



# **2014** ANNUAL REPORT

**Thai Wah Food Products Public Company Limited**

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## MESSAGE FROM THE MANAGEMENT

In 2014 Thailand's economy grew by a mere 0.7% as compared to 2.9% the year before and this is due to several factors such as the sharp decrease in prices of major crops, contraction in both domestic and external demand, lower household consumption and delay in the government and private investment spending. Unfortunately, Thai Wah Food Products Public Company Limited's ("the Company") business was marginally hampered by these unfavorable circumstances.

On the consolidated financial statements, total revenue slipped 1% from Baht 1,316 million in 2013 to Baht 1,307 in 2014 whilst net profit dipped 19% from Baht 290 million to Baht 236 million. The decline in net profit is largely attributed to higher cost of direct raw material. On the separate financial statement, total sales revenue decreased 1% to Baht 1,286 million as compared to Baht 1,298 million in the year earlier due to a 3% decline in domestic sales of vermicelli which was offset by a 3% growth in our vermicelli export business.

The sales of our new products, namely rice noodle and rice vermicelli, increased by over 160% from Baht 16 million in the prior year to Baht 42 million. The very encouraging growth reaffirms the potential of these new products and the Company's diversification and expansion strategies. Construction of the new rice noodle and rice vermicelli plant, with an initial production capacity of 4,000 tons per year, started in mid 2014 and is expected to complete by mid 2015. With this new facility the Company will be well placed to aggressively expand this new business.

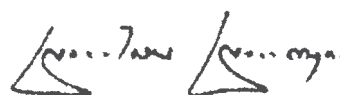
All-in-all, the Company's net income for the year 2014 based on its separate financial statements amounted to Baht 226 million or Baht 2.38 per share as compared with Baht 252 million or baht 2.65 per share in 2013. This represents a contraction of 10%. On this note, the Company is pleased to announce that the Board of Directors has resolved to recommend a dividend payment of Baht 0.95 per share in respect of the financial year ended 31 December 2014 which is subject to shareholders' approval at the Company's Annual General Meeting on 27 April 2015. The proposed dividend payment is equivalent to a payout ratio of 40% and is approximately 8% higher than the dividend paid in 2013.

On 24 February 2015, the Board of Directors resolved to propose in the Company's Annual General Meeting to approve the amalgamation of the Company and Thai Wah Starch Public Company Limited. The expected benefits from the amalgamation include diversification of business risk, synergy in business operation, enlarged financial position, larger investor base and bigger market capitalization. In relation to this, the board has appointed Trinity Security Company Limited as the independent financial advisor to preserve the interests of our minority shareholders by providing an impartial opinion on the amalgamation to enable our shareholders to make an informed decision on the matter.

We would like to take this opportunity to express our deep appreciation to our fellow Directors for their invaluable counsel and guidance which has greatly contributed to the business of the company in 2014. We also thank all our staff for their dedication and loyalty, and our shareholders, customers and business partners for their continuing support.



**Mr. Ho KwonPing**  
Chief Executive Officer



**Dr. Sretsei Saittagaroon**  
Managing Director

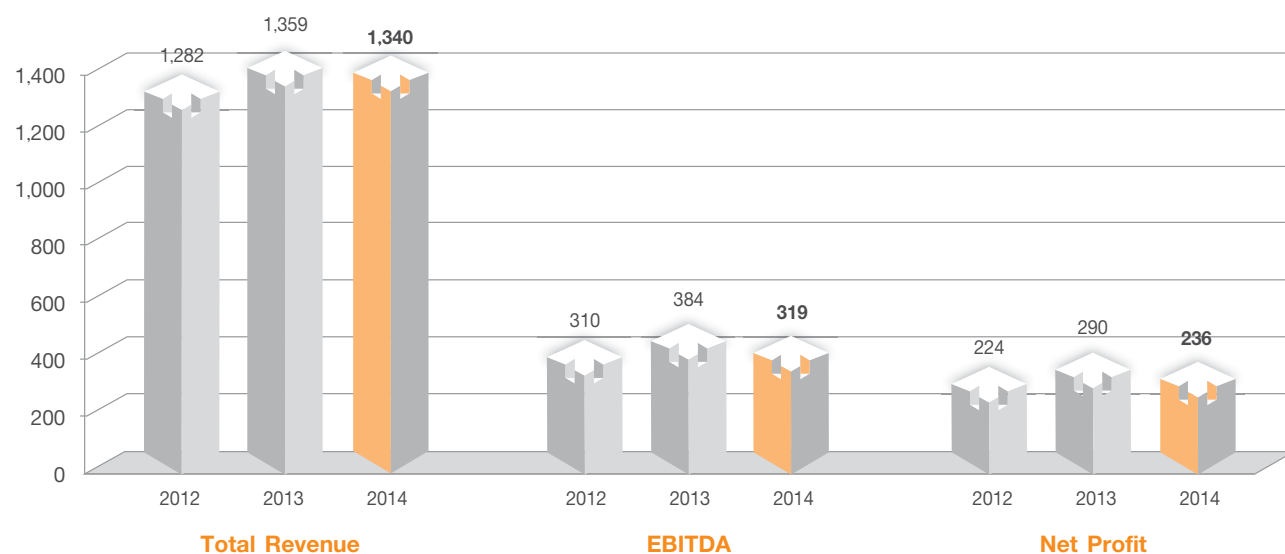
# FINANCIAL HIGHLIGHTS

(Unit: Million Baht)

Information from Financial Statements which the equity method is applied	2014	2013 (Restated)	2012 (Restated)
Net Profit	236.1	290.2	223.5
EBITDA	319.1	383.9	310.4
Total Revenues	1,340.2	1,358.9	1,281.8
Share of Profit from Investments in Associates	32.7	42.8	43.5
Depreciation & Amortization	(32.5)	(31.8)	(32.3)
Income Tax Expenses	(50.5)	(61.9)	(54.7)
Total Assets	1,802.9	1,633.8	1,396.6
Total Liabilities	274.6	258.0	240.7
Total Shareholders' Equity	1,528.3	1,375.8	1,155.9

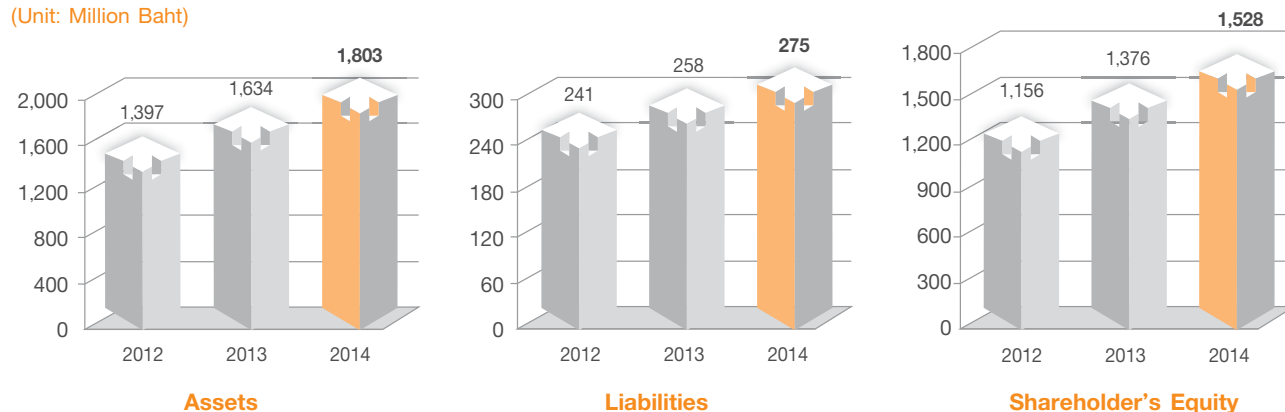
## Performance for the year

(Unit: Million Baht)



## Statements of financial position

(Unit: Million Baht)



## FINANCIAL RATIO

(Unit: Million Baht)

Information from Financial Statements which the equity method is applied	2014	2013* (Restated)	2012* (Restated)
Liquidity Ratio (Times)	3.1	4.8	4.1
Quick Ratio (Times)	1.9	3.9	2.7
Collection Period (Days)	40.0	38.0	38.0
Payable Period (Days)	36.0	36.0	31.0
Gross Profit Margin (%)	32.1	35.2	31.1
Return on Total Sales (%)	17.6	21.4	17.4
Return on Equity (%)	16.3	22.9	20.7
Return on Total Assets (%)	13.7	19.2	17.3
Earning Per Share (Baht)	2.5	3.1	2.4
Dividend Per Share (Baht)	0.95**	0.88	0.75
Book Value Per Share (Baht)	16.1	14.5	12.2
Net Asset Value Per Share (Baht)	16.1	14.5	12.2
Debt-to-Equity Ratio (Times)	0.2	0.2	0.2
Dividend Payout Ratio (%)	39.9	33.3	38.0
Fixed Charge Coverage Ratio (Times) - (Cash Basis)	1.1	3.4	1.6

**Remarks :** \* Certain amounts in the financial statements for the year 2013 and 2012 have been reclassified to conform to the year 2014.

\*\* To be determined at the Company's 2015 Annual General Meeting.

# POLICY AND OVERVIEW OF BUSINESS OPERATIONS

## Company Profile

Thai Wah Food Products Public Company Limited (“the Company”) was established in 1952 to manufacture and distribute various food products using mung beans. Such products include mung bean vermicelli, mung bean starch noodle (Shanghai noodle), and salim starch. The factory was originally located on Sanpawut Road, Phrakhanong, Bangkok

## Milestones

- 1985 : The Company moved the production base to Banglane District, Nakorn Pathom Province to meet its growing operations.
- 1989 : The Company was successfully listed on The Stock Exchange of Thailand, under the acronym, “TWFP”.
- 1993 : The Company was converted into the public limited company. The registered capital was increased to Baht 109,550,000 of which Baht 95,060,550 representing 9,506,055 ordinary shares were issued and fully paid-up at the par value of Baht 10 per share.
- 2009 : The Company started trial production of rice noodle.
- 2013 : The Company changed its par value share from Baht 10 per share to Baht 1 per share, resulting in an increase in the number of the ordinary shares to 95,060,550 shares while the registered and paid up capital of the Company remains unchanged in accordance with the resolutions approved at the Extraordinary General Meeting No. 1/2013.
- 2014 : The Company expanded its rice noodle and rice vermicelli production capacity by construction of a new factory located in the same area of vermicelli factory.

The Company is widely recognized as the leader in the vermicelli industry and its products are well recognized under “Double Dragon”, “Phoenix”, “Double Kilin” brands. In 2009 the Company stepped into the rice noodle industry manufacturer and distributed “Double Kilin” brand small-strip rice noodle, large-strip rice noodle and rice vermicelli. In addition, the Company manufactures and distributes other products as follows:

- “Double Dragon” brand mung bean starch noodle and salim starch, and
- “New Grade” brand tapioca starch, tapioca pearls, glutinous rice flour and rice flour

In order to broaden its business base and revenues, the Company has diversified into other industries through business ventures, details as follows:

### 1. Tapioca Development Corporation Limited

Tapioca Development Corporation Limited (“TDC”) is a joint venture in which the Company has a 33.3 percent shareholding along with Japan Corn Starch Co., Ltd. (Japan), Tate & Lyle Ingredients Americas Inc., (USA) and Tate & Lyle Plc., (UK). TDC has a paid-up capital of Baht 50,000,400 and produces various types of modified tapioca starches for several industrial applications such as, paper and food for both the domestic and foreign markets. The key export markets are China, Japan, South Korea, Indonesia, East Asia and ASEAN countries. TDC’s factory is located at Baan Chang District, Rayong Province.

# POLICY AND OVERVIEW OF BUSINESS OPERATIONS

## 2. Asia Tapioca Products Company Limited

Asia Tapioca Products Company Limited (“ATP”) is a joint venture among the Company and private investors. The Company has a 30.0 percent shareholding in ATP. Incorporated with a paid-up capital of Baht 105,250,000, ATP invests in tapioca starch production in Vietnam. ATP presently has a 70.0 percent stake in Vietnam Tapioca Company Limited (“VTC”) or Baht 152,009,250. VTC owns and operates a tapioca starch factory in Vietnam to meet local demand and for export.

### The Company’s vision and mission

The Board of Directors’ Meeting of the Company has approved the vision and mission, which will be reviewed at least every 5 years as follows:

**Vision** : To be the leading vermicelli and rice noodles manufacturer of the region

**Mission** : To produce quality and safe food that gives benefits and satisfaction to consumer

### Changes and Developments

#### Change in the major shareholding structure

In 2011, Universal Starch Public Company Limited (USC)\*, a major shareholder of the Company holding 4,000,000 shares in the Company representing 42.1 percent of the total paid-up capital of the Company, transferred 3,522,800 shares in the Company (representing 37.1 percent of the total paid-up capital of the Company) to the creditors which have entered into the new debt restructuring agreement with USC in order to settle debts with the creditors.

As a result of those share transfers, USC holds only 5.0 percent in the Company and is no longer a major shareholder of the Company

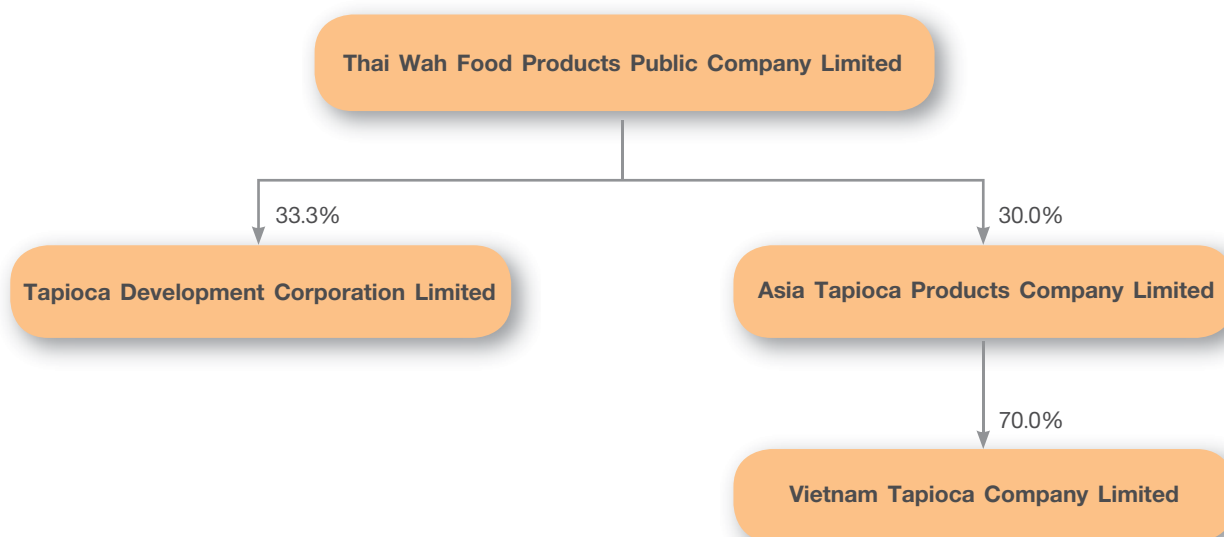
List of major shareholders as at the latest share register book closing on December 30, 2014 is disclosed in the Company’s 2014 annual report and Form 56-1 under the section “Major shareholders”

