIATES LIMITED

Bangkok

26 February 2018

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER 2017

		UNIT : BAHT			
		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
NOTES		2017	2016	2017	2016
<b>ASSETS</b>					
CURRENT ASSETS					
Cash and cash equivalents	7	77,043,464	180,108,226	75,310,477	177,598,001
Current investments	8	1,069,081,916	884,030,437	1,054,731,898	871,234,037
Trade and other receivables	9	258,146,850	255,844,634	181,513,206	178,848,838
Short-term loans to related companies	10	19,558,431	51,830,902	19,558,431	51,830,902
Inventories	11	72,167,525	77,347,832	69,190,622	67,789,007
Other current assets		7,492,419	5,554,495	9,269,215	6,603,426
<b>TOTAL CURRENT ASSETS</b>		<b>1,503,490,605</b>	<b>1,454,716,526</b>	<b>1,409,573,849</b>	<b>1,353,904,211</b>
NON CURRENT ASSETS					
Investments in associated companies-net	12	35,964,244	47,821,716	25,419,745	39,893,687
Investments in subsidiary companies-net	13	-	-	195,478,916	197,453,834
Other long-term investments					
General investments - net	14.1	223,619,248	222,605,744	223,619,248	222,605,744
Investments in available-for-sale securities-net	14.2	149,257,050	127,255,305	149,257,050	127,255,305
Investments in debt securities held to maturity - net	14.3	20,000,000	30,000,000	20,000,000	30,000,000
Investment in convertible debenture	14.4	3,539,000	-	3,539,000	-
Investment properties-net	15	205,502,901	206,509,641	205,502,901	206,509,641
Property, plant and equipment-net	16	566,682,703	454,851,844	549,794,303	435,134,812
Intangible assets-net	17	3,596,096	4,158,922	3,596,096	4,158,922
Deferred tax assets	30	51,569,562	47,861,735	51,569,562	47,861,735
Other non current assets					
Leasehold right-net		2,642	38,496	2,642	38,496
Deposits and guarantees		542,697	442,600	542,697	442,600
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,260,276,143</b>	<b>1,141,546,003</b>	<b>1,428,322,160</b>	<b>1,311,354,776</b>
<b>TOTAL ASSETS</b>		<b>2,763,766,748</b>	<b>2,596,262,529</b>	<b>2,837,896,009</b>	<b>2,665,258,987</b>

The accompanying notes are an integral part of the financial statements.



TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF 31 DECEMBER 2017

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	NOTES	2017	2016	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payables	18	154,134,605	172,520,224	329,512,735	344,207,977
Current portion of purchase of					
- fixed asset payable	19	24,182,221	-	24,182,221	-
Accrued corporate income tax		7,359,487	8,627,795	7,359,487	8,627,795
Other current liabilities		3,640,990	5,286,826	3,595,818	5,255,811
TOTAL CURRENT LIABILITIES		189,317,303	186,434,845	364,650,261	358,091,583
NON CURRENT LIABILITIES					
Purchase of fixed asset payable - net	19	86,311,592	-	86,311,592	-
Retirement benefit obligations	20	57,284,592	52,707,474	55,771,849	51,606,071
Deferred tax liabilities	30	23,022,529	17,866,525	23,022,529	17,866,525
Other non current liabilities		4,276,925	4,030,852	4,276,925	4,030,852
TOTAL NON CURRENT LIABILITIES		170,895,638	74,604,851	169,382,895	73,503,448
TOTAL LIABILITIES		360,212,941	261,039,696	534,033,156	431,595,031

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS OF 31 DECEMBER 2017

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
		31 December	31 December	31 December	31 December
	NOTES	2017	2016	2017	2016
SHAREHOLDERS' EQUITY					
Share Capital					
Registered share capital					
108,000,000 ordinary shares of Baht 1 each		108,000,000	108,000,000	108,000,000	108,000,000
Issued and paid-up share capital					
108,000,000 ordinary shares of Baht 1 each		108,000,000	108,000,000	108,000,000	108,000,000
Premium on ordinary shares		110,400,000	110,400,000	110,400,000	110,400,000
Retained earnings					
Appropriated					
Legal reserve	21	10,800,000	10,800,000	10,800,000	10,800,000
General reserve	22	152,704,690	138,060,015	152,704,691	138,060,016
Unappropriated		1,846,316,788	1,807,260,311	1,840,071,103	1,802,118,277
Other components of equity		81,851,537	64,250,141	81,887,059	64,285,663
EQUITY ATTRIBUTABLE TO PARENT COMPANY		2,310,073,015	2,238,770,467	2,303,862,853	2,233,663,956
Non - controlling interests		93,480,792	96,452,366	-	-
TOTAL SHAREHOLDERS' EQUITY		2,403,553,807	2,335,222,833	2,303,862,853	2,233,663,956
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,763,766,748	2,596,262,529	2,837,896,009	2,665,258,987

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

UNIT : BAHT

		Consolidated financial statements		Separate financial statements	
	NOTES	2017	2016	2017	2016
CONTINUING OPERATION					
Revenues from operation					
Revenue from sales		941,917,129	1,090,336,514	938,709,602	1,087,124,612
Revenue from hire of works		801,706	1,157,521	211,703	470,690
Total revenues from operation		942,718,835	1,091,494,035	938,921,305	1,087,595,302
Cost of operations					
Cost of sales		(746,208,441)	(852,356,646)	(738,081,948)	(846,284,574)
Total cost of operation		(746,208,441)	(852,356,646)	(738,081,948)	(846,284,574)
GROSS PROFIT		196,510,394	239,137,389	200,839,357	241,310,728
Other incomes					
Consulting income		8,213,500	15,516,120	8,453,500	16,051,120
Interest income		11,581,738	11,467,064	11,581,738	11,467,064
Rental income		18,066,391	16,778,596	18,503,791	18,282,035
Dividend income		24,696,581	24,003,823	24,696,581	25,451,560
Gain on transfer of assets and liabilities under business - transfer agreement		-	179,900,232	-	182,411,768
Gain on disposal of fixed assets		20,970,575	528,691	20,970,575	530,687
Others		29,911,686	35,994,474	29,395,404	33,889,148
PROFIT BEFORE EXPENSES		309,950,865	523,326,389	314,440,946	529,394,110
Selling expenses		(45,554,065)	(42,688,582)	(45,402,935)	(42,547,541)
Administrative expenses		(97,925,905)	(91,399,036)	(96,745,371)	(90,697,796)
Allowance for diminution in value of investments		1,685,504	(7,509,947)	(14,763,356)	(31,766,502)
Directors' remunerations		(7,708,000)	(7,272,638)	(7,708,000)	(7,272,638)
Share of loss from investments in associated companies	12	(11,857,472)	(7,796,407)	-	-
PROFIT BEFORE FINANCE COSTS AND - INCOME TAX EXPENSES		148,590,927	366,659,779	149,821,284	357,109,633
Finance costs		(2,776,659)	-	(2,776,659)	-
PROFIT BEFORE INCOME TAX EXPENSES		145,814,268	366,659,779	147,044,625	357,109,633
Income tax expenses	30	(18,847,124)	(59,590,621)	(18,847,124)	(59,590,621)
NET PROFIT FOR THE YEAR					
FROM CONTINUING OPERATIONS		126,967,144	307,069,158	128,197,501	297,519,012
DISCONTINUED OPERATIONS					
Net loss for the year from discontinued operations	31	(637,566)	(11,233,668)	-	(4,625,513)
NET PROFIT FOR THE YEAR		126,329,578	295,835,490	128,197,501	292,893,499

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>NET PROFIT FOR THE YEAR</b>	<b>126,329,578</b>	<b>295,835,490</b>	<b>128,197,501</b>	<b>292,893,499</b>
Other comprehensive income:-				
<b>Other comprehensive income will not be reclassified to profit</b>				
<b>or loss in subsequent period:</b>				
Actuarial loss - net tax	-	(981,902)	-	(946,380)
<b>Other comprehensive income to be reclassified to profit</b>				
<b>or loss in subsequent period:</b>				
Unrealized gain (loss) on revaluation of				
available-for-sale securities - net tax	17,601,396	(1,500,948)	17,601,396	(1,500,948)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR - NET TAX</b>	<b>17,601,396</b>	<b>(2,482,850)</b>	<b>17,601,396</b>	<b>(2,447,328)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>143,930,974</b>	<b>293,352,640</b>	<b>145,798,897</b>	<b>290,446,171</b>
<b>PROFIT ATTRIBUTABLE TO:</b>				
Owners of the parent company	129,301,152	307,199,611	128,197,501	292,893,499
Non-controlling interests	(2,971,574)	(11,364,121)	-	-
	<b>126,329,578</b>	<b>295,835,490</b>	<b>128,197,501</b>	<b>292,893,499</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Owners of the parent company				
Net profit for the year	129,301,152	307,199,611	128,197,501	292,893,499
<b>Other comprehensive income will not be reclassified to profit</b>				
<b>or loss in subsequent period:</b>				
Actuarial loss - net tax	-	(981,902)	-	(946,380)
<b>Other comprehensive income to be reclassified to profit</b>				
<b>or loss in subsequent period:</b>				
Unrealized gain (loss) on revaluation of				
available-for-sale securities - net tax	17,601,396	(1,500,948)	17,601,396	(1,500,948)
<b>Total owners of the parent company</b>	<b>146,902,548</b>	<b>304,716,761</b>	<b>145,798,897</b>	<b>290,446,171</b>
Non-controlling interests	(2,971,574)	(11,364,121)	-	-
	<b>143,930,974</b>	<b>293,352,640</b>	<b>145,798,897</b>	<b>290,446,171</b>
<b>BASIC EARNINGS PER SHARE</b>				
Owners of the parent company (Unit : Baht)	1.20	2.84	1.19	2.71
Weighted average number of ordinary shares (Unit : shares)	108,000,000	108,000,000	108,000,000	108,000,000

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

CONSOLIDATED FINANCIAL STATEMENTS

UNIT : BAHT

	NOTES	Issued and paid-up share capital	Premium on ordinary shares	Retained Earnings			Other components of equity		Total Parent Company	Non-controlling interest	Total shareholders' equity	
				Appropriated -	Unappropriated	Unrealized gain(loss) on revaluation of available -for-sale investments		Total other components of shareholders' equity				
						Legal Reserve	General Reserve					Actuarial loss
Balance as of 1 January 2016		108,000,000	110,400,000	10,800,000	132,083,607	1,680,878,238	72,967,047	(8,275,186)	64,691,861	2,106,853,706	108,664,750	2,215,518,456
Reversal of actuarial loss		-	-	-	-	(2,041,130)	-	2,041,130	2,041,130	-	-	-
Total comprehensive income for the year		-	-	-	-	307,199,611	(1,500,948)	(981,902)	(2,482,850)	304,716,761	(11,364,121)	293,352,640
Dividend payment	23	-	-	-	-	(172,800,000)	-	-	-	(172,800,000)	(848,263)	(173,648,263)
General reserve	22	-	-	-	5,976,408	(5,976,408)	-	-	-	-	-	-
Balance as of 31 December 2016		108,000,000	110,400,000	10,800,000	138,060,015	1,807,260,311	71,466,099	(7,215,958)	64,250,141	2,238,770,467	96,452,366	2,335,222,833
Total comprehensive income for the year		-	-	-	-	129,301,152	17,601,396	-	17,601,396	146,902,548	(2,971,574)	143,930,974
Dividend payment	23	-	-	-	-	(75,600,000)	-	-	-	(75,600,000)	-	(75,600,000)
General reserve	22	-	-	-	14,644,675	(14,644,675)	-	-	-	-	-	-
Balance as of 31 December 2017		108,000,000	110,400,000	10,800,000	152,704,690	1,846,316,788	89,067,495	(7,215,958)	81,851,537	2,310,073,015	93,480,792	2,403,553,807