**Remarks** : \* Currently, renamed to read the “Thai Wah Starch Public Company Limited”.

## POLICY AND OVERVIEW OF BUSINESS OPERATIONS

### Shareholding structure of the Company

As at December 31, 2014



### Relationship with the business group of major shareholders

-None-



## NATURE OF BUSINESS

### Structure of sales income during the past three years

Products	2014		2013		2012	
	Bht. MIL.	%	Bht. MIL.	%	Bht. MIL.	%
<b>Domestic Sales</b>						
Total Vermicelli & Bean Sheet	1,180.7	91.8	1,218.6	93.9	1,158.6	94.5
Rice Noodle And Rice Vermicelli	27.0	2.1	15.4	1.2	7.3	0.6
Starch And Tapioca Pearl Product	14.7	1.2	14.2	1.1	13.1	1.1
By Products And Others	5.8	0.4	6.4	0.5	12.8	1.0
<b>Total Domestic Sales</b>	<b>1,228.2</b>	<b>95.5</b>	<b>1,254.6</b>	<b>96.7</b>	<b>1,191.8</b>	<b>97.2</b>
<b>Export Sales</b>						
Total Vermicelli & Bean Sheet	43.4	3.4	42.4	3.3	34.5	2.8
Rice Noodle And Rice Vermicelli	14.6	1.1	0.4	0.0	-	-
Starch And Tapioca Pearl Product	0.2	0.0	0.4	0.0	0.3	0.0
<b>Total Export Sales</b>	<b>58.2</b>	<b>4.5</b>	<b>43.2</b>	<b>3.3</b>	<b>34.8</b>	<b>2.8</b>
<b>Domestic And Export Sales</b>						
Total Vermicelli & Bean Sheet	1,224.1	95.2	1,261.0	97.2	1,193.1	97.3
Rice Noodle And Rice Vermicelli	41.6	3.2	15.8	1.2	7.3	0.6
Starch And Tapioca Pearl Product	14.9	1.2	14.6	1.1	13.4	1.1
By Products And Others	5.8	0.4	6.4	0.5	12.8	1.0
<b>Total Domestic And Export Sales</b>	<b>1,286.4</b>	<b>100.0</b>	<b>1,297.8</b>	<b>100.0</b>	<b>1,226.6</b>	<b>100.0</b>
Increase (Decrease) in Domestic & Export Sales (%)	(0.9)		5.8		8.0	
Increase (Decrease) in Domestic Sales (%)	(2.1)		5.3		8.1	
Increase (Decrease) in Export Sales (%)	34.7		24.1		5.1	

# NATURE OF BUSINESS

## Nature of products or services

The Company produces and distributes food from starch such as vermicelli, rice noodle and other starch products. Raw materials are pea starch, potato starch, tapioca starch and rice. Bean vermicelli is the Company's main product accounting for 90 percent of the total sales revenue. The Company's products are as follows:

1. **Vermicelli or Glass noodle** which can be classified by price and quality as follows:
  - 1.1 "Double Dragon" brand: a premium product available both in dry and fresh varieties.
  - 1.2 "Phoenix" brand: a standard quality with moderate price.
  - 1.3 "Double Kilin" brand: an economy price segment product available both in dry and fresh varieties.
2. **Rice noodle and rice vermicelli** - the Company produces and distributes rice noodle and rice vermicelli both in dry and fresh varieties under "Double Kilin" brand with its positioning as a quality product with medium price available in various forms such as small-strip rice noodle, large-strip rice noodle and rice vermicelli.
3. **Mung bean starch noodle (Shanghai noodle)** under "Double Dragon" brand available in the forms of:
  - 3.1 Standard cut type: a high-quality product, convenient to be used.
  - 3.2 Standard sheet type: a high-quality product which can be used in various styles of cooking.
  - 3.3 Japanese seaweed cut type: a high-quality product offering Japanese seaweed taste and fragrance.
4. **Starch** under "New Grade" brand are available in various variety such as rice flour, glutinous rice flour and tapioca starch.
5. **Tapioca pearls (Sago)** under "New Grade" brand are mainly available in tiny pearls in different varieties such as plain white, Roselle red, Pandanus green and mixed.

## Competition and Marketing

### a) Competition

#### Industry situation and market share

The Thai vermicelli industry in general is operating in a perfectly competitive market. Vermicelli looks similar in appearance but is different in quality and price. It is therefore important for manufacturers to differentiate their product by quality and brand image so as to gain recognition and acceptance by consumers. The local consumption of vermicelli is estimated to be 37,000 tons per year or Baht 3 Billion in value. In total, there are 4 major and about 10 - 15 medium-to-small manufacturers in Thailand. The Company is the largest vermicelli manufacturer in Thailand producing with a total production capacity of 22,000 tons per year and has approximately 43 percent market share.

#### Growth rate

The vermicelli market is estimated to have an average annual growth rate at about 3 - 5 percent.

#### Competition

Since production of vermicelli is rather simple, therefore there are many producers compete in the market. Competitions however are mainly on price and on distribution and product quality. Quality are vary to suit different groups of customers in different locations. Consumers are generally loyal to brand. Competitions in the vermicelli industry can be summarized as follows.

#### 1. Price competition

Each producer usually sets selling price to respond to competition in order to win consumer's acceptance and capture the market share.

## NATURE OF BUSINESS

### 2. Creating new market segment

New products such as fresh vermicelli, straight cut vermicelli and instant vermicelli are introduced to give convenience and meet consumer's demand.

### 3. Substitute goods

Currently, no product can directly substitute vermicelli since it has its own unique characters but there are similar food products such as rice vermicelli, egg noodle or rice noodle.

## b) Marketing

### 1. Vermicelli

The marketing strategy for the vermicelli normally focuses on building brand recognition that the product is quality and reliable product which has gained customers' acceptance in the market for more than 60 years. The product is produced by a modern and hygiene production process, convenient for consumption with a reasonable price.

### 2. Rice noodle and rice vermicelli

Quality, good texture, hygienic production process and convenience are used as highlight for its marketing purpose.

### 3. Mung bean starch noodle (Shanghai noodle)

The unique texture of mung bean starch noodle and beautifully-curved strip after being cooked are its selling point.

### 4. Starch and tapioca pearls

A high-quality and hygienic product with modern packaging design that appeals to consumer.

**Customer profile and distribution channels** can be classified as follows:

### 1. Domestic market

The Company sells the products through various channels ranging from cash vans system to wholesalers, retailers, department stores, superstores, supermarkets, convenient stores, and restaurants nationwide including industrial clients.

### 2. Export market

The Company exports to several countries such as Japan, South Korea, Hong Kong, the European Union (EU) and the United State of America (USA).

**Sales ratio**, The Company's sales ratio can be broken down as follows:

• Domestic market:	96%
- Wholesalers	79%
- Modern trade	9%
- Industrial clients	4%
- Others	4%
• Export market:	4%

## Market Opportunities and Trend

Although vermicelli is not a major staple food for Thai people, it's widely popular as the product can be cooked in various styles. At present, as consumers pay more attention to a healthy diet, demands for vermicelli continue to rise and will expand in relation to the economic growth and a higher standard of living. Manufacturers, meanwhile develop their products both in terms of quality and format to respond to evolving consumer's needs. For example,

## NATURE OF BUSINESS

straight vermicelli and fresh vermicelli are produced to give convenience to consumers and encourage their consumptions. At the other front, there are also chances for overseas markets to expand thanks largely to the gaining popularity of Asian cuisine among westerners and hence vermicelli increasingly gains wider consumers.

In 2009, the Company expanded its business into the rice noodle business by producing small-strip rice noodle and later on large-strip rice noodle and fresh and dry rice vermicelli with a purpose to offer high quality and safe products at a reasonable price. The Company estimates that Thailand's rice noodle market value is five times larger than that of the vermicelli market while demands for rice noodle in the market are 10 times higher than those in the vermicelli market.

Although the sales volume of the Company's rice noodle remains small, it steadily grew during the past five years as for the previous two years sales revenue grew by 117 percent in 2013 and 162 percent in 2014 respectively. As a result, in 2014, the Company decided to expand its rice noodle production capacity to accommodate increasing demand by starting construction of a new factory, with an initial production capacity of 4,000 tons per year, since the middle of this year and expected to complete in the middle of 2015.

### Procurement of Products and Services

#### Production capacity

The Company has factory located at Banglen district, Nakorn Pathom Province with total area of 230 rai 3 ngan and 50 square wah and floor area about 48,700 square meters. The total production capacity of vermicelli is 22,000 tons per year. The production process employs a modern and efficient manufacturing technology with emphasizing on quality and safety of the product to the consumer. Its production policy is based on a production plan which mainly determined by consumer's demands.

#### Raw materials

Key raw materials are pea starch, potato starch, tapioca starch and rice which are agricultural products whose prices fluctuate according to seasonal volatility, demand and supply in the market. Besides, supply and price of agricultural commodities are affected by natural environment and climate such as draught or flood. In some situations, the Company have to stock up raw materials in order to have sufficient raw materials for production as well as to maintain the costs of raw materials.

The Company directly and indirectly imports or buys pea starch and potato starch through distributors in the EU and China. As such, exchange rates have a direct impact to the cost of imported starch. However, the Company has no risk from having to exclusively depend on a particular manufacturer or distributor since the Company buys raw materials from several domestic and overseas suppliers.

#### Environmental Impacts

Since vermicelli and rice noodle production are from agricultural product processing process, its products including by-products can be sold entirely and hence there is no problem in production waste. The waste water from the production process are treated by the lagoons system which use natural treatment processes and therefore its operating and maintenance costs are rather low. Nevertheless the system can treat waste water in accordance with the Ministry of Industry's standard before releasing it public waterways.

### Undelivered projects

-None-

## MANAGEMENT DISCUSSION AND ANALYSIS

The Company's net earnings for the year 2014 amounted to THB 236 million or THB 2.48 per share representing a decrease of 19 percent or THB 54 million as compared to the year earlier. The decline in earning was largely attributed to lower gross profit margin and higher selling expenses.

### Vermicelli Operating Results

The net earnings from vermicelli operations accounted for THB 193 million or 82 percent of the Company's overall net earnings showing a decrease of 19 percent or THB 46 million compared to the year earlier. The decline in performance was mainly due to the lower gross profit margin and higher selling expenses.

In 2014, price of vermicelli's key direct raw materials, such as potato and pea starch increased 27 percent and 21 percent respectively compared to year earlier resulting in cost of sales increase and hence profit margin rate dropped from 35 percent to 32 percent in the year under review.

### Sales revenue

Total sales revenue for the year 2014 amounted to THB 1,286 million representing a decrease of THB 12 million or 1 percent largely attributed to the 2 percent decrease in domestic sales as compared to the year 2013. The domestic market which is the Company's core market accounts for 96 percent of the total sales revenue.

### Domestic sales

Revenue from domestic sales of vermicelli decreased by THB 36 million or 3 percent from THB 1,193 million to THB 1,157 million as compared to the year earlier. The decrease was mainly due to lower sales volume resulted from the sluggish economy of the country due to poor consumer spending and a high level of household debt. Sales of the "Double Dragon", "Phoenix", "Double Kilin" and fresh vermicelli brand dropped by 3 percent, 12 percent, 4 percent and 2 percent, respectively.

Revenue from domestic sales of rice noodle and rice vermicelli increased THB 11 million or 74 percent to THB 27 million. The sales growth was mainly due to higher sales volume resulted from the expansion of cash van unit.

### Export sales

The Company exports vermicelli, rice noodle and rice vermicelli to several countries such as the EU, Korea, Japan, Hong Kong and USA. Total export revenue of vermicelli in 2014 increased by 3 percent to THB 43 million largely to customers in Europe and USA. In addition, the Company exported rice noodle and rice vermicelli in the amount of THB 15 million.

### Expenses

Total expenses increased THB 47 million or 5 percent from the prior year due primarily to the THB 32 million or 4 percent increase in cost of sales as a result of higher cost of direct raw materials. In addition selling expenses increased THB 14 million or 17 percent due largely to higher marketing expenses and increasing of cash vans.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Gross Profit Margin

Gross profit for the year 2014 amounted to THB 413 million representing a decrease of THB 44 million or 9 percent from 2013. The decrease in gross profit was due largely to the higher cost of direct raw materials and hence gross profit margin rate dropped from 35 percent in 2013 to 32 percent in 2014.

## Performance of Associated Companies

Tapioca Development Corporation Limited (“TDC”), an associate company which is 33.3 percent owned by the Company, is a modified tapioca starch producing company. TDC contributed share of profit to the Company in 2014 in the amount of THB 31 million representing a decrease of THB 10 million or 25 percent from the previous year as a result of lower sales volume and gross margin due mainly to competition.

Asia Tapioca Starch Co., Ltd. (“ATP”) of which the company owns 30% and has a tapioca production facility in Vietnam. In 2014, the share of profit from ATP was about the same as previous year at THB 2 million due to similar performance of year earlier.

## Financial Position

### Assets

As at December 31, 2014, total assets of the Company amounted to THB 1,803 million representing an increase of THB 169 million or 10 percent from the year earlier. The higher asset value was brought about by a THB 468 million or 66 percent increase in non-current assets. This was largely attributed to the increase of other long-term investments from investment in debt securities in 2014 and also due to increase in property, plant and equipment from expansion of vermicelli production capacity and construction the new rice noodle and rice vermicelli factory. Current asset decreased by THB 299 million or 32 percent due largely to the reduction in cash deposits at financial institution.

Major components of the total assets consisted of the plant and equipments (24 percent), other long-term investments (22 percent), investment in associates (19 percent), inventories (13 percent), and term deposits at financial institution (12 percent). All assets at year-end were in good standing.

### Liabilities and Shareholders' Equity

As at December 31, 2014, the Company's capital structure comprised of THB 275 million in liabilities and THB 1,528 million in shareholders' equity. The debt-to-equity ratio at year-end was 0.2 times which was similar to that of the year 2013.

### Liquidity

At the end of 2014, the Company's liquidity and quick ratios were at 3.1 and 1.9 times respectively showing a decrease compared to the prior year. The decrease was mainly resulted from the reduction in term deposit at financial institution to invest in other long-term investments. Nevertheless the liquidity of the company was sufficient for its business operation and indicated that the Company was financially healthy and would be able to meet its financial obligations.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Long-term goal and direction in the year 2015

The Company is the leading vermicelli producer in Thailand and has consistently improved its results over the years. The Company will continue to expand sales in both domestic and overseas markets with quality products. Continuous investments have been made in the expansion and improvement of the Company's vermicelli plant, machineries and infrastructure in order to meet higher sales volume and enhance its productivity. The Company has recently expanded its business into rice noodles business. It has introduced fresh small-strip rice noodle to the markets in 2009 and later on fresh rice vermicelli and fresh large-strip rice noodle were also included. The sales volume of rice noodles has steadily grown. Although the sales volume of rice noodle is still small, it shows steadily growth during the past five years and the sales revenue of the previous two years grew by 117 percent and 162 percent respectively. As a result, in 2014, the Company decided to expand its rice noodle production capacity to accommodate increasing demand by starting construction of a new factory, which has an initial production capacity of 4,000 tons per year, from middle of 2014 and expected to complete in the middle of 2015.

# BOARD OF DIRECTORS

As at December 31, 2014



## Mr. Ho KwonPing \*

Chairman

Age (Years) • 62

### Highest Educational Background / Director Certificate Program

- Honorary Doctorate of Business Administration in Hospitality Management, Johnson & Wales University, USA
- Bachelor of Arts (Economics), University of Singapore (Currently known as National University of Singapore)

### Percentage of Shareholding in the Company

- 7.6% (7,177,500 Shares)\*\*

### Family Relation between Management

- Mr. Ho KwonCjan's elder brother and Mr. Ho Ren Hua's father

### Working Experiences for the Past 5 Years

#### In Listed Companies

##### Present

- Chairman and Chief Executive Officer, Thai Wah Food Products Public Company Limited
- Chairman and Chief Executive Officer, Laguna Resorts & Hotels Public Company Limited
- Executive Chairman and Director, Banyan Tree Holdings Limited
- Non-Executive Director, Audit Committee Member, Nomination Committee Member and Remuneration Committee Member, Diageo Plc.

#### In Non-Listed Companies

##### Present

- Chairman / Director, Certain related companies of Banyan Tree Holdings Limited
- Chairman / Director, Singapore Management University
- Chairman / Director, Tropical Resorts Limited
- Chairman / Director, Tropical Resorts Management Co Ltd.
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, RHYC Pte. Ltd.
- Director, Chang Fung Company Limited
- Director, Bibace Investments Ltd
- Director, Recourse Investments Ltd. and certain related companies
- Director, Freesia Investments Ltd
- Director, Sin-Hai Offshore Company Limited
- Director, Mae Samat Land Limited
- Director, Maypole Ltd. and certain related companies
- Director, Platinum Enterprise Limited and certain related companies
- Director, Asia Tapioca Products Company Limited

##### 2006-2012

- Director, Tay Ninh Tapioca Company Limited

##### 1988-2011

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

**Remarks :** \*\* Including 590,000 shares held by Credit Suisse AG, Singapore Branch on behalf of Mr. Ho KwonPing.

# BOARD OF DIRECTORS

As at December 31, 2014



**Dr. Sretsei Saittagaroon \***

Director

**Age (Years)** • 60

**Highest Educational Background / Director Certificate Program**

- Doctor in Agricultural Science (Food Chemistry), Nagoya University, Japan
- Director Certification Program (DCP 10/2001), Thai Institute of Directors Association
- Finance Director (1/2005), Thai Institute of Directors Association

**Percentage of Shareholding in the Company**

- 0.5% (503,000 Shares)

**Family Relation between Management**

- No relation

**Working Experiences for the Past 5 Years**

**In Listed Companies**

**Present**

- Director and Managing Director, Thai Wah Food Products Public Company Limited

**In Non-Listed Companies**

**Present**

- Chairman, Vietnam Tapioca Company Limited
- Director, Tapioca Development Corporation Limited
- Director, Asia Tapioca Products Company Limited
- Director, Tay Ninh Tapioca Joint Stock Company (Formerly known as Tay Ninh Tapioca Company Limited)

**Jul 2007-Feb 2014**

- Chairman, Tay Ninh Tapioca Company Limited

**Oct 2000-May 2014**

- Director, Vietnam Tapioca Company Limited



**Mr. Udom Vichayabhai**

Independent Director

**Age (Years)** • 79

**Highest Educational Background / Director Certificate Program**

- Bachelor of Business Administration, Boston University, USA
- Role of the Chairman Program (RCP 6/2001), Thai Institute of Directors Association
- Director Accreditation Program (DAP 2/2003), Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND 10/2004), Thai Institute of Directors Association
- Director Certification Program (DCP 44/2004), Thai Institute of Directors Association
- Audit Committee Program (ACP 6/2005), Thai Institute of Directors Association
- Role of the Compensation Committee (RCP 6/2008), Thai Institute of Directors Association

**Percentage of Shareholding in the Company**

- None

**Family Relation between Management**

- No relation

**Working Experiences for the Past 5 Years**

**In Listed Companies**

**Present**

- Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Chairman, Thai Wah Food Products Public Company Limited
- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Laguna Resorts & Hotels Public Company Limited

**1993-2014**

- Independent Director, Audit Committee Chairman and Nomination Committee Member, Thai Reinsurance Public Company Limited

**In Non-Listed Companies**

**Present**

- Chairman, Phuket Fantasea Public Company Limited
- Independent Director, Amcor Flexibles Bangkok Public Company Limited

# BOARD OF DIRECTORS

As at December 31, 2014



## Mr. Vudhiphol Suriyabhivadh

Independent Director

Age (Years) • 70

### Highest Educational Background / Director Certificate Program

- Bachelor of Commerce (Accountancy), University of New South Wales, Australia
- Bachelor of Law, Sukhothai Thammathirat University
- Director Certification Program (DCP 36/2003), Thai Institute of Directors Association
- Audit Committee Program (ACP 7/2005), Thai Institute of Directors Association
- Executive Course, IMD Lausanne, Switzerland

### Percentage of Shareholding in the Company

- 0.1% (50,000 Shares) (held by spouse)

### Family Relation between Management

- No relation

### Working Experiences for the Past 5 Years

#### In Listed Companies

##### Present

- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Thai Wah Food Products Public Company Limited
- Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Member, Laguna Resorts & Hotels Public Company Limited
- Independent Director, Audit Committee Chairman\*\*\* and Nomination, Remuneration and Good Corporate Governance Committee Chairman\*\*\* L.P.N. Development Public Company Limited

##### 2010-2014

- Audit Committee Member, L.P.N. Development Public Company Limited

##### 2008-2014

- Nomination, Remuneration and Good Corporate Governance Committee Member, L.P.N. Development Public Company Limited

#### In Non-Listed Companies

##### Present

- Independent Director and Audit Committee Chairman, Bangkok Ranch Public Company Limited

Remarks : \*\*\* Effective January 1, 2015



## Dr. Jingjai Hanchanlash

Independent Director

Age (Years) • 72

### Highest Educational Background / Director Certificate Program

- Doctorate University de Caen (Mention droit), France
- Director Accreditation Program (DAP 1/2003), Thai Institute of Directors Association
- Audit Committee Program (ACP 19/2007), Thai Institute of Directors Association

### Percentage of Shareholding in the Company

- 0.5% (456,000 Shares) (held by spouse)

### Family Relation between Management

- No relation

### Working Experiences for the Past 5 Years

#### In Listed Companies

##### Present

- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Thai Wah Food Products Public Company Limited
- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman, Laguna Resorts & Hotels Public Company Limited
- Director, Asian Phytochemicals Public Company Limited
- Advisor, Loxley Public Company Limited

#### In Non-Listed Companies

##### Present

- Honorary Chairman, Greater Mekong Sub-Region Business-Forum
- Chairman of the Executive Board, Rutnin Eye Hospital
- Director and Member of Executive Board, Thai Chamber of Commerce
- Director, SPIE Oil & Gas Services (Thailand) Limited
- Director, Societe Commercial Lao Company Limited, Lao People's Democratic Republic
- Expert Committee, The Education Council
- Expert Member, King Prajadhipok's Institute
- Secretary General, Development Cooperation Foundation



# BOARD OF DIRECTORS

As at December 31, 2014



## Mr. Surapon Supratya \*

Director

Age (Years) • 62

### Highest Educational Background / Director Certificate Program

- Master of Accounting, Thammasat University
- Certified Public Accountant of Thailand
- Director Accreditation Program (DAP 77/2009), Thai Institute of Directors Association

### Percentage of Shareholding in the Company

- None

### Family Relation between Management

- No relation

### Working Experiences for the Past 5 Years

#### In Listed Companies

##### Present

- Director, Thai Wah Food Products Public Company Limited
- Deputy Chairman of the Board, Laguna Resorts & Hotels Public Company Limited

##### 2007-2012

- Deputy Chairman of the Company, Laguna Resorts & Hotels Public Company Limited

##### 1996-2012

- Director, Laguna Resorts & Hotels Public Company Limited

#### In Non-Listed Companies

##### Present

- Director, Asia Tapioca Products Company Limited
- Director, Vietnam Tapioca Company Limited
- Director, Tay Ninh Tapioca Joint Stock Company (Formerly known as Tay Ninh Tapioca Company Limited)

##### 2008-2012

- Director, Tapioca Development Corporation Limited

##### 1996-2012

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited



## Mr. Ho KwonCjan \*

Director

Age (Years) • 58

### Highest Educational Background / Director Certificate Program

- Bachelor of Architecture (Hons) National University of Singapore

### Percentage of Shareholding in the Company

- 3.1% (2,930,000 Shares)

### Family Relation between Management

- Mr. Ho KwonPing's younger brother and Mr. Ho Ren Hua's uncle

### Working Experiences for the Past 5 Years

#### In Listed Companies

##### Present

- Director, Thai Wah Food Products Public Company Limited
- Director, Laguna Resorts & Hotels Public Company Limited

##### 2005-2011

- Managing Director (Design Services) Laguna Resorts & Hotels Public Company Limited

#### In Non-Listed Companies

##### Present

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Asia Tapioca Products Company Limited
- Director, Profit Chain Ltd.
- Director, Lanna Land Development Company Limited
- Director, Mae Malai Doi Resorts Company Limited
- Director, Platinum Enterprise Limited and Certain related companies
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, Chang Fung Company Limited
- Director, PT Bintan Hotels
- Director, Bibace Investments Ltd
- Director, Freesia Investments Ltd

# BOARD OF DIRECTORS

As at December 31, 2014



**Ms. Sirivan Skulkerevathana \*,\*\*\*\***

Director

Age (Years) • 58

## Highest Educational Background / Director Certificate Program

- Master of Business Administration, Indiana University, USA
- Bachelor of Business Administration (Hons), Assumption Business Administration College (ABAC) (Currently known as Assumption University of Thailand)
- Director Accreditation Program (DAP 80/2009), Thai Institute of Directors Association

## Percentage of Shareholding in the Company

- None

## Family Relation between Management

- No relation

## Working Experiences for the Past 5 Years

### In Listed Companies

#### Present

- Director and Senior Assistant Vice President-Finance, Thai Wah Food Products Public Company Limited
- Director and Senior Assistant Vice President-Finance, Thai Wah Starch Public Company Limited

#### 2008-2012

- Senior Assistant Vice President-Finance and Company Secretary, Laguna Resorts & Hotels Public Company Limited

### In Non-Listed Companies

#### Present

- Director, Platinum Enterprise Limited

#### 2009-2014

- Director, Tapioca Starch Limited

#### 2001-2012

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited



**Mr. Kuan Chiet \*,\*\*\*\***

Director

Age (Years) • 48

## Highest Educational Background / Director Certificate Program

- Bachelor of Business Administration, National University of Singapore
- Director Certification Program (DCP 21/2002), Thai Institute of Directors Association

## Percentage of Shareholding in the Company

- None

## Family Relation between Management

- No relation

## Working Experiences for the Past 5 Years

### In Listed Companies

#### Present

- Director, Thai Wah Food Products Public Company Limited
- Senior Assistant Vice President-Finance & Administration, Laguna Resorts & Hotels Public Company Limited

#### 2012-2013

- Senior Assistant Vice President-Group Asset Management, Development and Special Projects, Laguna Resorts & Hotels Public Company Limited

#### 2008-2011

- Senior Assistant Vice President-Group Asset Management, Laguna Resorts & Hotels Public Company Limited

### In Non-Listed Companies

#### Present

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited
- Director, Tapioca Development Corporation Limited

**Remarks :** \*\*\*\* Ms. Sirivan Skulkerevathana and Mr. Kuan Chiet resigned from their directorships with effect from February 24, 2015 after the Board of Directors' Meeting No. 1/2015. The Board of Directors resolved not to replace the vacant positions (including that of Dr. Satit Rungkasiri) since the Company was in compliance with the Good Corporate Governance guidelines which indicate that the number of independent directors should be at least one-third of the total Board members. The Board of Directors therefore consists of 9 directors, including 3 Independent Directors, with effect from February 24, 2015 after the Board of Directors' Meeting No. 1/2015.

# BOARD OF DIRECTORS

As at December 31, 2014



## Mr. Ho Ren Hua \*

Director

**Age (Years)** • 32

### Highest Educational Background / Director Certificate Program

- Bachelor of Science in Economics with Honors, concentrating in Finance and Management, The Wharton School, University of Pennsylvania, USA

### Percentage of Shareholding in the Company

- None

### Family Relation between Management

- Mr. Ho KwonPing's son and Mr. Ho KwonCjan's nephew

### Working Experiences for the Past 5 Years

#### In Listed Companies

##### Present

- Director, Thai Wah Food Products Public Company Limited
- Executive Director & Country Head, China, Banyan Tree Holdings Limited
- Director, Laguna Resorts & Hotels Public Company Limited

#### In Non-Listed Companies

##### Present

- Chairman / Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Bibace Investments Ltd
- Director, Maypole Ltd. and certain related companies
- Director, Sin-Hai Offshore Company Limited
- Director, ICD (HK) Limited
- Director, United Insulation Services Pte. Ltd.



## Mr. Ariel P Vera

Director

**Age (Years)** • 62

### Highest Educational Background / Director Certificate Program

- Master of Business Administration, National University of Singapore
- Bachelor of Science in Business Administration, University of the East, Philippines
- Certified Public Accountant of Philippines

### Percentage of Shareholding in the Company

- 0.2% (150,000 Shares)

### Family Relation between Management

- No relation

### Working Experiences for the Past 5 Years

#### In Listed Companies

##### Present

- Director, Thai Wah Food Products Public Company Limited
- Non-Executive Director, Laguna Resorts & Hotels Public Company Limited
- Director, Thai Wah Starch Public Company Limited
- Non-Independent and Non-Executive Director, Banyan Tree Holdings Limited

##### 1997-2013

- Director, Laguna Resorts & Hotels Public Company Limited

#### In Non-Listed Companies

##### Present

- Director, ICD (HK) Limited

##### 1994-2014

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

##### 1995-2014

- Chairman / Director, Certain related companies of Banyan Tree Holdings Limited

**Remarks :** No directors of the Company have any record of committing any illegal action.

\* Authorized directors of the Company to be jointly signed by any two of them in accordance with the Affidavit

# MANAGEMENT AND COMPANY SECRETARY

As at December 31, 2014

No.	Name	Position	Profile
<b>Management</b>			
1. Mr. Ho KwonPing	Chief Executive Officer		Profile as shown in the section of "Board of Directors as at December 31, 2014"
2. Dr. Sretsei Saittagaroon	Managing Director		
3. Ms. Sirivan Skulkerevathana	Senior Assistant Vice President-Finance		
4. Dr. Naruemon Srisuma	Assistant Vice President-Research & Development and Quality System		
5. Mr. Pinai Wanicharat	Assistant Vice President-Factory		<p><b>Age (Years)</b> • 56</p> <p><b>Highest Educational Background / Director Certificate Program</b></p> <ul style="list-style-type: none"> <li>• Doctor of Philosophy (Food Science and Human Nutrition), Michigan State University, USA</li> </ul> <p><b>Percentage of Shareholding in the Company</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><b>Family Relation between Management</b></p> <ul style="list-style-type: none"> <li>• No relation</li> </ul> <p><b>Working Experiences for the Past 5 Years</b></p> <p>Present</p> <ul style="list-style-type: none"> <li>• Assistant Vice President-Research &amp; Development and Quality System, Thai Wah Food Products Public Company Limited</li> </ul>
6. Mr. Thawan Petchlawlian	Financial Controller		<p><b>Age (Years)</b> • 66</p> <p><b>Highest Educational Background / Director Certificate Program</b></p> <ul style="list-style-type: none"> <li>• Pre - University</li> </ul> <p><b>Percentage of Shareholding in the Company</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><b>Family Relation between Management</b></p> <ul style="list-style-type: none"> <li>• No relation</li> </ul> <p><b>Working Experiences for the Past 5 Years</b></p> <p>Present</p> <ul style="list-style-type: none"> <li>• Assistant Vice President-Factory, Thai Wah Food Products Public Company Limited</li> <li>• Director, Tay Ninh Tapioca Joint Stock Company (Formerly known as Tay Ninh Tapioca Company Limited)</li> </ul>
			<p><b>Age (Years)</b> • 36</p> <p><b>Highest Educational Background / Director Certificate Program</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Accounting, Kasetsart University</li> <li>• Director Accreditation Program (DAP 70/2008), Thai Institute of Directors Association</li> <li>• Role of the Nomination and Governance Committee (RNG 1/2011), Thai Institute of Directors Association</li> <li>• Risk Management Committee (RM 3/2014), Thai Institute of Directors Association</li> </ul> <p><b>Percentage of Shareholding in the Company</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><b>Family Relation between Management</b></p> <ul style="list-style-type: none"> <li>• No relation</li> </ul> <p><b>Working Experiences for the Past 5 Years</b></p> <p>Present</p> <ul style="list-style-type: none"> <li>• Financial Controller, Thai Wah Food Products Public Company Limited</li> <li>• Director, Thai Wah Starch Public Company Limited 2009-2012</li> <li>• Joint Managing Director (Corporate and Finance), Universal Starch Public Company Limited 2007-2012</li> <li>• Director, Subsidiaries and Associated Companies of Universal Starch Public Company Limited 2010-2011</li> <li>• Consultant Subcommittee on Consumer Protection -The Agricultural Sector, The House of Representatives</li> </ul>

## MANAGEMENT AND COMPANY SECRETARY

As at December 31, 2014

No.	Name	Position	Profile
	<b>Company Secretary</b>		
	<b>Ms. Somjai Kasamepinitwong</b>	Company Secretary	<p><b>Age (Years)</b> • 50</p> <p><b>Highest Educational Background / Director Certificate Program</b></p> <ul style="list-style-type: none"> <li>• Bachelor of Political Science, Thammasat University</li> <li>• Board Reporting Program (BRP 5/2011), Thai Institute of Directors Association</li> <li>• Effective Minute Taking (EMT 19/2011), Thai Institute of Directors Association</li> <li>• Company Secretary Program (CSP 39/2011), Thai Institute of Directors Association</li> </ul> <p><b>Percentage of Shareholding in the Company</b></p> <ul style="list-style-type: none"> <li>• 0.0% (1,000 Shares)</li> </ul> <p><b>Family Relation between Management</b></p> <ul style="list-style-type: none"> <li>• No relation</li> </ul> <p><b>Working Experiences for the Past 5 Years</b></p> <p>Present</p> <ul style="list-style-type: none"> <li>• Administration Manager, Executive Assistant to M.D. and Company Secretary, Thai Wah Food Products Public Company Limited</li> </ul>