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

SEPARATE FINANCIAL STATEMENTS

UNIT : BAHT

							Other components of equity			
		Issued and paid-up	Premium on	Retained Earnings			Unrealized gain(loss) on revaluation of		Total other	Total
		share capital	ordinary shares	Appropriated -			available -for-sale		components of	shareholders'
NOTES				Legal Reserve	General Reserve	Unappropriated	investments	Actuarial loss	equity	shareholders' equity
Balance as of 1 January 2016		108,000,000	110,400,000	10,800,000	132,083,608	1,688,001,186	72,967,047	(6,234,056)	66,732,991	2,116,017,785
Total comprehensive income for the year		-	-	-	-	292,893,499	(1,500,948)	(946,380)	(2,447,328)	290,446,171
Dividend payment	23	-	-	-	-	(172,800,000)	-	-	-	(172,800,000)
General reserve	22	-	-	-	5,976,408	(5,976,408)	-	-	-	-
Balance as of 31 December 2016		108,000,000	110,400,000	10,800,000	138,060,016	1,802,118,277	71,466,099	(7,180,436)	64,285,663	2,233,663,956
Total comprehensive income for the year		-	-	-	-	128,197,501	17,601,396	-	17,601,396	145,798,897
Dividend payment	23	-	-	-	-	(75,600,000)	-	-	-	(75,600,000)
General reserve	22	-	-	-	14,644,675	(14,644,675)	-	-	-	-
Balance as of 31 December 2017		108,000,000	110,400,000	10,800,000	152,704,691	1,840,071,103	89,067,495	(7,180,436)	81,887,059	2,303,862,853

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit (loss) before income tax				
Continuing operations	145,814,268	366,659,779	147,044,625	357,109,633
Discontinuing operations	(637,566)	(12,029,188)	-	(5,421,033)
Profit before income tax	145,176,702	354,630,591	147,044,625	351,688,600
Adjustments : -				
Depreciation and amortization	64,303,454	71,222,052	61,405,154	68,411,958
Allowance for doubtful accounts (Reversal)	(390,000)	(538,000)	(390,000)	(538,000)
Allowance for diminution in value of investments	(1,685,504)	7,509,947	14,763,356	31,766,502
Loss from distribution of capitals	-	127,191	-	127,191
Unrealized gain (loss) from revaluation of investment	2,358,457	(5,052,510)	2,444,501	(4,954,069)
Realized gain from revaluation of investment	(10,399,935)	(5,102,937)	(10,352,362)	(5,069,031)
Gain on transfer of assets and liabilities under business - transfer agreement	-	(179,900,232)	-	(182,411,768)
Gain on disposal of fixed assets	(23,174,414)	(528,691)	(23,174,414)	(530,687)
Loss from retirement of fixed assets	222,124	5,632	220,479	5,632
Loss on exchanges	2,020,696	416,706	2,024,412	513,678
Dividend income	(24,696,581)	(24,003,823)	(24,696,581)	(25,451,560)
Deferred interest expenses	2,776,659	-	2,776,659	-
Interest income	(11,581,738)	(11,467,770)	(11,581,738)	(11,467,064)
Share of loss from investments in associated companies	11,857,472	6,237,155	-	-
<b>Cash flows before changes in operating assets and liabilities</b>	<b>156,787,392</b>	<b>213,555,311</b>	<b>160,484,091</b>	<b>222,091,382</b>
Operating assets (increase) decrease				
Trade and other receivables	23,686,115	(116,157,330)	23,323,964	(3,526,364)
Inventories	5,180,307	15,688,850	(1,401,615)	14,436,738
Other current assets	(1,849,243)	(6,638,045)	(2,665,789)	(4,595,044)
Other non current assets	(100,097)	(12,000)	(100,097)	(12,000)
Operating liabilities increase (decrease)				
Trade and other payables	(18,301,022)	58,391,584	(14,614,362)	152,316,137
Purchase of fixed asset payable	107,717,154	-	107,717,154	-
Other current liabilities	(1,645,836)	1,739,069	(1,659,993)	(1,435,924)
Retirement benefit obligations	4,577,118	3,829,116	4,165,778	3,227,873
Other non current liabilities	246,073	3,386,144	246,073	3,433,184
<b>CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>276,297,961</b>	<b>173,782,699</b>	<b>275,495,204</b>	<b>385,935,982</b>
Corporate income tax paid	(23,156,284)	(52,940,702)	(23,067,603)	(52,940,702)
<b>NET CASH RECEIVED FROM OPERATING ACTIVITIES</b>	<b>253,141,677</b>	<b>120,841,997</b>	<b>252,427,601</b>	<b>332,995,280</b>

The accompanying notes are an integral part of the financial statements.

TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Increase in current investments	(172,010,000)	(273,558,742)	(170,590,000)	(289,870,000)
Purchase of investments in related companies	-	(6,375,000)	-	(6,375,000)
Cash received purchase of investments in debt securities held to maturity	25,000,000	-	25,000,000	-
Purchase of investments in debt securities held to maturity	(20,000,000)	(5,000,000)	(20,000,000)	(5,000,000)
Purchase of investment in convertible debenture	(3,539,000)	-	(3,539,000)	-
(Increase) decrease in short-term loans to related company	-	(22,905,882)	-	(22,905,882)
Cash received from short-term loan to related company	30,000,000	-	30,000,000	-
Cash received from capital reduction of a related company	672,000	982,809	672,000	982,809
Interest received	10,320,581	10,957,176	10,320,584	10,956,469
Proceeds from sales of assets and liabilities under business transfer agreement	-	698,360,439	-	440,044,894
Cash paid to related parties on transfer of assets and liabilities under business transfer agreement	-	(62,568,554)	-	-
Purchase of fixed assets	(178,390,928)	(235,635,951)	(178,319,617)	(233,764,158)
Purchase of intangible asset	(206,410)	(607,950)	(206,410)	(607,950)
Proceeds from disposal of fixed assets	2,880,737	527,248	2,880,737	529,248
Dividend income from other long term investments	24,666,581	23,973,823	24,666,581	25,421,560
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(280,606,439)</b>	<b>128,149,416</b>	<b>(279,115,125)</b>	<b>(80,588,010)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend payment	(75,600,000)	(172,800,000)	(75,600,000)	(172,800,000)
Dividend payment to non - controlling interest	-	(848,263)	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(75,600,000)</b>	<b>(173,648,263)</b>	<b>(75,600,000)</b>	<b>(172,800,000)</b>
<b>Cash and cash equivalent classified as non-current assets held for sale</b>	<b>-</b>	<b>5,570,588</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENT INCREASE (DECREASE) - NET</b>	<b>(103,064,762)</b>	<b>80,913,738</b>	<b>(102,287,524)</b>	<b>79,607,270</b>
Cash and cash equivalent - beginning of the year	180,108,226	99,194,488	177,598,001	97,990,731
<b>CASH AND CASH EQUIVALENT AS OF 31 DECEMBER</b>	<b>77,043,464</b>	<b>180,108,226</b>	<b>75,310,477</b>	<b>177,598,001</b>
<b>ADDITIONAL DISCLOSURE ITEMS TO CASH FLOWS STATEMENTS :</b>				
Significant non-cash items consist of :				
- Unrealized Gain (loss) on revaluation of available- for-sale securities	22,001,745	(1,876,185)	22,001,745	(1,876,185)
- Actuarial loss	-	(1,218,497)	-	(1,182,975)
- Purchase of fixed asset payable	110,493,813	-	110,493,813	-

The accompanying notes are an integral part of the financial statements.



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. GENERAL INFORMATION**

- 1.1** Registration Textile Prestige Public Company Limited (“The Company”) is a juristic person incorporated in Thailand and listed on the Stock Exchange of Thailand on 22 July 1987.
- 1.2** Office locations The registered office and its factory is located at 704/1-9 Rama 3 Road, Kwaeng Bangpongpan, Khet Yannawa, Bangkok, Thailand. The Company has 4 branches located as follows:-
- 600 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.
  - 624/5-8 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.
  - 600/3 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.
  - 600/49 Moo 11, Sukhapiban 8 Road, Nongkham, Sriracha, Chonburi, Thailand.
- 1.3** Main activities
- Manufacturing of embroidery, knitting and weaving all kind of yarns, non-weaving clothes and dyeing.
  - Sales of accessories for ready-made garments and hire of works.
  - Investing in associated and subsidiary companies.

- 1.4** The first two major shareholders ranged by their shareholding as of 31 December 2017 and 2016 are as follows:-

	% of issued and paid-up share capital	
	31 December 2017	31 December 2016
Thai Wacoal Public Company Limited	18.15	18.15
Saha Pathana Inter-Holding Company Limited	12.03	12.03

- 1.5** On 27 January 2016, the Group has entered into sales of assets and liabilities under partial business transfer agreement concerning the Company’s underwear manufacturing business and under entire business transfer agreement for subsidiary companies (T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd. and Prestige Embroidery Co., Ltd.) and the associated company (Value Added Textile Co., Ltd.) including assets, liabilities, employees, right and obligations, all commitment.

The Group recorded gain from sales of assets and liabilities under business transfer agreement in consolidated and separate financial statements for the year ended 31 December 2016 of Baht 179.90 million and Baht 182.41 million, respectively.

On 23 February 2016, the shareholders’ extraordinary meeting no. 1/2559 of the subsidiaries (T.U.C. Elastic Co., Ltd., Prestige Plus Co., Ltd. and Prestige Embroidery Co., Ltd.) and the associated company (Value Added Textile Co., Ltd.), had approved the liquidation of the subsidiaries and appointed liquidators to clear of the transactions, sell of assets and pay of liabilities including the liquidators’ fees. The subsidiaries had registered the liquidations with the Departments of Business Development on 25 February 2016. In addition, during the year ended 31 December 2016, the subsidiary companies had transferred fund to the Company and minority shareholders of Baht 178.08 million and Baht 76.42 million, respectively, which are shown in advance received from subsidiaries (Note 18) and advance paid to minority shareholders (Note 9). The Company will adjust related accounts when the liquidation process, consisting of the transfer of ownership of immovable properties and the audit of authorities, is complete.

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**2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS**

- 2.1** The financial statements are prepared in accordance with Thai Accounting Standards (“TAS”) and Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and the presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011 under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (SEC).
- 2.2** The financial statements have been prepared on the historical cost basis except where otherwise disclosed in the accounting policies.
- 2.3** The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.
- 2.4** Using of accounting estimates  
The preparation of financial statements in conformity with TAS and TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.  
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**3. 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.

**3.1 Application of new financial reporting standards**

The FAP issued and revised the financial reporting standards that are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards do not have any significant impact on the financial statements.

**3.2 New accounting standards issued and not yet effective**

In addition to financial reporting standards issued and revised as mentioned above the FAP has also issued and revised the other number of financial reporting standards which will become effective for annual financial periods beginning on or after 1 January 2018. The Group does not plan to early adopt these TFRS. The Group’s management has assessed the effect of the above financial reporting standards and believes that these standards will not have significant impact on the financial statements for the year in which they are effective.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Revenue and expenses recognition**

Sale of goods is recognized in the statement of comprehensive income when the significant risks and rewards of ownerships have been transferred to the customers. 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.

Sales of goods are the invoice value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rental income is recognized as revenue according to period specified in the agreement.

Dividend income is recognized when the right to receive the dividend is established.

Other income and other expenses are recognized by accrual basis.

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**4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, call deposits and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

**4.3 Trade accounts receivable and allowance for doubtful accounts**

Trade accounts receivable is stated at net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is based on analysis of debtor aging and the current status of receivables outstanding at the statement of financial position date.

**4.4 Inventories**

Inventories are valued at the lower of cost (moving average) or net realizable value.