**Remarks :** All management of the Company have no record of committing an illegal action.



## DETAILS OF POSITION OF DIRECTORS AND MANAGEMANT

As at December 31, 2014

No.	Name	TWFP	Associated Companies	
			TDC	ATP
1.	Mr. Ho KwonPing *	Chairman and Chief Executive Officer	-	Director
2.	Dr. Sretsei Saittagaroon *	Director and Managing Director	Director	Director
3.	Mr. Udom Vichayabhai	Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Chairman	-	-
4.	Mr. Vudhiphol Suriyabhivadh	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	-	-
5.	Dr. Jingjai Hanchanlash	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	-	-
6.	Mr. Surapon Supratya	Director	-	Director
7.	Mr. Ho KwonCjan	Director	-	Director
8.	Ms.Sirivan Skulkerevathana *	Director and Senior Assistant Vice President-Finance	-	-
9.	Mr. Kuan Chiet	Director	Director	-
10.	Mr. Ho Ren Hua	Director	-	-
11.	Mr. Ariel P Vera	Director	-	-
12.	Dr. Naruemon Srisuma *	Assistant Vice President-Research & Development and Quality System	-	-
13.	Mr. Pinai Wanicharat *	Assistant Vice President-Factory	-	-
14.	Mr. Thawan Petchlawlian *	Financial Controller	-	-

**Remarks :** The Company has no subsidiary as Krispy Snacks Company Limited, an only subsidiary and a dormant company, has completely registered the dissolution and liquidation process with the Department of Business Development, Ministry of Commerce on December 15, 2009

\* Management according to the definition of the Securities and Exchange Commission

- None

### Abbreviation Company Name in Full

TWFP = Thai Wah Food Products Public Company Limited

TDC = Tapioca Development Corporation Limited

ATP = Asia Tapioca Products Company Limited

## SHAREHOLDERS

Major Shareholders as at December 30, 2014 \*

No.	Name of Shareholders	No. of Shares Held	Total No. of Shares Held	% of Shareholding
1.	Thai NVDR Company Limited	14,479,640	14,479,640	15.2
2.	Ms. Ho Lien Fung Group		13,921,000	14.6
	• Ms. Ho Lien Fung	7,171,000		
	• Chang Fung Company Limited	6,750,000		
3.	State Street Bank Europe Limited	7,345,800	7,345,800	7.7
4.	Mr. Ho KwonPing	7,177,500**	7,177,500**	7.6
5.	Thai Wah Starch Public Company Limited	4,772,000	4,772,000	5.0
6.	UBS AG Hong Kong Branch	4,740,000	4,740,000	5.0
7.	Mr. Ho KwonCjan	2,930,000	2,930,000	3.1
8.	Mr. Carlos Chang Koo	2,625,000	2,625,000	2.8
9.	Ms. Ho Minfong	2,180,000	2,180,000	2.3
10.	International Commercial Development Company Limited	2,061,000	2,061,000	2.2
11.	Other Minority Shareholders	32,828,610	32,828,610	34.5
<b>Total</b>		<b>95,060,550</b>	<b>95,060,550</b>	<b>100.0</b>

Remarks : \* As at the latest book closing date.

Updated shareholder information prior to the 2015 Annual General Meeting can be accessed through [www.twfp.co.th](http://www.twfp.co.th).

\*\* Including 590,000 shares held by Credit Suisse AG, Singapore Branch on behalf of Mr. Ho KwonPing.

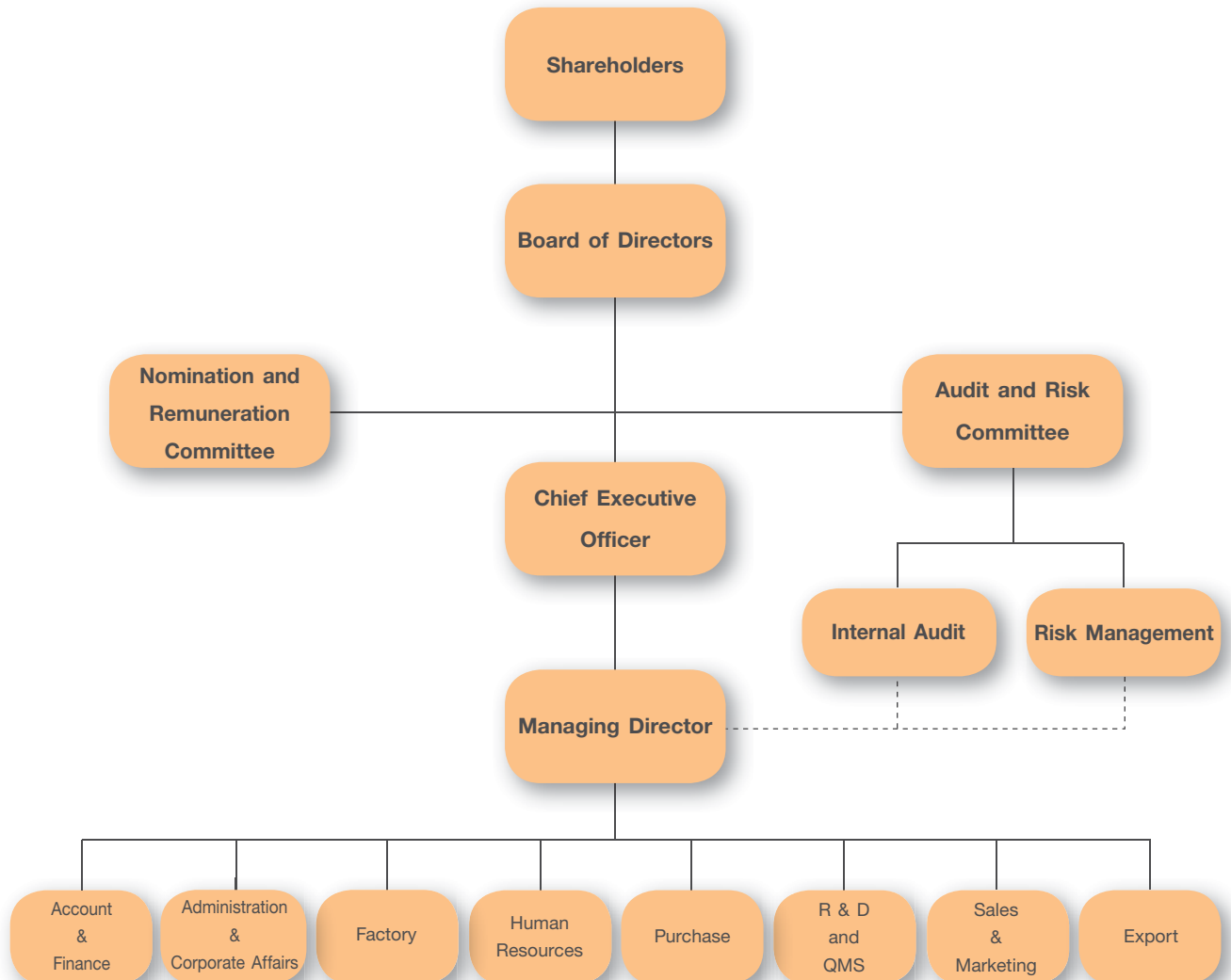
## DIVIDEND POLICY

1. The Company's dividend policy is structured into 2 components as follows:
  - (1) A fixed component amounting to one-third of the net profit as reported in the Company's separate financial statements for the year attributable to the shareholders; and
  - (2) A variable component subject to the Board of Directors' discretion on the availability of cash after taking into account major capital expenditure and debt repayment obligations in the following year.
2. The Subsidiary's dividend policy subject to its Board of Directors' discretion on the availability of cash after taking into account major capital expenditure and debt repayment obligations in the following year.

# MANAGEMENT STRUCTURE

The organization structure of the Company comprises the Board of Directors, Sub-Committees and Management, details as follows:

## Organization Structure



# MANAGEMENT STRUCTURE

## Board of Directors

The Board of Directors of the Company comprises 12 Directors, 4 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Udom Vichayabhai, Dr. Jingjai Hanchanlash and Dr. Satit Rungkasiri representing one-third of the total Board members. The Independent Directors of the Company possess the qualifications in accordance with the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand. Dr. Satit Rungkasiri, an Independent Directors of the Company has resigned from his directorship position with effect from July 10, 2013 and the Board of Directors' Meeting of the Company dated August 7, 2013 has reserved the right to appoint a new director to replace him. Details of the Board members are as follows:

No.	Name	Position	Date of Appointment	Number of Attendances in 2014/ Meeting
1.	Mr. Ho KwonPing <sup>(a)</sup>	Chairman	April 25, 2013	4/4
2.	Dr. Sretsei Saittagaroon <sup>(a)</sup>	Director	April 27, 2012	4/4
3.	Mr. Udom Vichayabhai	Independent Director, <sup>(b)</sup> Audit and Risk Committee Chairman and Nomination and Remuneration Committee Chairman	April 27, 2012	4/4
4.	Mr. Vudhiphol Suriyabhivadh	Independent Director, <sup>(b)</sup> Audit and Risk Committee Member and Nomination and Remuneration Committee Member	April 22, 2014	4/4
5.	Dr. Jingjai Hanchanlash	Independent Director, <sup>(b)</sup> Audit and Risk Committee Member and Nomination and Remuneration Committee Member	April 22, 2014	4/4
6.	Mr. Surapon Supratya <sup>(a)</sup>	Director	April 25, 2013	4/4
7.	Mr. Ho KwonCjan <sup>(a)</sup>	Director	April 27, 2012	4/4
8.	Ms. Sirivan Skulkerevathana <sup>(a), (c)</sup>	Director	April 25, 2013	4/4
9.	Mr. Kuan Chiet <sup>(a), (c)</sup>	Director	April 22, 2014	4/4
10.	Mr. Ho Ren Hua <sup>(a)</sup>	Director	April 22, 2014	3/4
11.	Mr. Ariel P Vera <sup>(a)</sup>	Director	April 25, 2013	4/4

**Remarks :** Profile is detailed in Attachment 1 to Form 56-1 under the heading "Board of Directors" in the Company's Annual Report

(a) Authorized directors of the Company to be jointly signed by any two of them in accordance with the Affidavit.

(b) The definition of "Independent Director" is disclosed under the section of "Corporate Governance".

(c) Ms. Sirivan Skulkerevathana and Mr. Kuan Chiet resigned from their directorships with effect from February 24, 2015 after the Board of Directors' Meeting No. 1/2015. The Board of Directors resolved not to replace the vacant positions (including that of Dr. Satit Rungkasiri) since the Company was in compliance with the Good Corporate Governance guidelines which indicate that the number of independent directors should be at least one-third of the total Board members. The Board of Directors therefore consists of 9 directors, including 3 Independent Directors, with effect from February 24, 2015 after the Board of Directors' Meeting No. 1/2015.



# MANAGEMENT STRUCTURE

## Duties and Responsibilities of the Company's Board of Directors

The Board's primary functions are to set corporate policy and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs. Apart from its statutory duties, and those defined in its objectives, articles of association and resolutions at the shareholders meeting, the duties and responsibilities of the Board include:

1. formulating and approving broad policies, strategies and financial objectives of the Company;
2. reviewing the financial performance and taking responsibility for the financial statements of the Company;
3. monitoring and approving the Company's key operational initiatives, annual budget, major investment and funding decisions;
4. ensuring that the adequacy of internal controls and risk management of the Company is regularly reviewed and evaluated;
5. approving the nominations of Board of Directors and appointments to the various Board committees;
6. assuming responsibility for good corporate governance; and
7. approving the charter of Sub-Committees so as to clearly state the scope of its duties and responsibilities.

Apart from this, the delegation of authority by the Board to the management is clear, details as disclosed under the section of "Corporate Governance".

## The Term of Office

The term of office of a director of the Board shall be 3 years. A director of the Board who vacates his/her office by rotation may be re-appointed.

## Sub-Committees

The Board approved the establishment of two sub-committees, namely the Audit and Risk Committee and the Nomination and Remuneration Committee in order to assist the Board to screen operations within certain limits of authority as stipulated in the charter and regularly report the outcome to the Board.

In order to perform their duties transparently and independently, all members of both sub-committees are Independent Directors. Additionally, the Chairman of the Board is neither a Chairman nor a member of both sub-committees.

## MANAGEMENT STRUCTURE

### a) Audit and Risk Committee

The Audit and Risk Committee comprises 3 Independent Directors of the Company as follows:

No.	Name	Position	Date of Appointment	Number of Attendances in 2014/ Meeting
1.	Mr. Udom Vichayabhai	Chairman	November 11, 2013	4/4
2.	Mr. Vudhiphol Suriyabhivadh	Member	November 11, 2013	4/4
3.	Dr. Jingjai Hanchanlash	Member	November 11, 2013	4/4

All members of the Audit and Risk Committee possess the qualifications in accordance with the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Mr. Udom Vichayabhai and Mr. Vudhiphol Suriyabhivadh, members of the Audit and Risk Committee, have adequate expertise and experience to review creditability of the financial reports. Mr. Vudhiphol gains his experience in reviewing the financial reports of some listed companies in the Stock Exchange of Thailand.

### Duties and Responsibilities of the Audit and Risk Committee

- To review the accuracy and adequacy of financial reporting of the Company;
- To review the adequacy and effectiveness of internal control and internal audit systems of the Company as well as to determine the independence of the internal audit unit, and to approve the appointment, transfer and termination of employment of the chief of the internal audit unit;
- To consider, select and nominate an independent person to be the external auditor of the Company and propose fees for such person, as well as to attend a non-management meeting with the external auditor at least once a year;
- To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and the laws relating to the business of the Company;
- To review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the laws, regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;
- To report the activities of the Audit and Risk Committee to the Board;
- To prepare and to disclose a report of the Audit and Risk Committee in the Company's Annual Report. The report must be signed by the Audit and Risk Committee Chairman, comprising at least the following information:
  - an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - an opinion on the adequacy of the Company's internal control system,
  - an opinion on the compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand or the laws relating to the business of the Company,
  - an opinion on the suitability of an auditor,
  - an opinion on the transactions that may lead to conflicts of interests,
  - the number of the Audit and Risk Committee meetings, and the attendance of such meetings by each committee member,
  - an opinion or overview comment received by the Audit and Risk Committee from its performance of duties in accordance with the charter, and

## MANAGEMENT STRUCTURE

- h. other transactions which, according to the Audit and Risk Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board;
8. To review and encourage the Company to enforce and comply with an appropriate and efficient risk management policy, as well as to oversee and monitor the Enterprise Risk Management Committee;
9. In performing the duty of the Audit and Risk Committee, if there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results:
  - a. a transaction which causes a conflict of interest;
  - b. any fraud, irregularity, or material defect in an internal control system; or
  - c. an infringement of the law on securities and exchange, regulations of the Stock Exchange of Thailand or the laws relating to the business of the Company

the Audit and Risk Committee shall report such transaction or act to the Board for rectification within the period of time that the Audit and Risk Committee thinks fit. If the Board or management fails to make a rectification within such period of time, any Audit and Risk Committee member may report on such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand;
10. To review and oversee the Company's practice of good corporate governance;
11. To investigate and report the preliminary result to the Office of the Securities and Exchange Commission and the external auditor within thirty days upon receipt of the fact from the external auditor in relation to any suspicious circumstance that the director, manager or any person responsible for the operation of the Company commits an offence under the law on securities and exchange; and
12. To perform any other acts as assigned by the Board and accepted by the Audit and Risk Committee.

### The Term of Office

The term of office of a member of the Audit and Risk Committee shall be 2 years. A member of the Audit and Risk Committee who vacates his/her office by rotation may be re-appointed.

### b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 Independent Directors of the Company as follows:

No.	Name	Position	Date of Appointment	Number of Attendances in 2014/ Meeting
1.	Mr. Udom Vichayabhai	Chairman	November 11, 2013	2/2
2.	Mr. Vudhiphol Suriyabhivadh	Member	November 11, 2013	2/2
3.	Dr. Jingjai Hanchanlash	Member	November 11, 2013	2/2

### Duties and Responsibilities of the Nomination and Remuneration Committee

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expense claims of the Company Chairman;

## MANAGEMENT STRUCTURE

4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefit (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emolument of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy;
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members;
11. To review the Committee charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee's activities and findings.

To assist the Nomination and Remuneration Committee in achieving its objectives, the Nomination and Remuneration Committee shall have the discretion to appoint appropriate third party consultants to review existing employee related policies, propose new employee benefit and welfare programs and/or undertake other human resource related research and studies.

### The Term of Office

The term of office of a member of the Nomination and Remuneration Committee shall be 2 years. A member of the Nomination and Remuneration Committee who vacates his/her office by rotation may be re-appointed.

### Management

Management of the Company comprises the Chief Executive Officer and other Management in accordance with the definition of the Securities and Exchange Commission, a total of 6 persons, details as follows:

No.	Name	Position
1.	Mr. Ho KwonPing	Chief Executive Officer
2.	Dr. Sretsei Saittagaroon	Managing Director
3.	Ms. Sirivan Skulkerevathana	Senior Assistant Vice President-Finance
4.	Dr. Naruemon Srisuma	Assistant Vice President-Research & Development and Quality System
5.	Mr. Pinai Wanicharat	Assistant Vice President-Factory
6.	Mr. Thawan Petchlawlian	Financial Controller

**Remarks :** Profile is detailed in Attachment 1 to Form 56-1 under the heading "Management and Company Secretary" in the Company's Annual Report

# MANAGEMENT STRUCTURE

## Company Secretary

The Board of Directors' meeting of the Company has approved the appointment of Ms. Somjai Kasamepinitwong, to be the Company Secretary of the Company effective November 11, 2010, replacing Mr. Chnant Na Koaloi who resigned.

**Remarks :** Profile is detailed in the Attachment 1 to Form 56-1 under the heading "Management and Company Secretary" in the Company's Annual Report

## Duties and Responsibilities of the Company Secretary

The Company Secretary has to perform the duties in accordance with section 89/15 and 89/16 of the Securities and Exchange Act with responsibility, due care and loyalty, and in compliance with all laws, the objectives, the articles of association of the Company, the resolutions of the Board of Directors and the resolutions of the Shareholders' Meeting. The Company Secretary has the statutory duties and responsibilities as follows:

- (1) Preparing and keeping the following documents:
  - (a) a register of Director;
  - (b) a notice calling for the Board of Directors' Meeting, the minutes of the Board of Directors' Meeting and the Annual Report of the Company;
  - (c) a notice calling for Shareholders' Meeting and the minutes of the Shareholders' Meeting;
- (2) Keeping a report on interest filed by the Director or Executive and submit a copy of such report in accordance with section 89/14 to the Chairman and the Audit and Risk Committee Chairman within seven business days upon receipt;
- (3) Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

Apart from this, the Company Secretary has other duties as specified in the job descriptions and as assigned by the Company.

## DETAILS OF SECURITIES HELD BY DIRECTORS AND MANAGEMENT IN THE COMPANY

Board of directors and management as at December 31, 2014

No.	Name	Position	No. of shares held as at December 31, 2013	No. of shares changed in 2014 Increase/ (Decrease)	No. of shares held as at December 31, 2014	Share-holding in the Company (%)
1.	Mr. Ho KwonPing Spouse and Minor child	Chairman and Chief Executive Officer	7,177,500*	-	7,177,500*	7.6
2.	Dr. Sretsei Saittagaroon Spouse and Minor child	Director and Managing Director	403,000	100,000	503,000	0.5
3.	Mr. Udom Vichayabhai Spouse and Minor child	Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Chairman	-	-	-	-
4.	Mr. Vudhiphol Suriyabhivadh Spouse and Minor child	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	-	-	-	-
5.	Dr. Jingjai Hanchanlash Spouse and Minor child	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	-	-	-	-
6.	Mr. Surapon Supratya Spouse and Minor child	Director	-	-	-	-
7.	Mr. Ho KwonCjan Spouse and Minor child	Director	2,930,000	-	2,930,000	3.1
8.	Ms. Sirivan Skulkerevathana Spouse and Minor child	Director and Senior Assistant Vice President - Finance	-	-	-	-
9.	Mr. Kuan Chiet Spouse and Minor child	Director	-	-	-	-
10.	Mr. Ho Ren Hua Spouse and Minor child	Director	-	-	-	-

Remarks : \* Including 590,000 shares held by Credit Suisse AG. Singapore Branch on behalf of Mr. Ho KwonPing.

## DETAILS OF SECURITIES HELD BY DIRECTORS AND MANAGEMENT IN THE COMPANY

Board of directors and management as at December 31, 2014

No.	Name	Position	No. of shares held as at December 31, 2013	No. of shares changed in 2014 Increase/ (Decrease)	No. of shares held as at December 31, 2014	Share-holding in the Company (%)
11.	Mr. Ariel P Vera Spouse and Minor child	Director	- -	150,000 -	150,000 -	0.2 -
12.	Dr. Naruemon Srisuma Spouse and Minor child	Assistant Vice President - Research & Development and Quality System	- -	- -	- -	- -
13.	Mr. Pinai Wanicharat Spouse and Minor child	Assistant Vice President - Factory	- -	- -	- -	- -
14.	Mr. Thawan Petchlawlian Spouse and Minor child	Financial Controller	- -	- -	- -	- -



# METHOD OF APPOINTMENT AND REMOVAL OF DIRECTORS AS INCLUDED IN THE COMPANY'S ARTICLES OF ASSOCIATION

## Appointment of the Directors

1. The number of the Board of Directors shall not be less than five directors and at least half of the total directors shall reside in Thailand.
2. Directors shall be elected in shareholders' meeting, with regard to voting, shareholders shall have vote equaling to the number of shares held by each of them or one share is entitled to one vote.

Each shareholder may exercise all the votes he or she has to elect one or several persons as directors, but may not allot his or her votes to any person at any number.

The persons who received highest votes in their respective order of the votes shall be elected as directors until all of director positions that the Company may have or that are to be elected at such meeting are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman of the meeting shall have a casting vote.

3. If any vacancy occurs in the Board of Directors other than by rotation, the Board of Directors shall elect another person who is qualified and has not been prohibited by Section 68 of the Public Limited Company Act. B.E. 2535 to be a director for the next directors' meeting, except when the period of office for the vacating director is less than two months, it is then not necessary to appoint any new director. The appointed person shall stay in office for the remaining period of the vacating director.

The resolution of the Board of Directors for the above paragraph shall not be less than three-fourths of the remaining directors.

In the event where there are director positions vacant and the number of remaining directors are unable to form a quorum, the remaining directors shall transact on behalf of the Board of Directors only to arrange for the shareholders' meeting to appoint new directors for the vacant positions.

The shareholders' meeting to appoint new directors to fill the vacant positions shall be made within one month from the date they became vacant.

## Removal of Directors

1. At each Annual General Meeting of shareholders one-third of the directors shall retire from office, or if their number is not a multiple of three, then the number nearest to one-third shall retire from office.

Directors due retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent year the director who has been longest in the office shall retire.

A retiring director shall be eligible for the re-election.

## METHOD OF APPOINTMENT AND REMOVAL OF DIRECTORS AS INCLUDED IN THE COMPANY'S ARTICLES OF ASSOCIATION

2. Apart from retiring by rotation, a director positions shall also be vacated upon:-
  - Death
  - Resignation
  - Lack of qualification or subject to any prohibition under Articles 68 of the Public Limited Company Act B.E. 2535
  - Removal by a resolution of a shareholders' meeting
  - Removal by a court order
3. A director may be removed by a resolution of the shareholders' meeting passed by a vote of not less than three-fourths of the number of the shareholders who attend the meeting and are entitled to vote and the shares which voted shall not be less than half of the total shares of the shareholders who attended the meeting and are entitled to vote thereon.

# REMUNERATION POLICY

## Employees' Remuneration (including Senior Management)

The Company's remuneration policy is built on a transparent appraisal system and formulated to drive performance of its employees, who are its most important asset. The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality staff. The typical compensation package for employees comprises basic salary, variable performance bonus, allowances, as well as benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive with the industry's benchmark, the Company periodically reviews its base salary ranges and benefits package with comparative groups in the food sector.

The remuneration for the Company's senior management and senior executives aims to motivate them to achieve the Company's annual and long-term goals to ensure that they are aligned with shareholders' interests. In addition to the above elements, performance-related elements therefore also form a part of senior management and senior executives' total remuneration.

The Company's approach to rewarding employees not only helps to attract, retain and motivate talented employees but also fosters a performance-oriented culture across the organization that will help attain the Company's financial objectives.

## Directors' Remuneration

The fees for Independent Directors, Non-Executive Directors and Executive Directors reflect the scope and extent of a director's responsibilities and obligations. They are measured against industry benchmarks and are competitive. Directors' fees are subject to shareholders' approval at the AGM.

Details of the remuneration paid to directors of the Board and management in 2014 are disclosed under the heading "Directors' and Management's Remuneration" in the Form 56-1 and in the Company's 2014 Annual Report.

# DIRECTORS' AND MANAGEMENT'S REMUNERATION

## Monetary Remuneration

- **Directors**

Monetary remuneration for the Directors, both Non-Executive Directors and Executive Directors, is the remuneration per Meeting, classified by each category and directorship position in accordance with the resolutions approved at the Shareholders' Meeting.

Monetary remuneration for the Directors, both Non-Executive Directors and Executive Directors, in 2014 was in the total amount of Baht 5,294,000. Details as shown in the section "Remuneration and Other Benefits of the Directors during the Year 2014".

- **Management**

Monetary remuneration for 6 management in 2014 was in the total amount of Baht 24,517,873 consisting of salaries and bonus, social security payment, car allowance, provident fund payment and laptop allowance.

## Non-Monetary Remuneration

- **Directors**

- None -

- **Management**

Employee benefits such as medical expenses, life & health insurance, children education subsidy, etc. for 6 management in 2014 were in the total amount of Baht 930,437.45.

The Directors, both Non-Executive Directors and Executive Directors, do not receive any extra directors' remuneration other than those shown above.

## DIRECTORS' AND MANAGEMENT'S REMUNERATION

### Remuneration and Other Benefits of the Directors during the Year 2014

No.	Name	Position	Remuneration/Other Benefits (Baht/Year)			Total (Baht/Year)
			The Board	Audit and Risk Committee	Nomination and Remuneration Committee	
Board of Directors as at December 31, 2014 *						
1.	Mr. Ho KwonPing	Chairman and Chief Executive Officer	696,000 / -	- / -	- / -	696,000
2.	Dr. Sretsei Saittagaroon	Director and Managing Director	368,000 / -	- / -	- / -	368,000
3.	Mr. Udom Vichayabhai	Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Chairman	468,000 / -	180,000 / -	90,000 / -	738,000
4.	Mr. Vudhiphol Suriyabhivadh	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	468,000 / -	116,000 / -	58,000 / -	642,000
5.	Dr. Jingjai Hanchanlash	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	468,000 / -	116,000 / -	58,000 / -	642,000
6.	Mr. Surapon Supratya	Director	368,000 / -	- / -	- / -	368,000
7.	Mr. Ho KwonCjan	Director	368,000 / -	- / -	- / -	368,000
8.	Ms. Sirivan Skulkerevathana	Director and Senior Assistant Vice President-Finance	368,000 / -	- / -	- / -	368,000
9.	Mr. Kuan Chiet	Director	368,000 / -	- / -	- / -	368,000
10.	Mr. Ho Ren Hua	Director	368,000 / -	- / -	- / -	368,000
11.	Mr. Ariel P Vera	Director	368,000 / -	- / -	- / -	368,000
Total			4,676,000	412,000	206,000	5,294,000

**Remarks :** \* The Board of Directors of the Company comprises 12 Directors, 4 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Udom Vichayabhai, Dr. Jingjai Hanchanlash and Dr. Satit Rungkasiri representing one-third of the total Board members.

Dr. Satit Rungkasiri, an Independent Director of the Company has resigned from his directorship position with effect from July 10, 2013 and the Board of Directors' Meeting of the Company dated August 7, 2013 had reserved the right to appoint a new director to replace him.

## DIRECTORS' AND MANAGEMENT'S REMUNERATION

### Human Resources

As at December 31, 2014 there were 1,149 employees in the Company comprising monthly employees and daily employees, a total of 221 and 928 persons respectively. The employees were classified into each department as follows:

Department	Monthly		Daily	No. of Employees
	Head Office	Factory	Factory	
• Management	5	1	-	6
• Internal Audit	3	-	-	3
• Account and Finance	8	7	-	15
• Corporate Affairs	3	-	-	3
• Information Technology	1	-	-	1
• Sales & Marketing and Export	49	-	-	49
• Purchase, Administration and Human Resources	7	-	-	7
• Research & Development	5	-	-	5
• Management Factory	-	21	-	21
• Manufacture	-	111	928	1,039
<b>Total</b>	<b>81</b>	<b>140</b>	<b>928</b>	<b>1,149</b>

Total remuneration and benefits paid to the employees of the Company as at December 31, 2014 was Baht 296,612,674.33 comprising salary and bonus, car allowance, social security fund, provident fund, accident & health insurance, medical, etc.

### Human Resources Development Policy

The Company recognizes the importance of human resources and has a policy to develop the employees to be knowledgeable and competent. The Company places great importance on the human resources starting from recruitment, defining clear scope of works, training and development, performance evaluation, individual career development plan, providing fair remuneration and good welfare as well as promoting activities to strengthen the unity and positive atmosphere in the workplace.

## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (“NRC”) of Thai Wah Food Products Public Company Limited (“the Company”) comprises three independent directors and has the following objectives:

1. To formulate and align HR policies and programs for senior management to business goals and market practices;
2. To attract and retain the right people for senior management positions in the Company;
3. To ensure that the Company’s senior management remuneration and benefit package remain competitive with the industry’s benchmark;
4. To advise the Board on matters relating to the composition of the Board and its committees so that the Board is able to adequately discharge its responsibilities and duties; and
5. To resolve and/or advise on any employee’s remuneration which have conflict-of-interest issues.

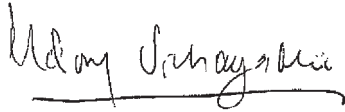
**In the pursuit of its objectives, the NRC is empowered to perform the following functions:**

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expense claims of the Company Chairman;
4. To review and if necessary, propose changes to the remuneration of the Company’s directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefit (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emolument of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board’s policy;
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members;
11. To review the Committee charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee’s activities and findings.



## REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The NRC met twice in 2014 to deliberate and decide on the level of annual bonus and salary increment for the Company's employees. Furthermore, the NRC considered and made recommendation to the Board regarding the remuneration for the directors and sub-committee members, including re-nomination of directors.



**Mr. Udom Vichayabhai**

**Nomination and Remuneration Committee Chairman**

13 January 2015

# CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance within the Company in order to protect and enhance long-term shareholder value. The Company has adopted and continuously developed a set of good corporate governance practices and policies which are modeled on principles advocated by the Stock Exchange of Thailand (SET) as per the details set out in the following sections.

## 1. Rights of Shareholders

The Company recognises the importance of shareholders' rights. In 2014, the Company's Annual General Meeting was held on April 22, 2014. The Company conducted the meeting and fully complied with all relevant laws and regulations in respect of shareholders' rights in the following manner.

- 1.1 All shareholders have the same basis and rights in the casting of votes at meetings and the receipt of dividends when declared by the Company. These are calculated based on their respective shareholding in the Company.
- 1.2 At every shareholders' meeting, shareholders are given the right to approve important matters such as election of directors (shareholders can elect directors individually), directors' remuneration, appointment of auditors and dividend payment, etc.
- 1.3 The Company never discourages or creates any barriers to communication among shareholders. All shareholders can communicate with each other freely.
- 1.4 The Company has a policy to facilitate and encourage all classes of shareholders including institutional investors to attend every shareholders' meeting by selecting meeting venues that are convenient for attendance, distributing a package containing the notice and meeting documents in English to foreign shareholders, setting up a separate registration desk for institutional investors, and distributing proxy forms which include clear supporting documents, together with the notice in order to facilitate shareholders who are unable to attend a meeting in person.

In addition, any shareholders who arrive at the meeting after the meeting has begun are still entitled to vote on the agenda items that are still under consideration and have not been voted upon.