Cost of inventories are comprised of all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In case of finished goods and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

**4.5 Investments**

- Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of the securities are included in the statements of comprehensive income.
- Investments in available-for-sale securities refer to investments in listed securities stated at fair value, with the objective for long-term investments. Changes in the carrying amounts of securities are recorded as separate item in the other comprehensive income until the securities are sold, and the changes are then included in the statements of comprehensive income.
- Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to interest income.
- Investments in associated companies mean the company in which the parent company in the group companies has shareholding from 20% to 50% of the total voting rights or has significant influence under the parent company in the group companies; that is, it has power to participate in determining relating to the financial and operating policies of the enterprise but not up to the level of governing such policies. Investments in associated companies are stated by using equity method for the consolidation and cost method for the separate financial statements.
- Investments in subsidiary companies mean those companies in which the parent company in the group companies, directly or indirectly, has power more than one half of the total voting rights or power to govern the financial and operating policies of the subsidiaries. Investments in subsidiaries are presented by cost method in the separate financial statements.
- Investments in non-marketable equity securities, which the Company classifies as general investments, are stated at cost net of allowance for loss on diminution in value (if any).

Investments in related companies mean those companies in which the group companies have shareholding less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons. Investments in related companies are stated at cost net of provision for diminution in value of the investments.

Investments in other companies are those companies in which the group companies have shareholding but have no power to govern or participate in setting up any policy. Investments in other companies are stated at cost net of provision for diminution in value of the investments.

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The fair value of marketable securities is based on the latest bid price of the last working day of the year quoted by the Stock Exchange of Thailand. The fair value of unit trusts is determined from their net asset value.

Weighted average method is used for the computation of cost of investments.

**4.6 Investment properties**

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, (if any).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

Depreciation is charged to the statement of comprehensive income on the straight-line basis over the estimated useful life of each asset. The estimated useful lives of the assets are as follows :-

Land	Not depreciated
Building and structures	20 years

**4.7 Property, plant and equipment**

Properties are stated at cost, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, (if any).

Cost of property, plant and equipment include purchase price and other direct costs relating to the acquisition of such asset item.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and its subsidiaries and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation is charged to the statement of comprehensive income on the straight-line basis over the estimated useful life of each asset. The estimated useful lives of the assets are as follows :-

Building and structures	20 years
Machineries	5-10 years
Other fixed assets	3-5 years

The Group does not provide depreciation on land and assets under installation.

Finance cost which related to construction or machinery under installation are recorded as cost of assets.

The Group has reviewed useful lives and residual values at least at each financial year-end. In case that the residual value or estimated useful lives differs from those originally estimated, such changes are considered changes in accounting estimates.

**4.8 Intangible assets and amortization**

Intangible assets are computer software amortized by using the straight-line method of 5 years (acquired before 2009) and 10 years (acquired since 2009).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life. The amortisation expense is charged to the comprehensive income statements.

**4.9 Leasehold right**

Leasehold right is stated at cost less accumulated amortization. Amortisation is calculated by reference to cost on the straight-line basis over the leasehold period.

Amortisation is charged to the comprehensive income statements.

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**4.10 Impairment of assets**

At each reporting date, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statements of comprehensive income. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

**4.11 Operating lease**

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statement of comprehensive income over the lease terms.

**4.12 Purchase and sale of land agreement**

The Company regards a purchase and sale of land agreement by installment that transfers substantially all the risks and rewards of ownership as finance lease whereby the fair value of the purchase and sale of land agreement by installment item is recorded as assets and the commitment of the future payment (deducted interest portion) is recorded as liabilities.

Interest expense or finance cost is included in the comprehensive income statements according to the remaining balance of the liabilities.

**4.13 Provision**

A provision is recognised 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. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Presentation for a provision in statement of comprehensive income is the net amount which can be reimbursed.

**4.14 Related party transactions**

Related parties and related companies with the Group means the parties or the companies that have the controlling power to the Group, controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related parties and related companies also mean the associated companies and the parties who have holding interest with voting rights, either directly or indirectly, and have significant influence to the Group, important management, being directors or employees of the Group who have the power to manage and control the Company's operations and subsidiary companies including the family members close to the said persons which could persuade or to act in compliance with the said persons and businesses that the said persons have controlling power or significant influence, either directly or indirectly.

**4.15 Foreign currency transactions**

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the reference exchange rates as determined by the Bank of Thailand on the statement of financial position date, except the transactions of forward exchange contracted with the banks will be recognised at fair value.

Exchange gains or losses are included as incomes or expenses in the statements of comprehensive income.

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**4.16 Employee benefits**

The Group have post-employment benefits both under defined contribution and defined benefit plans. A defined contribution plan is a pension plan under which the company and its subsidiaries pay fixed contributions into a provident fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. However, a defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as employees' age, years of service and compensation.

- **Defined contribution plans**

**Provident fund**

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund and managed by a fund manager. The provident fund is contributed by payments from employees and by the Group. The Group contributions to the provident fund are charged to the statement of comprehensive income in the years to which they relate.

- **Defined benefit plans**

**Termination and retirement benefits**

Under the Labor Laws applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary. And employees who have provided the services to the Group more than 20 years, the special severance pay on termination or retrenchment without cause will be compensated at the rate specified.

The Group provides provision regarding the employee benefits under defined benefits plan by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. The costs associated with providing these benefits are charged to the statements of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Actuarial gains and losses arising from post-employment benefits are recognised in the statement of other comprehensive income.

**4.17 CORPORATE INCOME TAX**

**Income tax expenses**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

**Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the tax authorities, based on taxable profit determined in accordance with tax legislation.



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**Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognizes deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against such deductible temporary differences and tax losses carried forward that can be utilized.

At each reporting date, the Company reviewed and reduced the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company recorded deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**4.18 Fundamental earnings per share**

Fundamental earnings per share are calculated by dividing net income by the number of ordinary shares outstanding at the end of the year.

**4.19 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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**5. BASIS OF THE CONSOLIDATION OF FINANCIAL STATEMENTS**

These consolidated financial statements include the financial statements of Textile Prestige Public Company Limited and four subsidiaries (“The Group”).

As of 31 December 2017 and 2016, the structure of shareholding in subsidiaries is as follows:-

	Percentage of shareholding		Incorporated in	Type of businesses
	2017	2016		
Prestige Plus Co., Ltd.	99.9998	99.9998	Thailand	Dyeing
Prestige Embroidery Co., Ltd.	99.9998	99.9998	Thailand	Manufacturing lace fabric
T.U.C. Elastic Co., Ltd	52.2375	52.2375	Thailand	Manufacturing “stretch fabric” and elastic tape
TPCNIC Co., Ltd.	50.9940	50.9940	Thailand	Manufacturing and sales of industrial spare parts

- Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Subsidiaries’ financial statements are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- The subsidiaries’ financial statements are prepared on the same reporting period as the Company’s, using consistent significant accounting policies.
- Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- Non-controlling interest represents the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and in the shareholders’ equity in the consolidated statements of financial position.

**6. RELATED PARTY TRANSACTIONS**

The Company had transactions with its subsidiaries and related parties, given that those companies having the same group of shareholders or mutual directors. Significant inter-company transactions and outstanding balances are summarized below :-

Related companies	Type of business relationship
1. Associated companies	See Note 12
2. Subsidiary companies	See Note 5 and 13
3. Related companies	See Notes 14.1, 14.2 and 14.4

The details of related companies, type of businesses, and relationships are as follows :-

Related companies	Type of business	Relationship
1. Thai Wacoal Plc.	Ladies’ lingerie manufacturer	Co-directors, Co-shareholders
2. Wacoal Lampoon Co., Ltd.	Ladies’ lingerie manufacturer	Co-directors, Co-shareholders
3. Wacoal Kabinburi Co., Ltd.	Ladies’ lingerie manufacturer	Co-directors, Co-shareholders
4. Thanulux Plc.	Garment manufacturer	Co-directors, Co-shareholders
5. Pattaya Lamphun Co., Ltd.	Ladies’ lingerie manufacturer	Co-directors, Co-shareholders
6. Pattaya Manufacturing Co., Ltd.	Ladies’ lingerie manufacturer	Co-directors, Co-shareholders



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Related companies	Type of business	Relationship
7. Pattaya Kabinburi Co., Ltd.	Ladies' lingerie manufacturer	Co-directors, Co-shareholders
8. Wacoal Sriracha Co., Ltd.	Garment manufacturer	Co-directors, Co-shareholders
9. Racha Uchino Co., Ltd.	Household textile	Co-directors, Co-shareholders
10. Pitakkij Security Guard Co., Ltd.	Security system personal	Co-shareholders
11. Pitakkij Co., Ltd.	Services	Co-shareholders
12. Thai Secom Security Guard Co., Ltd.	Security system	Co-shareholders
13. Thai Itokin Co., Ltd.	Garment manufacturer	Co-shareholders
14. Eastern Thai Consulting 1992 Co., Ltd.	Environmental consultation	Co-shareholders
15. MBTS Broking Services Co., Ltd.	Agency	Co-directors, Co-shareholders
16. Kabin Pattanakij Co., Ltd	Distributor of consumable goods	Co-shareholders
17. PTK Multi Service Co., Ltd	Security and gardening management	Co-shareholders
18. Sariraporn Co., Ltd	Investment	Co-directors, Co-shareholders
19. Thai Staflex Co., Ltd.	Manufacturing/ distributing paste lining	Co-directors, Co-shareholders
20. SRP Nanasai Co., Ltd.	Designer and decorator	Co-directors, Co-shareholders
21. International Leather Fashion Co., Ltd.	Manufacturing of genuine/synthetic leather	Co-directors, Co-shareholders
22. Saha Seiren Co., Ltd.	Manufacturing/ distributing Auto cushion cover	Co-directors, Co-shareholders
23. I.C.C. International Plc.	Distributor of consumable goods	Co-directors, Co-shareholders
24. Saha Pathana Inter Holding Plc.	Holding company	Co-directors, Co-shareholders
25. Thai Gunze Co., Ltd.	Manufacturing and distributing clothes sheet and garments	Co-directors, Co-shareholders
26. SSDC (Tigertex) Co., Ltd.	Dyeing service	Co-directors, Co-shareholders
27. Erawan Textile Co., Ltd.	Weave cotton and spin thread	Co-directors, Co-shareholders
28. Thai Takaya Co., Ltd.	Manufacturing and distributing garments	Co-shareholders
29. A Tech Textile Co., Ltd.	Manufacturing and distributing raw material for ladies' lingerie	Co-shareholders
30. People's Garment Plc.	Garment manufacturer	Co-shareholders
31. Kai I.T. Service Co., Ltd.	Sales, maintenance and rental of computers and computer peripherals	Co-shareholders
32. Champ Ace Co., Ltd.	Sales of garments and provide service for hire of garment production	Co-shareholders
33. Thai Monster Co., Ltd.	Manufacturing and distributing garments	Co-shareholders
34. ThaiSport Garment Co., Ltd.	Manufacturing and distributing garments	Co-shareholders
35. Molten (Thailand) Co., Ltd.	Manufacturing and distributing balls	Co-shareholders
36. Morgan De Toi (Thailand) Co.,Ltd.	Distributing apparel	Co-shareholders
37. Thai Samsung Life Insurance Plc.	Insurance	Co-shareholders
38. Thai Naxis Co., Ltd.	Weaving and printing of label	Co-directors, Co-shareholders
39. Saha Asia Pacific Co., Ltd.	Trading cosmetics	Co-directors, Co-shareholders

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Related companies	Type of business	Relationship
40. G Tech Material Co., Ltd.	Manufacturing and distributing raw material for ladies' lingerie	Co-shareholders
41. H & B Intertext Co., Ltd	Fabric doll manufacturing	Co-shareholders
42. Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Co-shareholders
43. Wien International Co., Ltd.	Direct sales	Co-directors, Co-shareholders
44. Sahapat Properties Co., Ltd.	Investment	Co-shareholders
45. K. Commercial and Construction Co., Ltd	Construction	Co-directors, Co-shareholders
46. Janome (Thailand) Co., Ltd.	Manufacturing sewing machine	Co-directors, Co-shareholders
47. Treasure Hill Co., Ltd.	Golf course	Co-directors, Co-shareholders
48. Thai Shikibo Co., Ltd.	Manufacturing cotton thread	Co-directors, Co-shareholders
49. Thanara Co., Ltd.	Real estate	Co-shareholders
50. Bangkok Tokyo Socks Co., Ltd.	Sock manufacturer and exporter	Co-directors, Co-shareholders
51. Asahi Kasei Spunbond (Thailand) Co., Ltd.	Manufacturing fiber spunbond non woven	Co-shareholders
52. Sriracha Aviation Co., Ltd.	Machinery and plane maintenance	Co-directors, Co-shareholders
53. Waseda Education (Thailand) Co., Ltd.	Language institute	Co-directors, Co-shareholders
54. Thai Asahi Kasei Spandex Co., Ltd.	Manufacturing flexible fiber	Co-directors, Co-shareholders
55. Thai Bunka Fashion Co., Ltd.	Fashion institute	Co-directors, Co-shareholders
56. Thai Sakae Lace Co., Ltd.	Manufacturing lace fabric	Co-directors, Co-shareholders

**Outstanding balances of assets and liabilities with related companies can be summarized as follows:**

**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	As of 31 December		As of 31 December	
	2017	2016	2017	2016
<b>1. Trade receivables</b>				
- Subsidiary companies	-	-	381,269	659,424
- Associated companies	3,369,477	3,804,941	3,369,477	3,804,941
- Related companies	9,802,687	11,485,820	9,802,687	11,485,820
Total	13,172,164	15,290,761	13,553,433	15,950,185
<b>2. Other receivables</b>				
- Subsidiary companies	-	-	8,214	9,202
- Associated companies	24,140,000	-	24,140,000	-
- Related companies	2,259,296	2,798,890	2,259,296	2,798,890
Total	26,399,296	2,798,890	26,407,510	2,808,092
<b>3. Accrued income</b>				
- Associated companies	163,270	282,128	163,270	282,128
- Related companies	203	13,336	203	13,336
Total	163,473	295,464	163,473	295,464
<b>4. Advance received</b>				
- Subsidiary companies	-	-	178,079,811	178,079,811

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**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	As of 31 December		As of 31 December	
	2017	2016	2017	2016
<b>5. Short term loans</b>				
- Associated companies	19,558,431	21,830,902	19,558,431	21,830,902
- Related companies	-	30,000,000	-	30,000,000
Total	19,558,431	51,830,902	19,558,431	51,830,902
<b>6. Prepaid expenses</b>				
- Related companies	88,383	88,383	88,383	88,383
<b>7. Trade payables</b>				
- Subsidiary companies	-	-	1,777,717	1,062,578
- Related companies	35,335,720	32,680,873	35,335,720	32,680,873
Total	35,335,720	32,680,873	37,113,437	33,743,451
<b>8. Accrued expenses</b>				
- Related companies	3,470,551	3,494,375	3,470,551	3,494,375
<b>9. Purchas of fixed asset payable</b>				
- Related company	110,493,813	-	110,493,813	-

**Income and expenses with related companies are as follows:-**

**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2017	2016	2017	2016
<b>1. Sales</b>				
- Subsidiary companies	-	-	1,572,110	3,633,544
- Associated companies	10,812,453	10,898,443	10,812,453	10,880,375
- Related companies	37,585,448	113,071,755	37,585,448	113,071,755
Total	48,397,901	123,970,198	49,970,011	127,585,674
<b>2. Hire of work income</b>				
- Subsidiary companies	-	-	-	276,010
- Associated companies	-	4,800	-	4,800
- Related companies	768	633,802	768	633,802
Total	768	638,602	768	914,612
<b>3. Rental income</b>				
- Subsidiary companies	-	-	437,400	1,503,439
- Associated companies	-	175,240	-	175,240
- Related companies	15,030,391	13,296,354	15,030,391	13,296,354
Total	15,030,391	13,471,594	15,467,791	14,975,033
<b>4. Dividend income</b>				
- Subsidiary companies	-	-	-	1,447,737
- Related companies	24,534,975	23,845,467	24,534,975	23,845,467
Total	24,534,975	23,845,467	24,534,975	25,293,204

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2017	2016	2017	2016
<b>5. Other income</b>				
- Subsidiary companies	-	-	417,614	593,320
- Associated companies	2,052,147	1,323,521	2,052,147	1,323,521
- Related companies	28,345,272	34,165,792	28,345,272	34,165,792
Total	30,397,419	35,489,313	30,815,033	36,082,633
<b>6. Purchase of goods and raw materials</b>				
- Subsidiary companies	-	-	12,174,878	76,742,511
- Associated companies	-	1,050,807	-	1,050,807
- Related companies	135,924,706	131,594,530	135,924,706	118,355,682
Total	135,924,706	132,645,337	148,099,584	196,149,000
<b>7. Purchase of assets</b>				
- Associated company	-	10,025	-	10,025
- Related companies	300,042	129,000	300,042	129,000
Total	300,042	139,025	300,042	139,025
<b>8. Subcontract expenses</b>				
- Subsidiary companies	-	-	2,105,229	1,476,196
- Associated companies	-	562,624	-	562,624
- Related companies	6,690,153	7,544,291	6,690,153	7,544,291
Total	6,690,153	8,106,915	8,795,382	9,583,111
<b>9. Rental expenses</b>				
- Subsidiary companies	-	-	-	57,745
- Related companies	411,842	857,274	411,842	823,685
Total	411,842	857,274	411,842	881,430
<b>10. Other expenses</b>				
- Subsidiary companies	-	-	-	617,530
- Associated companies	35,597	-	35,597	-
- Related companies	46,708,886	54,120,125	46,708,886	52,608,076
Total	46,744,483	54,120,125	46,744,483	53,225,606
<b>11. Purchase of fixed assets</b>				
- Related companies	138,428,285	5,019,560	138,428,285	5,019,560
<b>12. Disposal of fixed assets</b>				
- Subsidiary company	-	-	-	5,738
- Associated companies	24,140,000	-	24,140,000	-
- Related companies	-	245,803,551	-	245,803,551
Total	24,140,000	245,803,551	24,140,000	245,809,289

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Pricing policies of related party transactions are as follows:-

Transactions	Pricing policies
Sale of goods	Agreed-upon price by referring to market price
Hire of work income	Agreed-upon price
Rental income	Agreed-upon price/ Contract price
Purchase of goods raw materials and rendering of service	Agreed-upon price/ market price
Selling and administrative expenses	Agreed-upon price/ Contract price
Interest income	At 5.50% per annum.
Purchase of marketable equity securities	Market price
Purchase of general investment	Agreed-upon price
Purchase of fixed and other assets	Agreed-upon price

**7. CASH AND CASH EQUIVALENTS**

**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	262,836	447,395	209,343	400,363
Call deposits	6,780,628	9,660,831	5,101,134	7,197,638
Certificates of deposits	70,000,000	170,000,000	70,000,000	170,000,000
<b>Total</b>	<b>77,043,464</b>	<b>180,108,226</b>	<b>75,310,477</b>	<b>177,598,001</b>

**8. CURRENT INVESTMENTS**

**UNIT : BAHT**

	Consolidated financial statements		Separate financial statements		Interest rates per annum	
	2017	2016	2017	2016	2017	2016
Investments in Money Market Fund	495,110,409	782,700,473	480,953,620	770,011,258		
Add allowance for revaluation of the investments	3,971,507	6,329,964	3,778,278	6,222,779		
Net investments in Money Market Fund	499,081,916	789,030,437	484,731,898	776,234,037		
Certificates of deposits	540,000,000	30,000,000	540,000,000	30,000,000	1.35-1.55%	2.25%
Bill of exchanges	-	40,000,000	-	40,000,000	-	5.50%
Current portion of debentures with redemption within one year (Note. 14.3)	30,000,000	25,000,000	30,000,000	25,000,000	5.15-5.35%	5.50-5.60%
<b>Total</b>	<b>1,069,081,916</b>	<b>884,030,437</b>	<b>1,054,731,898</b>	<b>871,234,037</b>		

Investments in Open-end Fund are trading securities. The unrealized gain between fair value and cost, and gains on sales of the investments in Open-end Fund during the year are included in the statements of comprehensive income.

**Level of fair value and valuation techniques**

The fair value measurement of investments in Open-end Fund has been categorised as a Level 2, the fair value determined from their net asset value (NAV) at the measurement date of investment.

**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**9. TRADE AND OTHER RECEIVABLES**

			<b>UNIT : BAHT</b>	
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Trade receivables</b>				
Current	103,882,008	121,396,824	103,727,959	121,202,963
Overdue within 3 months	47,287,577	51,993,625	47,239,341	51,625,651
Over 3 to 6 months	84	-	84	-
Over 6 to 12 months	-	-	-	-
Over 12 months	2,896,592	3,286,592	2,896,592	3,286,592
Total	154,066,261	176,677,041	153,863,976	176,115,206
<u>Less</u> allowance for doubtful accounts	(2,896,592)	(3,286,592)	(2,896,592)	(3,286,592)
Trade receivables - net	151,169,669	173,390,449	150,967,384	172,828,614
<b>Other receivables</b>				
Prepaid expenses	1,042,193	1,357,706	1,022,818	1,334,751
Receivable from related companies	26,399,296	2,798,890	26,407,510	2,808,093
Advance paid to minority shareholders (Note 1.5)	76,420,189	76,420,189	-	-
Others	3,115,503	1,877,400	3,115,494	1,877,380
Total other receivables	106,977,181	82,454,185	30,545,822	6,020,224
<b>Total trade and other receivables</b>	<b>258,146,850</b>	<b>255,844,634</b>	<b>181,513,206</b>	<b>178,848,838</b>

**10. SHORT – TERM LOANS TO RELATED COMPANIES**

			<b>UNIT : BAHT</b>	
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Erawan Textile Co., Ltd.</b>				
Beginning balance	30,000,000	30,000,000	30,000,000	30,000,000
<u>Add</u> increase during the year	-	-	-	-
<u>Less</u> decrease during the year	(30,000,000)	-	(30,000,000)	-
Ending balance	-	30,000,000	-	30,000,000
<b>PT. DYNIC TEXTILE PRESTIGE</b>				
Beginning balance	21,830,902	-	21,830,902	-
<u>Add</u> increase during the year	-	22,905,882	-	22,905,882
<u>Less</u> decrease from loss on exchange	(2,272,471)	(1,074,980)	(2,272,471)	(1,074,980)
Ending balance	<b>19,558,431</b>	<b>21,830,902</b>	<b>19,558,431</b>	<b>21,830,902</b>
<b>Total short – term loans</b>	<b>19,558,431</b>	<b>51,830,902</b>	<b>19,558,431</b>	<b>51,830,902</b>
Interest (per annum)	5.50%	4.375-7.30%	5.50%	4.375-7.30%

Short - term loans to related companies are unsecured and payable at call and within one year

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**11. INVENTORIES**

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finished goods	26,897,134	19,594,415	26,349,789	17,777,545
Work in process	6,808,802	7,701,015	6,302,371	7,701,015
Raw materials	28,955,550	35,329,115	27,254,584	27,762,606
Supplies and spare parts	7,531,631	7,755,441	7,382,324	7,579,995
Goods in transit	1,974,408	6,967,846	1,901,554	6,967,846
<b>Total</b>	<b>72,167,525</b>	<b>77,347,832</b>	<b>69,190,622</b>	<b>67,789,007</b>

**12. INVESTMENTS IN ASSOCIATED COMPANIES - NET**

Associated companies	Country of incorporation	Percentage of holding		Equity method		Cost method	
		2017	2016	2017	2016	2017	2016
Value Added Textile Co., Ltd.	Thai	49.90	49.90	2,678,663	2,687,641	7,654,350	7,654,350
PT. Dynic Textile Prestige	Indonesia	44.00	44.00	33,285,581	45,134,075	71,170,000	71,170,000
<b>Total</b>				<b>35,964,244</b>	<b>47,821,716</b>	<b>78,824,350</b>	<b>78,824,350</b>
<u>Less</u> allowance for diminution in value of investments							
Value Added Textile Co., Ltd.						(7,363,219)	(7,363,219)
PT. Dynic Textile Prestige						(46,041,386)	(31,567,444)
<b>Total allowance for diminution in value of investments</b>						<b>(53,404,605)</b>	<b>(38,930,663)</b>
<b>Total investments in associated companies - net</b>						<b>25,419,745</b>	<b>39,893,687</b>

Details of the associated companies are as follows :-

Associated companies	Type of business	Paid-up capital		Share of loss from investments for the years	
		2017	2016	2017	2016
Value Added Textile Co., Ltd.	Printing and embroidering	16,500,000	16,500,000	(8,978)	1,559,252
PT. Dynic Textile Prestige	Manufacturing and distributing				
	Non-woven fabric	USD 5,000,000	USD 5,000,000	(11,848,494)	(7,796,407)
	<b>Total</b>			<b>(11,857,472)</b>	<b>(6,237,155)</b>

**Summary of financial information of associated companies**

As of 31 December 2017 and 2016, investment in associated company, Value Added Textile Co., Ltd., stated at equity method which was based on the management's financial information.