- 1.5 The Company has invited the shareholders to propose 2014 Annual General Meeting (AGM) agenda items in advance of the AGM by disclosing criteria and procedures through the channels of the SET and the Company's website ([www.twfp.co.th](http://www.twfp.co.th)). However, none is proposed by the shareholders.
- 1.6 The Company also does not invite the minority shareholders to nominate their own candidates to be appointed as the Company's directors ahead of the meeting. This is because the Company already gives all shareholders an opportunity to nominate their own candidates (who meet the requirements under the Public Limited Companies Act) and to vote for candidates at the shareholders' meeting.
- 1.7 The Company has assigned Thailand Securities Depository Company Limited, which is the Company's share registrar, to distribute a package containing the notice and agenda of the meeting to the shareholders at least 10 days prior to the meeting. The meeting documents include the facts and rationales and opinions of the Board as well as other information relating to the agenda items such as information on the persons nominated for election as directors, auditors' profiles, the part of the Company's Articles of

## CORPORATE GOVERNANCE

Association that relates to the shareholders' meeting, map to the venue of the shareholders' meeting, proxy forms, documents and evidence of entitlement to attend the meeting, etc. This is to enable shareholders to prepare themselves for the meeting. In addition, the notice of the shareholders' meeting will be advertised in the press, all information contained in the meeting documents both in Thai and English will also be posted on the Company's website ([www.twfp.co.th](http://www.twfp.co.th)) at least 1 month prior to the meeting. Moreover, shareholders are always invited to register at least 1 hour before the meeting begins.

In addition, a barcode system has been utilised for registration, vote counting, and result presentation at the shareholders' meeting for its convenience, speed, and accuracy.

- 1.8 The Chairman conducts each meeting according to the sequence of the agenda and does not add any agenda items without prior notice to shareholders unless shareholders holding not less than one-third of the total number of paid-up shares may request the meeting to consider matters other than those specified in the notice. No request has been made at the AGM to consider a matter not specified in the notice.
- 1.9 Before the start of every shareholder's meeting, the Company Secretary explains the voting methodology to shareholders (voting criteria, procedures on using the voting slip, and the voting right). A team of legal counsels from a leading international law firm is invited to verify the registration procedure before the Chairman of the meeting announces to the shareholders, the number of shareholders and proxy holders present at the meeting and the number of shares held by them. The legal counsels also verify the vote counting procedure in respect of each agenda item before the votes are announced as resolution of the shareholders' meeting. Shareholders may verify the detailed results of the vote of each agenda item at the end of each meeting. The Company disseminates the results of the vote of each agenda item at the shareholders' meeting on the Company's website ([www.twfp.co.th](http://www.twfp.co.th)) within the next business days after the meeting was held. Apart from this, the same results and a summary of questions from shareholders and answers have also been included in the minutes of the meeting which are accurately and completely documented in all material aspects and sent to all shareholders for their review prior to the following meeting. The minutes of the 2014 Annual General Meeting has been posted on the Company's website ([www.twfp.co.th](http://www.twfp.co.th)) within 14 days after the meeting is held.
- 1.10 The Company's policy in conducting shareholders' meetings is not only to meet all legal requirements but to also provide a platform and opportunity for shareholders to communicate their views and ask the directors and the management questions regarding matters affecting the Company. The Chairman allocates appropriate time for discussion and encourages the shareholders to express their opinions and ask questions related to the Company's operation. In addition, to facilitate shareholders in protecting their rights, shareholders who have any questions that require the Company's clarification during the meeting may send their questions to the Company in advance at "ir@twfp.co.th" or fax them to 66 (0) 2285 0485.
- 1.11 Apart from the external auditor who attends the Annual General Meeting, the Chairman of the Board, the Chairman of the Audit and Risk Committee and the Chairman of the Nomination and Remuneration Committee, and all of the Company's directors also endeavour as far as reasonably practicable to be present at the shareholders' meeting in order to assist the Board in addressing queries raised by the shareholders. The Company also invites its legal counsels from a leading international law firm to attend

## CORPORATE GOVERNANCE

the meeting in case a legal question requiring clarification arises during the meeting. Furthermore, the Company provides a professional translator to be present at the meeting to assist shareholders and the Board to communicate more effectively in English and Thai. At the previous 2014 Annual General Meeting, the Chairman of the Board, the Chairman of the Audit and Risk Committee, the Chairman of the Nomination and Remuneration Committee, and other directors including the Chief Executive Officer of the Company were present at the Meeting. Details of their names are stated in the minutes of the 2014 Annual General Meeting.

1.12 News and information relating to the Company is disseminated through the Company's website ([www.twfp.co.th](http://www.twfp.co.th)), which includes information such as the resolutions of the Company's Board of Directors on important matters, resolutions of the shareholders' meetings, financial information, information which may affect the Company's share price, Annual Report, etc.

1.13 According to the assessment carried out by the Thai Investors Association, which assessed the quality of the 2014 Annual General Meeting, the Company was rated excellent.

### 2. Equal Treatment of Shareholders

The Company recognises its duty to ensure equal treatment of shareholders by complying with all relevant laws and regulations as following details:

2.1 With regard to voting at the shareholders' meeting, the shareholders shall have votes equal to the number of ordinary shares held by each of them, which means one ordinary share is entitled to one vote. The Company has only ordinary shares.

2.2 For shareholders who are unable to attend a meeting in person, the Company provides opportunity for such shareholders to appoint another person as proxy to attend the meeting on their behalf by using proxy form B sent by the Company. Proxy form B is one of the forms prescribed by the Ministry of Commerce which allow shareholders to make voting directions. Moreover, the Company provides opportunity for shareholders to appoint the Company's independent director as proxy to undertake proxy voting on behalf of shareholders who are unable to attend the meeting. The name of the independent director is provided in the proxy forms, together with the profile of that independent director who have been given proxy to vote on behalf of shareholders that are unable to attend the meeting, all of which are attached as part of the meeting documents.

2.3 As a policy, the directors and management of the Company have to file report of their holding of the Company's securities to the SEC upon their appointment and to report any change in their holding of the Company's securities to the SEC within 3 business days, if they have purchased, sold, transferred or obtained any Company's securities, in accordance with the Securities and Exchange Act. The securities holding report is also included in the agenda items of the Board meeting for the Board's acknowledgment once every 3 months.

2.4 Any director or management who has an interest in, or is related to, any transaction between the Company and an interested or related person will not participate in the decision making process involving such

## CORPORATE GOVERNANCE

transaction. In case shareholders' approval is required, the Company has disclosed details and reasons to enter into the transaction to the shareholders prior to entering into the transaction and strictly followed the procedures on such transaction in accordance with the regulations of the SET and notification of the Capital Market Supervisory Board. Details are further described under the heading "Connected transaction" in the Company's Form 56-1 and in the Company's Annual Report. There are no violation of the connected transactions and/or of the acquisition and disposition of assets found during 2014.

- 2.5 The Company has formulated a Code of Business Conduct to provide guidelines for the Board, senior management and employees of all levels to comply with. The Statement includes the prohibition on the improper use of insider information for personal benefit or to benefit others. Additionally, the Board approved the policy on dealing in securities of the Company which prohibits the dealing in the Company's shares while in possession of unpublished confidential and price-sensitive information during the "embargo period". Details are further described under clause 5.9 hereof "Supervision on the Use of Inside Information". There is no violation of the policy found during 2014.
- 2.6 In 2014, the Company did not provide financial assistance to any company which is not a subsidiary of the Company except credit terms for payment which is provided in the normal course of business.

### 3. Role of Stakeholders

In its pursuit for sustainable growth and financial returns for its shareholders, the Company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules and regulations.

**Shareholders:** The Board of Directors is committed to perform its duties honestly, transparently and diligently in the best interest of all its shareholders to preserve and enhance long-term shareholder value. All important information which may have an impact on the Company's share price and/or shareholders decisions are fully disclosed on a timely manner.

**Employees:** The Company believes that its people are its greatest asset. The Company has taken steps to ensure that all labour laws are complied with and all employees are treated fairly without discrimination or favoritism. The Company offers competitive pay packages and welfare benefits to all its employees comparable to the industry norms, related to the Company's short-term and long-term operating results, and to the performance of each individual employee. Additionally, the Company ensures that the legal rights of employees are not violated. All of these have been included in the Company's code of business conduct approved by the Board of Directors. Apart from this, the Company provides its employees a safe, hygienic, and suitable working environment which has been recognised and certified in compliance with the OHSAS 18001 and TIS 18001 standards by the relevant organisations. Furthermore, the Company provides a provident fund, and encourages its employees to attend training courses related to their line of responsibility and allows job rotation to enhance and diversify their knowledge and skills.

Average annual training hours of employees and statistics on the occupational accident rates are set out under the heading "Corporate Social Responsibilities" in the Company's Form 56-1 and in the Company's Annual Report.

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- Customers:** The Company aims to provide its customers good value, high quality and hygienic products which are manufactured with the finest ingredients. In addition, continuous research and development is valued to ensure that the customers' needs are met. This is in compliance with the Company's mission approved by the Board of Directors.
- Competitors:** The Company believes that competition is the essence of a free and open market and therefore avoids any actions which may prevent, obstruct or discourage potential competitors from entering the markets in which the Company operates in. The Company takes the view that healthy competition encourages product and service innovations in the market place which would increase market standards and ultimately benefit consumers and society at large. In accordance with the Code of Business Conduct approved by the Board of Directors of the Company, the Company will neither engage in any fraudulent act to violate or obtain competitors' trade secrets nor in any infringement of intellectual property or copyright including anti-corruption and anti-bribery for the benefit of the Company's business. Moreover, the Company will not violate legal rights of competitors by any of the Company's actions and decisions which has been stated in the Company's Code of Business Conduct approved by the Board of Directors.
- Society & Environment:** The Company aims to be a socially and environmentally responsible company which form a part of the Company's Code of Business Conduct. It is the Company's policy to conduct its business under environmental standard by establishing its production process, utilising resources and energy effectively and by implementing an environmental management system, evaluating and reviewing the system regularly to achieve sustainable development. As a result, the Company has obtained certification of environmental management system under ISO 14001:2004 and has also been awarded a green industrial certification at level 3 (the green system) from the Ministry of Industry of Thailand, which is the system that reflects environmental friendliness, details as shown under the heading "Corporate Social Responsibilities" in the Company's Form 56-1 and in the Company's Annual Report.
- Suppliers:** The Company strives to forge long-term business relationships with its suppliers and therefore has the policy to always give a fair profit to its suppliers and to respect payment terms and conditions. In addition, in selecting its suppliers, the Company gives all suppliers an equal opportunity to propose their bid. The Company has established the Tender Committee to select its suppliers through the tender process for any transactions which are over Baht 1 million for transparency purpose.
- Creditors:** The Company considers creditors as important business partners and therefore commits to fulfill all of its obligations under contracts to its creditors, to not conceal information nor facts that may damage its creditors, and to notify its creditors in advance in any case where there might be any potential event which could cause the Company to fail to comply with any obligations under contracts including guarantee conditions, capital management, and its debt servicing. In such cases the Company works with its creditors to mutually resolve those potential problems.

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There were no violations of laws in relation to labour, employment, consumers, competitors, or environment found in 2014. In addition, no creditor alleged that the Company had failed to comply with any obligations under contracts.

### 3.1 Anti-human Rights Violation Policy

It is the Company's policy not to take any actions which might violate the human rights. The Company will not hire anyone under 18 years old nor support of forced labour in all forms, including of unfair dismissal. The Company will strictly treat all employees equally in accordance with the labor law which also cover the protection of human rights. There are no record of unfair treatment against employees nor similar court cases against the Company found during 2014.

### 3.2 Anti-piracy Policy

The Company has an anti-piracy policy which has been clearly stated in the standard operating procedures, of using only intellectual property that it does not own if it is properly authorised to do so, i.e., the use of authorised computer program licenses which would be periodically audited by the internal auditor of the Company. The Company was not a party to any piracy cases during 2014.

### 3.3 Anti-corruption and Anti-bribery Policy and Guidelines

The Company conducts its business based on the principles of transparency and law compliance. Moreover, the Company's Code of Business Conduct approved by the Board of Directors has stated that the Board of Directors, Management and employees are expected to carry out their work based on the principles of good corporate governance and to avoid any illicit activities which may damage the reputation of the Company. Therefore, it is the Company's policy and mandatory not to acquire business success by means of fraud or bribery. Violation of this policy is considered a serious offense which may result in severe disciplinary action, including dismissal as required by law. There are no record of bribery for the benefit to the Company's business found during 2014.

### 3.4 Whistle-blowing Policy

The Board has approved a Whistle-blowing Policy in order to provide associates and third parties with a mechanism by which they can, free of any discrimination, retaliation, or harassment, raise concerns about unlawful practices, unethical actions, or any behavior that may be regarded as malfeasance or fraud on the part of any person in the organisation. The Board has also set up a whistle-blowing channel, a procedure to manage concerns raised, and a mechanism to protect whistle-blowers, details as follows:

#### Whistle-blowing Channel

Any whistle-blower can raise their concerns or perceived irregularities directly to the Board of Directors, the Audit and Risk Committee, or the Internal Audit Team through various channels as follows:

- **Board of Directors**

Email : bod@twfp.co.th  
Facsimile : 66 (0) 2285 0485  
Post : Board of Directors  
Thai Wah Food Products Public Company Limited  
Thai Wah Tower I, 6th Floor,  
21/10, South Sathorn Road, Tungmahamek, Sathorn,  
Bangkok 10120 or



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- **Audit and Risk Committee**

Email : arc@twfp.co.th  
Facsimile : 66 (0) 2285 0485  
Post : Audit and Risk Committee  
Thai Wah Food Products Public Company Limited  
Thai Wah Tower I, 6th Floor,  
21/10, South Sathorn Road, Tungmahamek, Sathorn,  
Bangkok 10120 or

- **Internal Audit**

Email : ia@twfp.co.th  
Facsimile : 66 (0) 2285 0485  
Post : Internal Audit  
Thai Wah Food Products Public Company Limited  
Thai Wah Tower I, 6th Floor,  
21/10, South Sathorn Road, Tungmahamek, Sathorn,  
Bangkok 10120

### **Procedure to Manage Concerns**

All concerns or reports raised by whistle-blowers will be investigated by the Internal Audit Team which will report the fact findings to the Audit and Risk Committee for consideration.

### **Mechanism to Protect Whistle-blowers**

Anonymity and confidentiality will be honoured throughout the process. Access to information will be limited only to responsible persons. If a whistle-blower believes that he/she is being subjected to discrimination, retaliation, or harassment for having made a report, he/she should immediately report those facts to the Board of Directors or the Audit and Risk Committee or the Internal Audit Team through one of the above whistle-blowing channels. Reporting should be done promptly to facilitate investigation and the taking of appropriate actions.

If an associate has made an allegation in bad faith or for personal gain, disciplinary action may be taken against him/her. Likewise, if investigations reveal that a third party making a report had done so maliciously or for personal gain, appropriate action, including reporting the matter to the police, may be taken.

### **3.5 Social Participation and Development**

The Company's policy is to maintain and build relationships with local communities by supporting community activities regularly with a focus on improvement of the quality of life in nearby communities. A series of campaigns with the aim of achieving proper sustainable development for the benefit of local and social communities have been launched, details as shown under the heading "Corporate Social Responsibilities" in the Company's Form 56-1 and in the Company's Annual Report.

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### 3.6 Promote Sustainable Use of Resources

Economic growth and an increase in the world's population have led to an increase in human consumption of resources every year, resulting in shortages of limited resources and creating environmental problems. The Company is aware of these problems and, in order to promote the efficient use of resources, has established the Environment, Occupational Health and Safety Committee and continuously carried out various energy conservation campaigns and projects, including set goals for certain campaigns, details as shown under the heading "Corporate Social Responsibilities" in the Company's Form 56-1 and in the Company's Annual Report.

### 3.7 Environmental Training for the Employees

The Company continuously provides training and instills sense of awareness on environmental issues to employees by carrying out various energy conservation campaigns and projects and communicating across the organisation through the Company's intranet system and the notice board. Guest speakers are also invited periodically to educate and to provide training to the employees on matters related to the environment, such as environmental conservation, etc.