As of 31 December 2017 and 2016, investment in associated company, PT. Dynic Textile Prestige, stated at equity method which was based on financial information audited by a foreign component auditor.

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	UNIT : BAHT			
	PT. DYNIC TEXTILE			
	Value Added Textile Co., Ltd.		PRESTIGE	
	For the years ended 31 December			
	2017	2016	2017	2016
Current assets	566,040	584,033	59,501,402	78,309,269
Non current assets	-	-	339,826,506	350,833,907
Current liabilities	-	-	174,250,545	112,894,928
Non current liabilities	-	-	167,972,716	226,251,643
Total revenues	-	6,178,724	44,606,108	22,545,308
Net profit (loss) for the year	(17,993)	3,124,754	(26,920,259)	(17,717,296)

**13. INVESTMENTS IN SUBSIDIARY COMPANIES – NET**

UNIT : BAHT								
Subsidiary companies	Paid-up capital		Percentage of shareholding (%)		Separate financial statements			
	(Unit: Thousand Baht)				Cost method		Dividends for the years	
	2017	2016	2017	2016	2017	2016	2017	2016
Prestige Plus Co., Ltd.*	100,000	100,000	99.99	99.99	99,999,800	99,999,800	-	-
Prestige Embroidery Co., Ltd. *	100,000	100,000	99.99	99.99	99,999,800	99,999,800	-	519,999
T.U.C. Elastic Co., Ltd. *	160,000	160,000	52.24	52.24	83,942,758	83,942,758	-	927,738
TPCNIC Co., Ltd.	50,000	50,000	50.99	50.99	25,497,000	25,497,000	-	-
Total					309,439,358	309,439,358	-	1,447,737
<u>Less</u> allowance for diminution in value of investments					(113,960,442)	(111,985,524)		
Net					195,478,916	197,453,834		

\* As mentioned in note 1.5, the shareholders' extraordinary meeting of the subsidiaries approved the liquidations of the subsidiaries and appointed the liquidators to clear of transactions, sell of assets and pay of liabilities including the liquidators' fees. The subsidiaries had registered the liquidations with Department of Business Development on 25 February 2016.



**TEXTILE PRESTIGE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**14. OTHER LONG - TERM INVESTMENTS**

**14.1 General investments - net**

**UNIT : BAHT**

Consolidated and separate financial statements							
	Paid-up capital (Unit: Thousand Baht)	Percentage of shareholding (%)		Investment as of		Dividends for the years	
		2017	2016	2017	2016	2017	2016
	Related Companies						
1. Thai Stafflex Co., Ltd.	60,000	14.00	14.00	9,486,330	9,486,330	1,260,000	504,000
2. Wien International Co., Ltd.	30,000	6.00	6.00	1,800,000	1,800,000	-	-
3. Sahapat Properties Co., Ltd.	20,000	2.50	2.50	500,000	500,000	20,000	50,000
4. International Leather Fashion Co., Ltd.	50,000	6.00	6.00	3,000,000	3,000,000	300,000	300,000
5. K. Commercial and Construction Co.,Ltd.	50,000	1.00	1.00	1,000,000	1,000,000	100,000	-
6. Janome (Thailand) Co., Ltd.	97,400	2.00	2.00	2,759,220	2,759,220	487,000	487,000
7. Treasure Hill Co., Ltd.	200,000	2.00	2.00	* 4,000,000	* 4,000,000	-	-
8. Thai Shikibo Co., Ltd.	237,500	2.37	2.37	5,625,000	5,625,000	787,500	225,000
9. Thanara Co., Ltd.	90,000	0.83	0.83	750,000	750,000	-	-
10. Bangkok Tokyo Socks Co., Ltd.	143,220	7.33	7.33	9,250,000	9,250,000	420,000	-
11. Asahi Kasai Spunbond (Thailand) Co., Ltd.	2,110,000	3.39	3.39	* 71,500,000	* 71,500,000	-	-
12. Thai Takaya Co., Ltd.	30,000	3.33	3.33	1,000,000	1,000,000	-	150,000
13. Thai Gunze Co., Ltd.	180,000	4.00	4.00	* 7,200,000	* 7,200,000	-	-
14. SSDC (Tigertex) Co., Ltd.	324,000	0.35	0.35	1,125,000	1,125,000	45,000	50,625
15. SRP Nanasai Co., Ltd.	16,000	4.52	4.52	720,600	720,600	-	43,410
16. Saha Seiren Co., Ltd.	680,000	1.28	1.28	8,294,693	8,294,693	1,308,824	8,823,530
17. Sriracha Aviation Co., Ltd.	55,000	3.64	3.64	2,000,000	2,000,000	200,000	-
18. Waseda Education (Thailand) Co., Ltd.	21,952	7.14	7.14	1,568,000	2,240,000	-	-
19. Thai Asahi Kasei Spandex Co., Ltd.	1,350,000	5.00	5.00	67,500,000	67,500,000	11,650,200	7,695,000
20. Thai Bunka Fashion Co., Ltd.	25,000	4.00	4.00	* 1,000,000	* 1,000,000	-	-
21. Erawan Textile Co., Ltd.	621,463	3.69	3.69	34,083,212	34,083,212	-	-
22. Thai Sakae Lace Co., Ltd.	110,000	8.00	8.00	8,799,900	8,799,900	4,399,950	2,639,970
23. Thai Naxis Co., Ltd.	20,000	1.50	1.50	1,888,140	1,888,140	84,000	84,000
Total				244,850,095	245,522,095	21,062,474	21,052,535
Less *allowance for diminution in value of investments				(21,790,322)	(23,479,744)		
Total investments in related companies - net				223,059,773	222,042,351		

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**UNIT : BAHT**

Consolidated and separate financial statements						
	Paid-up capital (Unit: Thousand Baht)	Investment as of		Dividends for the years		
		2017	2016	2017	2016	
<b>Other Companies</b>						
1. Sigma Holding Co., Ltd.	46,364	* 24,000	* 24,000	-	-	
2. Union Tread Industry Co., Ltd.	200,000	559,475	559,475	15,606	15,606	
Total		583,475	583,475	15,606	15,606	
<u>Less</u> *allowance for diminution in value of investments		(24,000)	(20,082)			
Total investments in other companies - net		559,475	563,393			
<b>Total general investments - net</b>		<b>223,619,248</b>	<b>222,605,744</b>			

**14.2 Investments in available-for-sale securities - net**

**UNIT : BAHT**

Consolidated and separate financial statements							
	Paid-up capital (Unit: Thousand Baht)	Percentage of shareholding (%)		Investment as of		Dividends for the years	
		2017	2016	2017	2016	2017	2016
<b>Related Companies</b>							
1. I.C.C. International Plc.	290,634	0.46	0.46	11,411,573	11,411,573	1,553,788	1,418,676
2. Saha Pathana Inter Holding Plc.	494,034	0.09	0.09	2,090,300	2,090,300	196,713	144,256
3. Sahacogen (Chonburi) Plc.	955,000	1.29	1.29	22,760,488	22,760,488	1,722,000	1,230,000
Total				36,262,361	36,262,361	3,472,501	2,792,932
<u>Add</u> unrealized gain on revaluation of investment				107,608,689	86,161,944		
Total				143,871,050	122,424,305		
<b>Other Companies</b>							
1. Thai Toray Textile Mill Plc.				265,320	265,320	60,000	90,000
2. Bangkok Insurance Plc.				363,000	363,000	14,000	12,750
3. PTT Plc.				1,032,000	1,032,000	72,000	40,000
Total				1,660,320	1,660,320	146,000	142,750
<u>Add</u> unrealized gain on revaluation of investment				3,725,680	3,170,680		
Total				5,386,000	4,831,000		
<b>Total investments in available-for-sale securities - net</b>				<b>149,257,050</b>	<b>127,255,305</b>		

**Level of fair value**

The fair value measurement of investments in available-for-sales securities has been categorized as a Level 1.

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Unrealized gain (loss) on revaluation of available-for-sale investment - net income tax :-

	<b>UNIT : BAHT</b>	
	Consolidated and separate financial statements	
	2017	2016
Unrealized gain (loss) on revaluation of available-for-sale investment	22,001,745	(1,876,185)
<u>Add/(Less)</u> income tax	(4,400,349)	375,237
Net	17,601,396	(1,500,948)

**14.3** Investments in debt securities held to maturity - net

	<b>UNIT : BAHT</b>	
	Consolidated and separate financial statements	
	2017	2016
Debentures	60,000,000	65,000,000
<u>Less</u> current portion of debentures with redemption within one year (Shown in short-term investments - Note 8)	(30,000,000)	(25,000,000)
<u>Less</u> allowance for diminution in value of investment	(10,000,000)	(10,000,000)
Net (Redemption within 2-3 years)	20,000,000	30,000,000

As of 31 December 2017 and 2016, investments in debt securities are as follows :-

UNIT : BAHT					
Companies	Consolidated and separate financial statements		Interest rates per annum		Maturity date
	2017	2016	2017	2016	
1. Debentures of Charn Issara Development Plc.	20,000,000	20,000,000	5.35 %	5.35 %	29 May 2018
2. Debentures of Property Perfect Plc.	10,000,000	10,000,000	5.15 %	5.15 %	20 August 2018
3. Debentures of Inter Far East Energy Corporation Plc.*	10,000,000	10,000,000	5.40 %	5.40 %	5 November 2017
4. Debentures of Nusasiri Plc.	-	20,000,000	-	5.60 %	15 August 2017
5. Debentures of Thai Luxe Enterprises Plc.	-	5,000,000	-	5.50 %	20 November 2017
6. Debentures of BTS Group Holdings Plc.	20,000,000	-	2.24 %	-	26 December 2020
Total	60,000,000	65,000,000			
<u>Less</u> * allowance for diminution in value of investment	(10,000,000)	(10,000,000)			
Total investment in debt securities - net	50,000,000	55,000,000			
Fair value - ending balance	50,136,788	65,551,182			

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\* As at 31 December 2017 and 2016, the Company has provided allowance for diminution in value of investment in debt security of Inter Far East Energy Corporation Public Company Limited “IFEC” in full due to IFEC has made defaults of bill of exchanges from many creditors from January 2017. The management has considered that this event could affect the ability of IFEC to repay its debt security to the Company which will be due on 5 November 2017. During 2017, IFEC could not arrange any shareholders’ meeting and therefore could not proceed with the debt restructuring plan to debenture holders. As of the date of this report, there is no development or repayment.

**Level of fair value and valuation techniques**

The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

**14.4 Investments in convertible debentures**

					UNIT : BAHT
Companies	Consolidated and separate financial statements		Interest rates per annum		Maturity date
	2017	2016	2017	2016	
Debentures of Saha Pathana Inter- Holding Plc.	3,539,000	-	0.70%	-	29 June 2024
Total	3,539,000	-			
Fair value - ending balance	5,411,450	-			

Convertible debentures represent bearer convertible debentures with the right to convert to new issue ordinary shares at the rate of 1:22.222222 ordinary shares. The exercise periods are 4 times per year as from June 2018. These debentures are unsubordinated and unsecured convertible with a debentureholders’ representatives and having interest payable every 3 months as from the issuance date.

**Level of fair value and valuation techniques**

The fair value measurement of investments in debt securities has been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.

**15. INVESTMENT PROPERTIES – NET**

	UNIT : BAHT		
	Consolidated and separate financial statements		
	Land	Building and structures	Total
<b>Cost</b>			
1 January 2016	140,482,475	-	140,482,475
Increase	40,466,302	19,750,000	60,216,302
Transferred in/(out)	3,898,764	34,556,554	38,455,318
31 December 2016	184,847,541	54,306,554	239,154,095
Increase	-	-	-
Transferred in/(out)	52,813	4,020,825	4,073,638
31 December 2017	184,900,354	58,327,379	243,227,733

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**UNIT : BAHT**

	Consolidated and separate financial statements		
	Land	Building and structures	Total
<b>Accumulated depreciation</b>			
1 January 2016	-	-	-
Depreciation for the year	-	1,090,813	1,090,813
Transferred in/(out)	-	31,553,641	31,553,641
31 December 2016	-	32,644,454	32,644,454
Depreciation for the year	-	1,059,553	1,059,553
Transferred in/(out)	-	4,020,825	4,020,825
31 December 2017	-	37,724,832	37,724,832
<b>Net book value</b>			
31 December 2017	184,900,354	20,602,547	205,502,901
31 December 2016	184,847,541	21,662,100	206,509,641
Appraised value (million Baht)	*460.62	**83.36	543.98

The Group has appraised the value of the investment properties by an appraiser approved by the SEC as follow :-

- \* The appraised value was determined by an independent appraiser, report dated 5 August 2015, 28 November 2016 and 2 August 2017.
- \*\* The appraised value was determined by an independent appraiser, report dated 5 August 2015, 28 November 2016, 16 March 2017 and 2 August 2017.

**Level of fair value and valuation techniques**

The fair value measurement of land has been categorized as a Level 2, the fair value is based on the market approach to the valuation technique used.

The fair value measurement of building has been categorized as a Level 2, the fair value is based on the cost approach to the valuation technique used.

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16. PROPERTY, PLANT AND EQUIPMENT - NET

UNIT : BAHT

Consolidated financial statements

	Land	Land development	Building	Furniture and fixtures	Office equipment	Machineries	Vehicles	Equipment	Pool	Assets under installation	Total
<b>Cost</b>											
1 January 2016	20,021,348	4,242,349	182,048,582	48,204,538	64,301,180	1,130,203,440	28,950,382	81,020,549	144,935	1,622,939	1,560,760,242
Acquisition	-	-	130,000	283,800	7,409,429	3,906,895	11,287,458	2,990,945	-	149,697,031	175,705,558
Disposal	-	-	(413,604)	-	(2,526,154)	(29,949,966)	(31,500)	-	-	(1,773,284)	(34,694,508)
Transferred in/(out)	(3,898,764)	-	(34,556,554)	14,848	40,665	1,672,213	-	3,664,411	-	(1,712,082)	(34,775,263)
31 December 2016	16,122,584	4,242,349	147,208,424	48,503,186	69,225,120	1,105,832,582	40,206,340	87,675,905	144,935	147,834,604	1,666,996,029
Acquisition	137,639,154	-	7,981,512	111,711	1,095,526	1,768,825	533,855	719,039	-	28,541,306	178,390,928
Disposal	-	-	(7,981,512)	-	(1,084,536)	(162,670,981)	(1,782,676)	(1,836,811)	-	-	(175,356,516)
Transferred in/(out)	(52,813)	-	48,530,490	(250,000)	4,751,425	85,072,550	-	21,697,585	-	(163,822,874)	(4,073,637)
31 December 2017	153,708,925	4,242,349	195,738,914	48,364,897	73,987,535	1,030,002,976	38,957,519	108,255,718	144,935	12,553,036	1,665,956,804
<b>Accumulated depreciation</b>											
1 January 2016	-	4,242,319	117,058,653	46,966,689	59,963,970	882,798,854	21,892,223	70,424,135	144,931	-	1,203,491,774
Depreciation for the year	-	-	4,081,154	765,163	2,425,636	54,137,208	2,885,164	5,087,187	-	-	69,381,512
Depreciation on disposal	-	-	(413,600)	-	(2,370,043)	(29,965,717)	(7,957)	-	-	-	(32,757,317)
Transferred in/(out)	-	-	(31,553,641)	12,810	-	-	-	3,569,047	-	-	(27,971,784)
31 December 2016	-	4,242,319	89,172,566	47,744,662	60,019,563	906,970,345	24,769,430	79,080,369	144,931	-	1,212,144,185
Depreciation for the year	-	-	4,966,612	272,630	3,421,102	44,792,729	4,500,520	4,485,219	-	-	62,438,812
Depreciation on disposal	-	-	(7,761,113)	-	(1,082,623)	(158,952,946)	(1,769,737)	(1,721,652)	-	-	(171,288,071)
Transferred in/(out)	-	-	(4,020,825)	(249,998)	249,998	423,514	-	(423,514)	-	-	(4,020,825)
31 December 2017	-	4,242,319	82,357,240	47,767,294	62,608,040	793,233,642	27,500,213	81,420,422	144,931	-	1,099,274,101
<b>Net book value</b>											
31 December 2017	153,708,925	30	113,381,674	597,603	11,379,495	236,769,334	11,457,306	26,835,296	4	12,553,036	566,682,703
31 December 2016	16,122,584	30	58,035,858	758,524	9,205,557	198,862,237	15,436,910	8,595,536	4	147,834,604	454,851,844

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	Land	Land development	Building	Furniture and fixtures	Office equipment	Machineries	Vehicles	Equipment	Pool	Assets under installation	Total
<b>Cost</b>											
1 January 2016	20,021,348	4,242,349	182,048,582	48,204,538	64,031,242	1,108,079,903	27,739,035	80,868,707	144,935	-	1,535,380,639
Acquisition	-	-	130,000	283,800	7,364,069	3,906,895	11,287,458	2,982,305	-	147,879,238	173,833,765
Disposal	-	-	(413,604)	-	(2,491,266)	(29,893,751)	(31,500)	-	-	-	(32,830,121)
Transferred in/(out)	(3,898,764)	-	(34,556,554)	14,848	44,634	-	-	3,665,207	-	(44,634)	(34,775,263)
31 December 2016	16,122,584	4,242,349	147,208,424	48,503,186	68,948,679	1,082,093,047	38,994,993	87,516,219	144,935	147,834,604	1,641,609,020
Acquisition	137,639,154	-	7,981,512	111,711	1,095,526	1,743,275	531,220	675,913	-	28,541,306	178,319,617
Disposal	-	-	(7,981,512)	-	(1,084,536)	(162,670,981)	(1,782,676)	(1,834,651)	-	-	(175,354,356)
Transferred in/(out)	(52,813)	-	48,530,490	(250,000)	4,751,425	85,072,550	-	21,697,585	-	(163,822,874)	(4,073,637)
31 December 2017	153,708,925	4,242,349	195,738,914	48,364,897	73,711,094	1,006,237,891	37,743,537	108,055,066	144,935	12,553,036	1,640,500,644
<b>Accumulated depreciation</b>											
1 January 2016	-	4,242,319	117,058,653	46,966,689	59,941,395	880,548,970	21,338,966	70,375,743	144,931	-	1,200,617,666
Depreciation for the year	-	-	4,081,154	765,163	2,353,450	51,672,202	2,642,895	5,056,554	-	-	66,571,418
Depreciation on disposal	-	-	(413,600)	-	(2,402,316)	(29,896,053)	(31,499)	-	-	-	(32,743,468)
Transferred in/(out)	-	-	(31,553,641)	12,810	-	-	-	3,569,423	-	-	(27,971,408)
31 December 2016	-	4,242,319	89,172,566	47,744,662	59,892,529	902,325,119	23,950,362	79,001,720	144,931	-	1,206,474,208
Depreciation for the year	-	-	4,966,612	272,630	3,359,386	42,237,949	4,257,941	4,445,995	-	-	59,540,513
Depreciation on disposal	-	-	(7,761,113)	-	(1,082,623)	(158,952,946)	(1,769,737)	(1,721,136)	-	-	(171,287,555)
Transferred in/(out)	-	-	(4,020,825)	(249,998)	249,998	423,514	-	(423,514)	-	-	(4,020,825)
31 December 2017	-	4,242,319	82,357,240	47,767,294	62,419,290	786,033,636	26,438,566	81,303,065	144,931	-	1,090,706,341
<b>Net book value</b>											
31 December 2017	153,708,925	30	113,381,674	597,603	11,291,804	220,204,255	11,304,971	26,752,001	4	12,553,036	549,794,303
31 December 2016	16,122,584	30	58,035,858	758,524	9,056,150	179,767,928	15,044,631	8,514,499	4	147,834,604	435,134,812

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**17. INTANGIBLE ASSETS – NET**

As of 31 December 2017 and 2016, computer software consist of :-

	<b>UNIT : BAHT</b>	
	Consolidated and separate financial statements	
	2017	2016
<b>Cost</b>		
1 January	22,192,049	21,584,099
Acquisition	206,410	607,950
Disposal/written off	-	-
31 December	22,398,459	22,192,049
<b>Accumulated amortization</b>		
1 January	18,033,127	17,319,352
Amortization expenses for the year	769,236	713,775
Disposal/written off	-	-
31 December	18,802,363	18,033,127
<b>Net book value - 31 December</b>	<b>3,596,096</b>	<b>4,158,922</b>

**18. TRADE AND OTHER PAYABLES**

	<b>UNIT : BAHT</b>			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Trade payables</b>				
Related companies (Note 6)	35,335,720	32,680,873	37,113,437	33,743,451
Others	68,356,592	78,416,736	66,841,126	73,909,442
Total trade payables	103,692,312	111,097,609	103,954,563	107,652,893
<b>Other payables</b>				
Investment payable	13,770,000	19,125,000	13,770,000	19,125,000
Accrued bonus	16,899,981	19,148,336	16,053,451	18,392,218
Accrued royalties	7,476,035	8,082,964	7,476,035	8,082,964
Advance received from subsidiaries (Note 1.5)	-	-	178,079,811	178,079,811
Others	12,296,277	15,066,315	10,178,875	12,875,091
Total other payables	50,442,293	61,422,615	225,558,172	236,555,084
<b>Total trade and other payables</b>	<b>154,134,605</b>	<b>172,520,224</b>	<b>329,512,735</b>	<b>344,207,977</b>



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**19. PURCHASE OF FIXED ASSET PAYABLE - NET**

As of 31 December 2017 purchase of fixed asset payable consist of :-

	<b>UNIT : BAHT</b>	
	Consolidated and separate financial statements	
	2017	2016
Purchase of fixed asset payable	110,493,813	-
<u>Less current portion</u>	<u>(24,182,221)</u>	<u>-</u>
Net	<u>86,311,592</u>	<u>-</u>

On 23 June 2017, the Company has entered in to purchase and sale of land agreement with a related company, with a contract value of Baht 149.61 million. In July 2017, the Company paid first installment of Baht 29.92 million. The remaining repayment is repayable by the annual installment of Baht 29.92 million within 4 years from July 2017 onwards. The transfer of ownership to the Company will be made once the payments are completed. Currently, the Company possesses and uses the land.