## 4. Information Disclosure and Transparency

The Company's emphasis on the disclosure of accurate and complete information in a transparent and timely manner as shown by the following:

- 4.1 Each of the directors and executives of the Company has filed with the Company a report covering his interest or his related person's interest in relation to management of the Company or its subsidiaries in accordance with the criteria and procedures as specified in the notification of the Capital Market Supervisory Board and has updated and filed with the Company within 30 days should there be any change in the report. Such report is also included in the agenda items of the Board meeting for the Board's acknowledgment once every 3 months.
- 4.2 In the previous year, the Company disclosed all general and financial information as well as information which may affect the price of the Company's securities correctly, completely, transparently and on a timely manner, in accordance with the rules and regulations of the SEC and the SET. All information is communicated to investors, shareholders and relevant sectors through the channels of the SET and the Company's website ([www.twfp.co.th](http://www.twfp.co.th)).
- 4.3 Individual investors, shareholders, stock analysts and state agencies may contact the Company through the Company Secretary at telephone number 66 (0) 2285 0031 or 66 (0) 2285 0315 - 20 or at "ir@twfp.co.th".
- 4.4 The Company's financial statements contain accurate and complete information and are prepared in accordance with generally accepted accounting standards. In addition, they are audited/reviewed by auditors from a well-known auditing firm (currently EY Office Limited) and are approved by the Company's Audit and Risk Committee and Board before being disclosed through the SET. The information relating to the "Board of Directors' Responsibility for the Company's Financial Statements" is available in the Company's Annual Report. In 2014, the Company's quarterly and annual financial statements were certified unconditionally from the auditor.

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4.5 The Company has neither a share repurchase program, nor any shareholders' agreement which has a material impact on the Company or other shareholders. Therefore, the Company could not disclose such information.

4.6 The Company wishes to refer the following matters to the disclosure made in other places:

- The name of directors and the scope of the powers, duties and responsibilities of the Board (including matters to be approved by the Board) and other committees are detailed under the heading "Management Structure" in the Company's Form 56-1 and in the Company's Annual Report.
- The professional experience of the directors and members of other committees is detailed in Attachment 1 to the Company's Form 56-1 and under the heading "Board of Directors & Management and Company Secretary" in the Company's Annual Report.
- The number of Board meetings held and the number of Board meetings attended by each director in 2014 are detailed in clause 5 hereof: "Board Responsibility".
- The performance of the Audit and Risk Committee in the past year is detailed in Attachment 5 to the Company's Form 56-1, and under the heading "Report of the Audit and Risk Committee" in the Company's Annual Report.
- The performance of the Nomination and Remuneration Committee in the past year is detailed in Attachment 6 to the Company's Form 56-1, or under the heading "Report of the Nomination and Remuneration Committee" in the Company's Annual Report.
- The remuneration for directors and management is detailed under the heading "Directors' and Management's Remuneration" in the Company's Form 56-1 and in the Company's Annual Report.
- Policy of disclosing/reporting of sales and purchase of the Company's securities held by directors and management has been disclosed in clause 2.3 hereof: "Corporate Governance".

Change in securities held by directors and management in the Company is detailed under the heading "Management Structure" in the Company's Form 56-1 and under the heading "Details of Securities held by Directors and Management in the Company" in the Company's Annual Report.

- Criterion for directors and senior management remuneration is detailed under the heading "Remuneration Policy" in the Company's Form 56-1 and in the Company's Annual Report.
- Director's remuneration for each individual director is detailed under the heading "Remuneration and Other Benefits of the Directors during the year 2014" in the Company's Form 56-1 and in the Company's Annual Report.

4.7 In 2014, the Company made full disclosure of information (including key events) within the time frame specified in the regulations of the SET and the SEC. In addition, neither the Listing Department of the SET nor the SEC challenged that the Company had failed to comply with any disclosure requirement.

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## 5. Board Responsibility

### 5.1 Board Structure

#### 5.1.1 Members of the Board and Terms of Directorship

The Company's Board of Directors comprises 12 members, 4 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Udom Vichayabhai, Dr. Jingjai Hanchanlash and Dr. Satit Rungkasiri representing one-third of the total Board members. Dr. Satit Rungkasiri, an Independent Director of the Company has resigned from his directorship position with effect from July 10, 2013 and the Board of Directors' Meeting of the Company dated August 7, 2013 had reserved the right to appoint a new independent director to replace him.

Subsequently, Ms. Sirivan Skulkerevathana and Mr. Kuan Chiet resigned from their directorships with effect from February 24, 2015 after the Board of Directors' Meeting No. 1/2015. The Board of Directors resolved not to replace the vacant positions (including that of Dr. Satit Rungkasiri) since the Company was in compliance with the Good Corporate Governance guidelines which indicate that the number of independent directors should be at least one-third of the total Board members. The Board of Directors therefore consists of 9 directors, including 3 Independent Directors, with effect from February 24, 2015 after the Board of Directors' Meeting No. 1/2015.

The Board comprises business leaders and professionals with financial, accounting, legal and business management backgrounds. Mr. Vudhiphol Suriyabhivadh, an independent director, who is a non-executive director of the Company has experience related to the major industry conducted by the Company.

The Directors and senior management of the Company have never been employees, or partners of the Company's external auditor which has served the Company for the last 2 years.

All Independent Directors of the Company are independent of the Management and major shareholders of the Company. None of the Independent Directors holds a directorship position in more than 5 listed companies in Thailand. In fact, none of the Company's executive directors holds a directorship position more than 2 listed companies in Thailand.

The Company's policy to fix the term of office of directors is under Article 14 of the Company's Articles of Association which stipulated that at each annual general meeting, one-third of directors shall retire from office and that the director who has been longest in the office shall retire. Therefore, the term of office of a director of the Board shall be 3 years. Retiring directors would be eligible for re-election.

#### 5.1.2 Definition of "Independent Director"

The definition of the Company's independent directors, approved by the Board, is the persons who have all the necessary qualifications and independence in accordance with the criteria set by the Capital Market Supervisory Board as follows:

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- (a) holding shares not exceeding one percent of the total number of voting rights of the company, its parent company, subsidiary, associated company, major shareholder or controlling person, including the shares held by related persons of such independent director;
- (b) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, associated company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of appointment. 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;
- (c) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children of other directors, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling person of the company or its subsidiary;
- (d) not having a business relationship with the company, its parent company, subsidiary, associated company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment..

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including 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 calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (e) neither being nor having been an auditor of the company, its parent company, subsidiary, associated 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, associated company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years from the date of appointment;

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- (f) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the company, its parent company, subsidiary, associated company, major shareholder or controlling person, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of appointment;
- (g) not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;
- (h) not operate any business which has the same nature as and is in significant competition with the business of the company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or not holding shares exceeding one per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the company or subsidiary;
- (i) not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (a) to (i) of the first paragraph, 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, associated company, same-level subsidiary, major shareholder or controlling person, providing that such decision shall be in the form of collective decision.

### 5.1.3 Nomination and Appointment of Directors

The process for nominating directors is made through the Nomination and Remuneration Committee which considers qualifications, i.e. appropriateness, competency, experience, knowledge, and proficiency in various professional fields as well as skill necessary to fill any possible gap in the Board. Each candidate for a Company directorship must have the qualifications prescribed by the SET, the SEC and the Public Limited Companies Act, and must be nominated by the Nomination and Remuneration Committee to the Board and to the shareholders' meeting. Additional details in regard to method of appointment of Directors are described under the heading "Method of Appointment and Removal of Directors as included in the Company's Articles of Association".

### 5.1.4 Role of Chairman of the Board

The Chairman of the Board is responsible for leading the Board in charting the strategic direction and growth of the Company. He also facilitates and ensures active and comprehensive Board discussions on Company matters, concludes resolutions of the Meeting, monitors the translation of the Board's decisions into executive actions and has a casting vote in case the Board of Directors' meeting has a tie vote. Apart from acting as the Chairman of the Board of Directors' meeting, he also serves as the Chairman of the Shareholders' meeting.

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### 5.1.5 Aggregation or Separation of Positions - Chairman of the Board and Chief Executive Officer

Currently, Mr. Ho KwonPing is the Chairman of the Board and the Chief Executive Officer of the Company. He is closely associated with the Group's success. The Board is of the view that the current structure is appropriate and adequate given that Mr. Ho KwonPing has been able to effectively and competently execute the responsibilities of both the Chairman of the Board and Chief Executive Officer positions.

### 5.1.6 External Directorship Policy

The Board of Directors of the Company has established an external directorship policy as follows:

- External directorships held by the Chief Executive Officer of the Company are to be approved by the Nomination and Remuneration Committee.
- External directorships held by the senior management of the Company are to be approved by the Managing Director or the Chief Executive Officer of the Company.

The Board has not determined the maximum number of listed company board representations which any Director may hold. Instead the Board allows each Director to personally determine, at his/her sole discretion, the demands of his/her company directorships and assesses how much time he/she must dedicate in order to perform his/her duties as a Director of the Company effectively.

## 5.2 Sub-Committees

The Board approved the establishment of two sub-committees, namely the Audit and Risk Committee and the Nomination and Remuneration Committee comprising all Independent Directors in order to assist the Board to screen operations within certain limits of authority as stipulated in the charter and to achieve operational efficiency. Additionally, in order to perform their duties transparently and independently, the Chairman of the Board is neither a Chairman nor a member of both committees as follows:

### 5.2.1 Audit and Risk Committee

The Audit and Risk Committee comprises three Independent Directors, two of whom, namely Mr. Udom Vichayabhai and Mr. Vudhiphol Suriyabhivadh have adequate expertise and experience to review creditability of the financial reports. Mr. Vudhiphol Suriyabhivadh has experience on reviewing the financial reports of some listed companies in the Stock Exchange of Thailand. The members and the scope of duties and responsibilities of the Audit and Risk Committee have been disclosed under the heading "Management Structure" in the Company's Form 56-1 and in the Company's Annual Report.

### 5.2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three Independent Directors, thus forming a strong and independent element which will enable decisions on nomination and remuneration to be made independently. Members and the scope of duties and responsibilities of the Nomination and Remuneration Committee have been disclosed under the heading "Management Structure" in the Company's Form 56-1 and in the Company's Annual Report.

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## 5.3 Role, Duty and Responsibility of the Board

### 5.3.1 Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance within the Company. The Company has adopted and continuously developed a set of good corporate governance practices and policies which are modeled on the 2012 principles of good corporate governance for listed companies advocated by the SET. The Company has also adopted and continues to apply the Code of Business Conduct approved by the Board of Directors and communicated through out the organisation. The Standard Operating Procedures have also been documented and applied by the Company. In addition, new internal rules and regulations with an aim to continuously improve the good corporate governance of the Company are approved and announced from time to time.

During 2014, none of the non-executive directors resigned due to corporate governance issues and no impairment of the Company's reputation arose due to the failure of the Board of Directors' supervision.

### 5.3.2 Code of Business Conduct

The Company holds strongly to the belief that good business ethics is one of the key elements for sustainable growth. To protect the interest of all stakeholders and in the interest of promoting and advocating good business ethics throughout the organisation, the Company has adopted a Code of Business Conduct, which has been approved by the Board of Directors and communicated across the organisation through electronic mail, the Company's intranet system, and notice boards in order to understand and to ensure that the Board of Directors, Management and employees strictly adhere to the Code as well as to encourage them to comply with the Code accordingly.

The Code has been drafted based on the principles of integrity, transparency and good corporate governance practices and good social ethics and disseminate through the Company's website ([www.twfp.co.th](http://www.twfp.co.th)).

During 2014, the Company's Board of Directors was not aware of any claim or allegation that the Company's Code of Business Conduct was disobeyed.

### 5.3.3 Delegation of Authority between the Board and the Management

The Board's primary functions are to set corporate policy and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs.

The delegation of authority by the Board to the management is clear. Annual budgeted capital expenses require approval by the Board. Unbudgeted capital expenses require approval as authorised by the Board as follows:

- Unbudgeted capital expenses less than Baht 2.0 million to be solely approved by the Managing Director.
- Unbudgeted capital expenses ranging from Baht 2.0 million to Baht 10.0 million to be jointly approved by the Chairman and any one of the directors.



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- Capital expenses in excess of Baht 10.0 million to be jointly approved by the Chairman and any one of the directors and also requires ratification by the Board of Directors.

The approval to enter into a significant transaction by the Company's Board of Directors and/or shareholders' meeting as well as all information disclosure must comply with rules and regulations of the Stock Exchange of Thailand and/or the Capital Market Supervisory Board.

Duties and responsibilities of the Board have been disclosed under the heading "Management Structure" in the Company's Form 56-1 and the Company's Annual Report.

### 5.3.4 Conflict of Interest

Transactions between the Company and its connected parties which may give rise to a conflict of interest are scrutinized by the Audit and Risk Committee and if necessary, the approval to enter into such transactions are sought from the Board of Directors and/or shareholders based on the nature and size of transaction in accordance with the provisions of the Capital Market Supervisory Board. Any director or management who has an interest in, or is related to, such transaction will not participate in the decision making process.

Such transactions have to be made under normal commercial terms, determined at fair price and at arm's length basis. In the event that the price is unavailable, the Company will then rely on the report of an independent appraiser appointed by the Company to value important connected transactions to arrive at a pricing which is fair to both the Company and the connected party.

All connected transactions are disclosed clearly and accurately. Details are further described under the heading "Connected Transactions" in the Company's Form 56-1 and in the Company's Annual Report.

### 5.3.5 Internal Audit and Control

The Company realises the significance of effective system of control. The Board of Directors has assigned the Audit and Risk Committee to review the Company's internal control system in order to ensure that the Company's internal control system comprising of 5 components, namely control environment, risk assessment, control activities, information & communication, and monitoring activities in accordance with the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission : COSO, is adequate and to report the outcome to the Board accordingly.

Opinions of the Audit and Risk Committee and of the Board of Directors on the internal control system of the Company are disclosed under the heading "Report of the Audit and Risk Committee" and "Opinion of the Board of Directors on the Company's internal control" in the Company's Form 56-1 and in the Company's Annual Report

#### Internal Audit

The Company has established the Internal Audit Department, an independent unit, head by Mr. Sorasak Thanadeecharoenchok. Mr. Sorasak reports directly to the Audit and Risk Committee. His role is to audit and to assess the adequacy and efficiency of the Company's internal control based

## CORPORATE GOVERNANCE

on the internal audit schedules approved by the Audit and Risk Committee and to regularly report the findings to the Audit and Risk Committee on a quarterly basis in order to improve the efficiency and effectiveness of the operation of the Company.

The appointment, transfer and termination of employment of the chief of the Internal Audit Unit have to be approved by the Audit and Risk Committee.

### 5.4 Meetings of the Board and Sub-Committees

#### 5.4.1 The Board

The Company conducts regular scheduled Board meetings at least 4 times a year on a quarterly basis which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2014, the Company conducted 4 Board meetings and handouts for the meeting have been distributed to the Board members at least 5 days prior to the meeting. Attendance of all directors is shown below.

No.	Name	Number of Attendances in 2014/Meeting
1.	Mr. Ho KwonPing	4/4
2.	Dr. Sretsei Saittagaroon	4/4
3.	Mr. Udom Vichayabhai	4/4
4.	Mr. Vudhiphol Suriyabhivadh	4/4
5.	Dr. Jingjai Hanchanlash	4/4
6.	Mr. Surapon Supratya	4/4
7.	Mr. Ho KwonCjan	4/4
8.	Ms. Sirivan Skulkerevathana	4/4
9.	Mr. Kuan Chiet	4/4
10.	Mr. Ho Ren Hua	3/4
11.	Mr. Ariel P Vera	4/4

The Board is of the view that the contribution of each director should not be focused only on his or her attendance at Board and/or Committee meetings. A director's contribution may also extend beyond the confines of the formal environment of Board meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

During 2014, the non-executive directors attended one non-management meeting among themselves.

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### 5.4.2 Audit and Risk Committee

The Company conducts regular scheduled Audit and Risk Committee's meetings at least 4 times a year, prior to the Board meeting, on a quarterly basis which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2014, the Company conducted 4 Audit and Risk Committee's meetings. Each of the Audit and Risk Committee members attended the meetings as follows:

No.	Name	Number of Attendances in 2014/Meeting
1.	Mr. Udom Vichayabhai	4/4
2.	Mr. Vudhiphol Suriyabhivadh	4/4
3.	Dr. Jingjai Hanchanlash	4/4

In addition, in 2014 the Audit and Risk Committee attended one non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

### 5.4.3 Nomination and Remuneration Committee

The Company conducts regular scheduled Nomination and Remuneration Committee's meetings, prior to the Board meeting, at least once a year. The meetings are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2014, the Company conducted 2 Nomination and Remuneration Committee's meeting. Each of the Nomination and Remuneration Committee members attended the meeting as follows:

No.	Name	Number of Attendances in 2014/Meeting
1.	Mr. Udom Vichayabhai	2/2
2.	Mr. Vudhiphol Suriyabhivadh	2/2
3.	Dr. Jingjai Hanchanlash	2/2

## 5.5 Board of Directors' Report

### 5.5.1 Financial Report

The Board of Directors is accountable to its shareholders for the Company's financial statements as well as the financial information as shown in the Annual Report. The Board of Directors is satisfied that the Company's financial statements are prudently prepared in accordance with generally accepted accounting principles and are independently reviewed by the international auditors every quarter with a full audit performed at each year-end. Additionally, the Audit and Risk Committee has been tasked to independently review the Company's financial report and internal control practices directly with the auditors. All pertinent information relating to the financial statements is clearly and completely disclosed in the accompanying notes.