**20. RETIREMENT BENEFIT OBLIGATIONS**

Movements of retirement benefit obligations for the years ended 31 December 2017 and 2016 are as follows:-

	<b>UNIT : BAHT</b>			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Retirement benefit obligations				
- beginning balance - 1 January	52,707,474	100,919,014	51,606,071	71,762,218
Employee benefit expenses for the year	8,642,847	32,643,499	8,231,507	32,078,195
Gain on reversal of retirement benefit obligations (presented in the statements of comprehensive income)	-	(26,241,363)	-	(26,277,302)
Employee benefit paid during the year	(4,065,729)	(2,573,020)	(4,065,729)	(2,573,020)
Actuarial loss (presented in statements of other comprehensive income)	-	1,218,497	-	1,182,975
Transferred employee benefit to the related company according to business transfer agreement	-	(53,259,153)	-	(24,566,995)
<b>Retirement benefit obligations</b>				
<b>- ending balance - 31 December</b>	<b>57,284,592</b>	<b>52,707,474</b>	<b>55,771,849</b>	<b>51,606,071</b>

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**Actuarial loss - net of tax :-**

	UNIT : BAHT			
	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Actuarial loss	-	1,218,497	-	1,182,975
<u>Less income tax</u>	-	(236,595)	-	(236,595)
Net	-	981,902	-	946,380

Employee benefit expenses were recognized in statements of comprehensive income for the years ended 31 December 2017 and 2016 are as follows:-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current service costs	7,794,651	5,578,055	7,401,039	5,049,561
Interest costs	848,196	824,081	830,468	751,332
Total	8,642,847	6,402,136	8,231,507	5,800,893

The principle of actuarial assumption used to calculate the defined benefit obligations are as follows:-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	1.74 % – 1.96%	1.61%	1.96%	1.61%
Disability rate	5.00% (TMO 2017)	5.00% (TMO 2008)	5.00% (TMO 2017)	5.00% (TMO 2008)
Salary increase rate	0% - 3.00%	0% - 3.00%	0% - 3.00%	0% - 3.00%
Turnover rate	Age-related scale	Age-related scale	Age-related scale	Age-related scale

The sensitivity analysis for significant assumptions used in actuarial valuation can be analyzed as follow :-

	Change in assumptions	Effect to retirement benefit obligation increase (decrease)			
		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Discount rate	Increase 1 %	(2,598,815)	(2,928,167)	(2,569,518)	(2,869,897)
Discount rate	Decrease 1 %	2,869,679	3,220,101	2,838,412	3,156,522
Salary increase rate	Increase 1 %	2,178,952	3,129,661	2,163,855	3,068,825
Salary increase rate	Decrease 1 %	(2,107,470)	(2,695,995)	(2,085,785)	(2,639,090)

## **21. LEGAL RESERVE**

The legal reserve is set aside under the Public Companies Act B.E. 2535 which requires a public company to set aside as a legal reserve at least 5 per cent of its net income after accumulated deficit brought forward (if any) until the reserve reaches 10 per cent of the authorized capital. This reserve is not available for dividend distribution.

## **22. GENERAL RESERVE**

The Company has appropriated part of its net profit for general reserve with no specific objective.

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**23. DIVIDEND PAYMENT, DIRECTORS' REMUNERATION AND GENERAL RESERVE**

On 25 April 2017 the Ordinary General Shareholders' Meeting resolved as follows:-

- Authorized to pay dividend at Baht 1.70 per share for 108 million shares, totaling Baht 183.60 million. The interim dividend payment on 9 September 2016 was made at Baht 1 per share, totaling Baht 108 million. Therefore, the outstanding dividend is Baht 0.70 per share totaling 75.60 million, being Baht 0.50 per share from BOI-promoted business and Baht 0.20 per share from operations subjected to corporate income tax at the rate of 20 percent. Such dividend will be paid on 19 May 2017.
- Authorized to pay directors' remuneration at the maximum of Baht 12.00 million.
- Authorized to set aside as general reserve amounting to Baht 14.64 million.

On 10 August 2016, the Board of Directors' Meeting resolved as follows:-

- Authorized to pay interim dividend at Baht 1 per share for 108 million shares, totaling of Baht 108.0 million by paying from the BOI-promoted businesses. The dividend was paid on 9 September 2016.

On 26 April 2016, the Ordinary General Shareholders' Meeting resolved as follows:-

- Authorized to pay dividend at Baht 0.60 per share for 108 million shares, totaling of Baht 64.8 million by paying from the BOI-promoted businesses. The dividend was paid on 24 May 2016.
- Authorized to pay directors' remuneration at the maximum of Baht 8.1 million.
- Authorized to set aside as general reserve amounting to Baht 5.98 million.

**24. PROVIDENT FUND**

The Group have set up a provident fund for their employees under the Provident Fund Act B.E. 2530 (1987), for the staff's welfare as well as security upon their resignation or retirement as defined by the Company's regulations, which is contributed by its employees and by the Company at the rate of 3 - 4% of salary. The Group has also appointed a finance company to act as the fund manager.

The Group's contributions to the employee provident fund were recorded as expenses in the statements of comprehensive income for the years ended 31 December 2017 and 2016 as follows :-

Companies	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Textile Prestige Plc.	1,857,226	1,800,176	1,857,226	1,800,176
T.U.C. Elastic Co., Ltd.	-	65,300	-	-
Prestige Embroidery Co., Ltd.	-	18,786	-	-
Prestige Plus Co., Ltd.	-	27,851	-	-
TPCNIC Co., Ltd.	54,176	40,083	-	-
<b>Total</b>	<b>1,911,402</b>	<b>1,952,196</b>	<b>1,857,226</b>	<b>1,800,176</b>

**25. FOREIGN CURRENCY TRANSACTIONS**

The Company has entered into selling and buying forward exchange contracts with local commercial bank for hedging against risk in exchange rate fluctuation which may affect to Baht receivable or Baht payable which can be summarized as follows:

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**25.1 Selling forward exchange contracts**

**Unit : Thousand**

Consolidated and separate financial statements						
Currencies	2017			2016		
	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)
USD	890.93	29,067.72	32.54 - 32.73	1,192.09	42,750.62	35.79 - 36.02
JPY	11,877.74	3,456.80	0.2887 - 0.2932	12,542.49	3,939.84	0.3044 - 0.3294

As of 31 December 2017 and 2016, the Company has entered into selling forward exchange contracts which deliveries are to be made during January to March 2018 and January to June 2017, respectively.

**25.2 Buying forward exchange contracts**

**Unit : Thousand**

Separate financial statements						
Currencies	2017			2016		
	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)
USD	307.35	10,044.32	32.47 - 33.15	469.10	16,696.29	35.07 - 35.91
JPY	-	-	-	-	-	-
EUR	23.81	917.27	38.52	29.51	1,113.82	37.75

**Unit : Thousand**

Consolidated financial statements						
Currencies	2017			2016		
	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)	Foreign currency	Converted to Baht	Estimated exchange rate (Baht)
USD	307.35	10,044.32	32.47 - 33.15	469.10	16,696.29	35.07 - 35.91
JPY	4,116.33	1,211.26	0.2915 - 0.2952	13,019.43	4,128.24	0.3124 - 0.3428
EUR	23.81	917.27	38.52	29.51	1,113.82	37.75

As of 31 December 2017 and 2016, the Company has entered into buying forward exchange contracts which deliveries are to be made during January to March 2018 and January to February 2017, respectively.

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**25.3 Uncovered assets and liabilities**

The Group have outstanding assets and liabilities denominated in foreign currencies not covered by any hedging against exchange risks as follows:-

Currencies	Consolidated financial statements				Separate financial statements			
	2017		2016		2017		2016	
	Foreign	Converted	Foreign	Converted	Foreign	Converted	Foreign	Converted
	currency	to Baht	currency	to Baht	currency	to Baht	currency	to Baht
<b>Assets</b>								
USD	2.52	81.74	10.51	373.65	2.52	81.74	10.51	373.65
IDR	8,680,800.81	19,679.38	8,683,226.18	21,972.04	8,680,800.81	19,679.38	8,683,226.18	21,972.04
CNY	0.65	3.22	1.88	9.52	0.65	3.22	1.88	9.52
JPY	3.29	0.94	-	-	3.29	0.94	-	-
<b>Total Assets</b>		<b>19,765.28</b>		<b>22,355.21</b>		<b>19,765.28</b>		<b>22,355.21</b>
<b>Liabilities</b>								
USD	5.39	177.12	1.88	67.51	3.17	104.27	1.88	67.51
<b>Total liabilities</b>		<b>177.12</b>		<b>67.51</b>		<b>104.27</b>		<b>67.51</b>

**26. COMMITMENTS AND CONTINGENT LIABILITIES**

**26.1** As of 31 December 2017 and 2016, the Group has commitments and contingent liabilities as follows:-

Particulars	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank guarantees	7,937,900	7,937,900	7,937,900	7,937,900
Letters of credits	-	578,668	-	578,668

**26.2** The Company has entered into licence agreements for technical assistance from a foreign company regarding production and sales of certain products. The company agreed to share the profit to the counterparty at the rate of 20 per cent of selling price less related manufacturing costs and technical expenses of such products. The company is required to pay yearly operational and marketing activities expenses amounting to Yen 5.0 million. For another group of products, the company is required to pay technical support expenses at the rates of 1 and 4 per cent of sales prices.

**26.3** The 28th Ordinary General Shareholders' Meeting held on 21 April 2003 resolved to allocate loan facilities and guarantees to related companies for the amount not exceeding Baht 550 million.

As of 31 December 2017 and 2016, the Company has total outstanding guarantees amounting to Baht 165 million and Baht 148 million, respectively for its a subsidiary and a associated company for ordinary course of businesses.

**26.4** During the second quarter 2013, the Company had entered into lease agreements regarding commercial building and land, rental of furniture and equipment, and parking space commencing as from 1 July 2013 to 30 June 2016 by which from 1 July 2013 to 31 December 2013, the monthly charge was Baht 234,000 and from 1 January 2014 to 30 June 2016, the monthly charge was Baht 252,500.

Subsequently on 3 May 2016, the Company has renewed rental agreements of commercial building and land, rental of furniture and equipment, and parking space commencing from 1 July 2016 to 30 June 2019 by which from 1 July 2016 to 30 June 2017, the monthly charge is Baht 300,000 and from 1 July 2017 to 30 June 2019, the monthly charge is Baht 305,000.

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- 26.5** As of 31 December 2017, the Company has commitment relating to fixed assets installation agreement of Baht 6.80 million (2016 : Nil).

**27. PROMOTIONAL PRIVILEGES**

The Company and the three subsidiary companies have been granted promotional certificates under Investment Promotion Act, B.E. 2520 which promotional privileges of existing BOI certificates as of 31 December 2017 can be summarized belows:-

Company	Promotional certificate No.	Effective dates	Promotional businesses	Privileges granted	
				Exemption periods of corporate income tax	Maximum of exempted corporate income tax (Million Baht)
<b>Textile Prestige Plc.</b>	1021(1)/2553	8 Jan 2010	Manufacturing sanitary face masks	8 years	Unlimited
	1598(2)/2553	1 Jul 2010	Textiles and related parts	7 years	136.70
	2667(2)/2555	1 Mar 2013	Textiles and related parts	7 years	288.22

**Other privileges and benefits granted are as below:-**

- 27.1** Exemption of income tax for dividend income from promoted businesses throughout the promoted periods of every promotional certificate.
- 27.2** Exemption of corporate income tax from the promoted net profit at the rate of 50 per cent of the normal rate for additionally 5 years after the expiration of the exemption periods for the promotional certificate No. 1021(1)/2553.
- 27.3** The companies are entitled to offset losses from operation incurred during the exemption periods against profits derived after the expiration promoted periods for another 5 years. The carried losses can be utilized by offsetting against profits derived in one or several years for all promoted certificates.
- 27.4** The companies are entitled for allowance to double deduction of annual utility expenses (electricity, water supplies, and transportation) for corporate income tax calculation for 10 years. This privilege applies to all promoted certificates of only promotional certificate No. 1021(1)/2553.
- As a promoted industry, the Group must strictly comply with certain terms and conditions stipulated in the promotional certificates.
- 27.5** On 27 January 2016, the rights and benefits under the Company's promotional certificates No. 1182(2)/2550, 1774(2)/2550 and all rights and benefits under the subsidiaries' 14 promotional certificates have been transferred to the related company under business transfer agreement.
- 27.6** During 2016, the Company recorded additional corporate income tax of the year 2015 in the amount of Baht 5.18 million in accordance with the Notification of the Ministry of Finance relating the use of tax loss carried forward relating to BOI promoted activities for the calculation of corporate income tax.

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**28. EXPENSES CLASSIFIED BY NATURE OF EXPENSES**

Significant expenses by nature are as follows:-

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
Particulars	2017	2016	2017	2016
(Increase) decrease in finished goods and work in process	(6,410,506)	94,407,946	(7,173,600)	41,975,742
Net purchase of finished goods	117,088,317	130,176,047	129,148,139	196,071,414
Raw materials and supplies used	393,899,699	494,958,899	384,079,573	455,189,521
Executive remuneration expenses	49,954,088	50,390,959	47,433,958	46,915,127
Employee benefit expenses	167,760,510	187,701,191	161,223,945	161,720,458
Depreciation and amortization expenses	64,303,454	71,222,052	61,405,154	68,411,958
Other expenses	109,752,912	140,618,323	126,584,441	158,348,918

**29. OPERATING SEGMENT INFORMATION**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's business operation involves 2 principal segments: (1) Fabric and yarn products (2) Non - woven fabric products used in automotive industry, other industries and products for sanitation and household with geographical segments of both local and export sales.

As discussed in note No. 1.5 to the financial statements, the group has completed the transfer of business agreement concerning garment business (fabric and yarn product). Therefore, from 1 February 2016, the Group will operate under one geographical activity for segment information which are non - woven fabric products used in automotive industry, other industries and products for sanitation and household. Thus, income, gains, and assets shown in the financial statements are related to the mentioned business sector and geographical area.

	2017	2016
<b>Income (Consolidated financial statements)</b>		
Products for automotive industry	689,274,888	791,324,271
Products for other industries	206,223,306	237,885,484
Products for sanitation and household	46,418,935	61,126,759
<b>Total</b>	<b>941,917,129</b>	<b>1,090,336,514</b>

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The results of the operation of the fabric and yarn products which is discontinued for the year ended 31 December 2017 and 2016 are discussed in note 31.

Geographical operating segment information of 2 principal segments of both local and export sales for the years 2017 and 2016 are as follow:-

**Geographical areas**

Consolidated financial statements	UNIT : BAHT	
	For the years ended 31 December	
	2017	2016
Domestic sales	649,575,779	787,662,183
Export sales		
- ASIA	272,578,668	383,412,677
- AMERICA	2,113,407	3,691,543
- EUROPE	-	46,065
- AFRICA	17,649,275	18,103,455

**Information of major customers**

The Company has two major customers from segment of non - woven fabric products for the years ended 31 December 2017 and 2016 in the amount of Baht 254.98 million and Baht 327.87 million, respectively.

**30. INCOME TAX**

Income tax for the years ended 31 December 2017 and 2016 comprised:

	UNIT : BAHT	
	Consolidated and separate financial statements	
	2017	2016
<b>Current income tax:</b>		
Corporate income tax for the year	(21,799,295)	(61,568,497)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	2,952,171	2,773,396
<b>Income tax expenses reported in- the statements of comprehensive income</b>	<b>(18,847,124)</b>	<b>(58,795,101)</b>



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Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2017 and 2016 are as follows:-

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit (loss) before income tax				
Continuing operations	145,814,268	366,659,779	147,044,625	357,109,633
Discontinuing operations	(637,566)	(12,029,188)	-	(5,421,033)
Accounting profit before corporate income tax	145,176,702	354,630,591	147,044,625	351,688,600
Applicable tax rate	20%	20%	20%	20%
Accounting profit before corporate income tax multiplied by applicable tax rate	29,035,340	70,926,118	29,408,925	70,337,720
Effects of:				
Promotional privileges (Note 27)	(3,208,485)	(15,140,285)	(3,208,485)	(15,140,285)
Non-deductible expenses	6,297,452	438,771	6,231,018	353,264
Effect from un-recording of deferred tax assets	374,314	9,956,582	-	-
Exemption of income	(10,360,942)	(11,981,498)	(10,292,479)	(6,851,932)
Adjustment the decrease of deferred tax assets of employee benefit according to a transfer of business	-	4,913,399	-	4,913,399
Effect of adjustment of income tax	(3,291,855)	5,182,935	(3,291,855)	5,182,935
Effect of elimination entry on the consolidated financial statements	1,300	(5,500,921)	-	-
Total	(10,188,216)	(12,131,017)	(10,561,801)	(11,542,619)
<b>Income tax expense (income) reported in the statements of comprehensive income</b>	<b>18,847,124</b>	<b>58,795,101</b>	<b>18,847,124</b>	<b>58,795,101</b>

The components of income tax expense (income) reported in the statements of comprehensive income are as follows:-

	Consolidated and separate financial statements	
	2017	2016
<b>Income tax expense (income)</b>		
Continuing operations	18,847,124	59,590,621
Discontinuing operations	-	(795,520)
Total	18,847,124	58,795,101

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The components of deferred tax assets and deferred tax liabilities are as follows:

	<b>UNIT : BAHT</b>	
	Consolidated and separate financial statements	
	2017	2016
<b>Deferred tax assets:</b>		
- Allowance for doubtful accounts trade receivable	579,318	657,318
- Allowance for diminution in value of investments	39,835,874	36,883,203
- Retirement benefit obligations	11,154,370	10,321,214
<b>Total deferred tax assets</b>	<b>51,569,562</b>	<b>47,861,735</b>
<b>Deferred tax liabilities:</b>		
- Unrealized gain on revaluation of current investment	755,655	-
- Unrealized gain on revaluation of available for sale securities	22,266,874	17,866,525
<b>Total deferred tax liabilities</b>	<b>23,022,529</b>	<b>17,866,525</b>

Corporate income taxes of the Group for the years ended 31 December 2017 and 2016 have been calculated on the net accounting profit adjusted with other revenues and some expenses which are exempted from income tax or being adjusted with disallowable expenses.

The income tax computations are as follows:-

- For the BOI promoted businesses, the corporate income tax was calculated according to the promoted privileges granted (Note 27).
- For non-BOI promoted businesses or promoted privileges granted had expiration,
  - the Company calculated corporate income tax at the rate of 20 per cent of taxable profit.
  - the subsidiaries calculated corporate income tax at the rate of 20 per cent of taxable profit.

**31. DISCONTINUED OPERATIONS**

As mentioned in note 1.5, on 27 January 2016, the Group has entered into sales and transfer business agreements of the Company, the subsidiary companies and the associated company, of the Group's assets, liabilities, employees, rights and obligations and encumbrances in connection with the textile businesses which specifically relating to underwear manufacturing. The Group has completed the transfer of assets and liabilities to the related company on 1 February 2016.

The results of the operation of fabric and yarn products which is discontinued for the year ended 31 December 2017 and 2016 are as follow :-

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	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Revenues from operation</b>				
Revenue from sales	-	102,579,409	-	103,592,778
Revenue from hire of works	-	747,435	-	1,023,445
Total revenues from operation	-	103,326,844	-	104,616,223
<b>Cost of operations</b>				
Cost of sales	-	(110,975,864)	-	(105,335,579)
Total cost of operations	-	(110,975,864)	-	(105,335,579)
<b>Gross profit</b>	-	<b>(7,649,020)</b>	-	<b>(719,356)</b>
Other incomes				
Interest income	-	706	-	-
Rental income	-	17,920	-	-
Others	-	1,386,821	-	26,831
<b>Profit (loss) before expenses</b>	-	<b>(6,243,573)</b>	-	<b>(692,525)</b>
Selling expenses	-	(2,769,350)	-	(2,449,101)
Administrative expenses	(637,566)	(3,264,155)	-	(2,268,045)
Directors' remuneration	-	(1,311,362)	-	(11,362)
Share of loss from investments in associated companies	-	1,559,252	-	-
<b>Loss before income tax from discontinued operations</b>	<b>(637,566)</b>	<b>(12,029,188)</b>	-	<b>(5,421,033)</b>
Income tax (expense) income	-	795,520	-	795,520
<b>Net loss for the year from discontinued operations</b>	<b>(637,566)</b>	<b>(11,233,668)</b>	-	<b>(4,625,513)</b>
<b>Basic earning per share from discontinued operations</b>				
Owners of the parent company				
(Unit : Baht)	(0.01)	(0.10)	(0.00)	(0.04)
Weighted average number of ordinary shares (Unit : shares)	108,000,000	108,000,000	108,000,000	108,000,000

**32. FINANCIAL INSTRUMENTS**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

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**32.1 Accounting policies and procedure**

See Note 4.

**32.2 Credit risk**

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company.

As at the statements of financial position date there was no other significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

**32.3 Interest rate risk**

Interest rate risk arises from the potential of a change in interest rates to have an effect on the operation of the Group in the current reporting year and in future years. The Group is confident that the risk can be managed because the Group has maintained plans and monitor the market situation closely.

**32.4 Risk from currency exchange**

The Group's risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Group will make the forward exchange contract, in case the Baht currency is highly fluctuated and it is considered appropriate (Note 25).

**32.5 Fair values of financial instruments**

The Group uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

The following methods and assumptions were used by the Group in estimating fair value of financial instruments as disclosed herein:

- Investments in mutual funds have been categorized as a Level 2, the fair value is determined from their net asset value (NAV) at the measurement date of investment.
- Investments in marketable securities have been categorized as a Level 1, the fair value is based on quoted market price.
- Investments in debt securities have been categorized as a Level 2, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association at the measurement date of investment.
- Investment property
  - The fair value measurement of land has been categorized as a Level 2, the fair value is based on the comparison approach to the valuation technique used.
  - The fair value measurement of building has been categorized as a Level 2, the fair value is based on the cost approach to the valuation technique used.

**33. CAPITAL MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the businesses. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends paid to ordinary shareholders.

**34. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved for issuance by the Company's Board of Directors on 26 February 2018.

8 พฤษภาคม 2560 บริษัทฯ เป็นเจ้าภาพร่วมในการบำเพ็ญกุศลถวายพระบรมศพ  
พระบาทสมเด็จพระปรมินทรมหาภูมิพลอดุลยเดช พระผู้เสด็จสู่สวรรคาลัย  
น้อมสำนึกในพระมหากรุณาธิคุณเป็นล้นพ้นอันหาที่สุดมิได้  
ข้าพระพุทธเจ้า บริษัท เท็กซ์ไทล์เพรสทีจ จำกัด (มหาชน)



3 พฤศจิกายน 2560 **TPCORP** เปิดโรงงานผลิต Non Woven แห่งใหม่  
ณ สวนอุตสาหกรรม เครือสหพัฒน์ ศรีราชา  
โดยใช้เครื่องจักรและเทคโนโลยีที่ทันสมัย เพื่อผลิตสินค้า Non Woven ที่มีเอกลักษณ์เฉพาะ  
(Advanced Non-Woven Technology by TPCORP)







***TPCORP***

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