## CORPORATE GOVERNANCE

Details are described under the heading “Internal Control and Risk Management” in the Company’s Form 56-1 and under the heading “Opinion of the Board of Directors on the Company’s Internal Control System” and the “Board of Directors’ Responsibility for the Company’s Financial Statements” in the Company’s Annual Report.

### 5.5.2 Minutes of Meeting

The minutes of the meetings of the Board and other committees were accurately and completely recorded in all material aspects addressed at each meeting, including the questions, opinions and clarifications. The Company has a safe and secure filing system in place to keep the minutes of meetings and other supporting documents.

### 5.6 Development of Directors and Management

The Company’s directors, management and employees are constantly encouraged to develop their skills by attending various seminars and training courses organised by various organisations, e.g. the Thai Institute of Directors, the SET and the SEC, etc. Seminars and training courses are periodically forwarded to them. Furthermore, relevant information is regularly provided to the directors so that they are kept abreast of latest developments thus enabling them to make informed decisions. Details of the training previously undertaken by each director are set out in Attachment 1 to the Company’s Form 56-1 and under the heading “Board of Directors & Management and Company Secretary” in the Company’s Annual Report.

### 5.7 Orientation

The Company recognises the importance of supporting new directors in performing their duties. The Company has provides information on the business of the Company and other information related to the operations of the Company to new directors, i.e. annual report and the relevant rules and regulation. Such materials are useful for them in performing their duties as directors of the Company.

### 5.8 Supervision on the Operations of the Subsidiaries or the Associated Companies

The Company has no subsidiaries but has two associated companies, namely Tapioca Development Corporation Limited, and Asia Tapioca Products Company Limited, in which the Company held 33.3 percent and 30.0 percent shareholding respectively. The Company has appointed the Company’s directors including Mr. Umnad Sukprasongphol who has more than 20 years of vast experience in the tapioca business to be the representatives of the Company to the board of each associated company in order to oversee the management of the business and to report the operational results to the Company’s Board of Directors on a quarterly basis.

The number of the Company’s representatives who serve on the Board of Directors of each associated company meets or exceeds proportionate shareholding of the Company in each company. The formulation of major policy and votes on the key agenda items of both companies require the approval of the Company’s Chairman.

List of directors who serve on the Board of Directors of both companies is disclosed under the heading “Details of position of directors and management” in the Company’s Form 56-1 and in the Company’s Annual Report.

## CORPORATE GOVERNANCE

### 5.9 Supervision on the Use of Inside Information

Adhering to high standards of best corporate governance practice, the Company has a Statement of Business Conduct to guide its Board of Directors, senior management and all rank and file employees in the use of inside information for the purpose of preserving the interest of all stakeholders of the Company. Apart from this, in order to prevent the misuse of confidential and price-sensitive corporate information, the Board of Directors of the Company approved the policy on dealing in securities of the Company which prohibits any directors, management and employees, regardless of rank, from disclosing such confidential and price-sensitive corporate information for personal gain or for any other reason not in the Company's interest or dealing in the Company's shares while in possession of unpublished confidential and price-sensitive information during the "embargo period" which is defined as two weeks before and up to the date of announcement of results for each of the first three quarters of the Company's financial year, and one month before and up to the date of announcement of the full-year financial results. The policy and reminder of the embargo period have been communicated to directors, management and employees on an annually and quarterly basis to strictly comply with this policy. Confidential and price-sensitive information is also restricted to only directors, management and those officers who have a direct responsibility over such matters. Any violation of this policy shall be subject to disciplinary actions under the working regulation. Additionally, the Company monitors the trading of the Company's shares by its directors, and senior management who are required to report to the Board of Directors on a quarterly basis on the holding of the Company's shares and in accordance with the rules of the Securities and Exchange Commission.

## 6. Auditors' Remuneration

### 6.1 Audit Fees

Total audit fees paid by the Company for the fiscal year 2014 amounted to Baht 1,285,750 as detailed below,

- |   |               |
|---|---------------|
| • Audit fee of the Company              | Baht 945,000  |
| • Audit fee of the associated companies | Baht 340,750* |

**Remarks :** \* The audit fee of the associated companies includes fees for the quarterly review of interim financial statements of associated companies amounting to Baht 240,000 paid by the Company. As the associated companies are not listed on the Stock Exchange of Thailand (SET), there is no requirement for their financial statements to be reviewed each quarter. The only reason why the quarterly reviews are carried out on the associated companies is to facilitate the quarterly reviews of the Company's financial statements. The quarterly reviews of the associated companies improves the Company's accuracy in the accounting for the share of results of these companies under the equity method.

In addition, the Company also absorbed Baht 100,750 which is a portion of the annual audit fee of an associate company. This was primarily due to the Company's request for the associated company to change its auditor from a local audit firm to a reputable international firm so that the Company can improve the accuracy and reliability of the share of result from this associated company. The amount absorbed by the Company represents the increase in audit fee of the associated company arising from the change in audit firm.

### 6.2 Non Audit Fees

-N/A-

# CORPORATE SOCIAL RESPONSIBILITY

The Company commits itself to conducting its business with good corporate social responsibility (CSR) based on the principles of integrity, transparency, good corporate governance and protecting all stakeholders' interests in order to achieve its goal for sustainable growth. The Company adheres to manufacture high quality and safe food products for consumers. Meantime, the Company is aware of the impacts on local communities and the environment of its all operation, and commits not to undertake any activities which may adversely affect. In addition, the Company commits to conduct its business in compliance with relevant laws, regulations and international practices. The Company undertakes to develop its practice to support its continuing and sustainable CSR activities. These activities form a part of the Company's code of business conduct, which has been approved by the board of directors.

## 1. Fair conduct

### Fair competition

With awareness of the fair competition to business partners, the Company has strictly complied with conditions and regulations under agreement and applicable laws. Hence to ensure the competition is fair, the Company has adopted a tender policy and standard operating procedures in relation to the selection of business partners. This is comprise of the selection of business partner process, tender process by the Company's tender committee and annual evaluation process.

### Respect of owner of intellectual property

As clearly stated in the standard operating procedures, the Company has adopted a strict anti-piracy policy where we shall not use any intellectual property unless we are duly authorized. In the previous year, the Company was not a party to any intellectual property violation cases.

## 2. Respect of human rights

### Key procedures relating to human rights

According to the Company's code of business conduct, its board of directors and/or senior management are expected to ensure that the Company has not violated and will not violate any legal rights, including human rights, through any acts or decisions made. The key policy and procedure relating to human rights established as a part of the Company's standard operating procedures are as follows:

- The Company will not hire, be involved with or support the use of child labourers under 18 years of age. This requirement applies to employees and workers hired by any contractors providing services to the Company.
- The use or support of forced labour in all forms is prohibited. If an employee does not wish to voluntarily work for the Company any longer, he/she may resign by proceeding with the procedures stated in the Company's Work Rules.
- All male and female employees will be treated equally, except where the nature and conditions of work do not allow the Company to do so. All pregnant female employees will be provided with appropriate working conditions and a work environment that ensures their safety and the safety of their unborn babies. The Company has no policy to dismiss, demote, or reduce the fringe benefits, of female employees who become pregnant.

## CORPORATE SOCIAL RESPONSIBILITY

- The Company respects individual's right to form a group or participate in the activities of any group as he/she wishes, including any negotiation with such a group. However, if this freedom of association, including any negotiation, is limited by law, the members of such a group will be entitled to equal facilitation and treatment along with all other employees.
- No deduction or reduction of wages will be imposed on any employees as a disciplinary punishment in any circumstance. The Company will not take or support any action amounting to physical or mental punishment, coercion or harmful treatment against its employees.

### 3. Fair labour treatment

#### **Employment and labour relations**

In recognition of the value of its human resources, the Company has strictly complied with labour laws and other applicable laws, and has adopted a code of business conduct, which was approved by the board of directors. According to the code of business conduct, the board of directors and/or senior management are expected to treat all employees fairly, and without prejudice, and to ensure that remuneration for each employee is comparable to the industry norms, related to the Company operating results and the performance of each individual employee, as recommended by the Nomination and Remuneration Committee on a global basis in order to motivate and retain high-performing employees. In addition, the Company provides welfare and benefits scheme, including provident fund and health insurance.

#### **Human Resource Development**

The Company has a policy to enhance organization and human resources by development of employees' knowledge and skill, promotion of team working through series of training programs, for instance, safety and environmental program, risk management program and so forth, to enable employees to perform their jobs effectively, which significantly contributes to a sustainable business growth. The Company provided an average of 21.77 hours per person for training in 2014 increase from 10.09 hours per person in 2013.

#### **Occupational health and safety**

With awareness of the significance of its employees' occupational health and safety, the Company has strictly complied with all applicable laws and has established the Environment, Occupational Health and Safety Committee (EOHSC) to oversee the proper implementation of the OHSAS 18001 and TIS 18001 standards, and to regularly review the objectives and goals in relation to the working environment and occupational health and safety. The Company's fulfilment of the OHSAS 18001 and TIS 18001 standards has been recognised and certified by the relevant organisations. The Company has a total of 23 times of accidents in 2014 decrease from 27 times in 2013.

#### **Diversity and equal opportunity**

The Company respects each individual employee's human rights and dignity and recognizes the importance of equal treatment. Therefore, the Company has not objected to, or intervened in, any activities undertaken by individuals who have different beliefs or needs. The Company has not been involved with or supported discrimination relating to employment, remuneration, job promotion, dismissal or retirement, including discrimination based on age, gender, race, birthplace, religion, language, disability, sexual orientation, labour union

## CORPORATE SOCIAL RESPONSIBILITY

membership, political orientation, or personal belief. For instance, the Company employs both disabled and transgender people in the Production Department and facilities are provided for Muslim employees to conduct their worship at work. These practices are stated in the Company's standard operating procedures. The Company encourages people with disability to have an opportunity to earn income and reduce the burden on families, as well as, encouraging people with disability, especially those in working age, to play a part of strengthening their own family's financial status and the country's economy. In 2014, the Company has employed 10 employees with disability regarding the ratio of persons with disabilities hired per employee at 1:100.

### 4. Consumer responsibility

#### Consumer health and safety

The Company has committed itself to maintaining and improving its quality management system across its organization in order to manufacture good quality products which are safe for its consumers. Currently, the Company has been awarded the following international certifications of manufacturing standards: GMP, HACCP, ISO 9001, and Halal. The Company has also recognised the importance of research and development to the development of quality products that meet customers' needs, and the Company carries out frequent calibrations on its laboratory equipment, as can be seen by the certification of its food lab standard: ISO/IEC 17025 granted by the Ministry of Public Health of Thailand.

#### Labels of goods and services

With awareness of the importance of showing correct information relating to its products, the Company has ensured that the sachets, sacks, and/or labels for all its products show the correct information about nutrition, cooking instructions, and other information in accordance with applicable laws, rules, regulations and international standards. This is to ensure that consumers derive the best benefit possible from use of its products.

### 5. Environment conservation

#### Sustainable use of resources

Economic growth and an increase in the world's population have led to an increase in human consumption of resources every year, resulting in shortages of limited resources and creating environmental problems. The Company is aware of these problems and, in order to promote the efficient use of resources, has established the EOHSC and carried out various energy conservation campaigns and projects, including a water and power saving project, a reuse and recycling campaign, waste minimisation initiatives, and the promotion of a good working environment through a campaign of "5 Sor" activities. These campaigns are intended to educate and train and instil sense of awareness on energy conservation to staff members across the organization. This year, aims for additional campaigns have been set as follows:

- Replacing fluorescent tube with LED and replacing air conditioners with higher energy saving efficiency in the electrical and maintenance department. This is to reduce the consumption of electric power by 23,883 KW-hour/year.



# CORPORATE SOCIAL RESPONSIBILITY

## **Prevention and mitigation of the environmental pollution impact**

The Company recognizes the importance of environmental conservation and has implemented an environmental management system, evaluated and reviewed the system regularly to achieve sustainable development. As a result, the Company has obtained certification of its environmental management system under ISO 14001:2004 and has also been awarded a green industrial certification at level 3 (the green system) from the Ministry of Industry of Thailand, which is the system that reflects environmental friendliness. In addition, the Company has installed manufacturing waste treatment systems to tackle pollution in accordance with the Ministry of Industry's standards. Installed systems include: (i) natural ponds for wastewater treatment located on an area of approximately 50 rai; and (ii) an air pollution treatment system using both a wet scrubber and a cyclone scrubber to catch dust and fumes from the combustion process before they are discharged from the factory. These systems are subject to regular inspection, modification and improvement by a team of engineers and specialists.

## **6. Community and social development**

### **Social participation and development**

The Company has adopted CSR in the course of its operations with a focus on improvement of the quality of life in nearby communities. A series of campaigns with the aim of achieving proper sustainable development for the benefit of local and social communities have been launched. For instance, the community money saving campaign, the labour sports day to promote an anti-narcotics campaign, the joint campaign with the Banglane District Office for the rehabilitation of drug addicts, the hiring of local residents, and the establishment of communication channels to share opinions and community needs. These campaigns and activities have encouraged local residents to build their financial savings, to keep themselves free of drugs, to earn income, and to live sustainably and peacefully alongside the Company's factory.

# RISK FACTORS

Risk factor which may affect the Company's performance are summarized as follows:

## 1. Business Risk Factor

### 1.1 Fluctuating Price of Raw Material

Raw material is the single highest cost component amounting to approximately 50 - 70 percent of total cost. The fluctuation of raw-material prices therefore has a direct impact on the Company's performance. The primary raw materials are pea starch, potato starch, tapioca starch and rice. Being agricultural products, their prices vary depending on season and demand and supply in the market. Additionally, agricultural products are prone to the forces of nature and adverse climatic conditions such as drought and flood will push up prices.

In view of the above factors, the Company closely monitors the market situation of its raw materials and has established good relationships with its suppliers in order to better forecast trends for planning purposes. If necessary, the Company may stock-up raw materials to ensure that there is adequate supply for production and cost stability. As a last resort, the Company may also consider the option to pass on any unforeseen increase in raw material prices to its customers by increasing the selling price of its products. However, the Company is always very cautious of such a move due to the very competitive and price sensitive nature of the market.

The Company imports pea starch and potato starch from Europe and they are paid in both local and foreign currency. The latter subjects the Company to foreign exchange risk which may have a direct impact on cost.

### 1.2 Labour Shortage

Vermicelli and rice noodle production is labour intensive especially in the packing process and the shortage in the work force may adversely affect the Company's operations. To cope with this problem, the Company offers competitive wages and attractive welfare benefits to retain and motivate its workforce. As a long term solution to labour shortage, the Company is continually automating its production facilities to reduce its dependence on labour and at the same time improving production capacity and efficiency.

## 2. Financial Risk Factor

### 2.1 Foreign Currency

Pea starch and potato starch are main raw materials used by the Company. In some cases, the Company imports the starches based in US Dollars which subjects the Company to foreign exchange risk and this has a direct impact on the cost of the starches purchased. Additionally, about 3 percent of the Company's sales revenue is contributed by export sales which are largely denominated in US Dollar, Japanese Yen and Euro.

In order to mitigate foreign currency risks, the Company closely monitors the currency situation and utilizes appropriate forward exchange contracts if necessary.

## CONNECTED TRANSACTIONS

The connected transactions of the Company are under normal commercial terms, determined at fair price and at arms' length basis.

Transactions between associated and related companies including the amounts paid and received, and the terms of the transactions are included in note 7 to the financial

statements. Additional information relating to the significant transactions are the name of the persons with possible conflict of interest and the reasonableness of the transactions, details as follows:

(Unit : Million Baht)

	Payer	Payee	Transaction in year 2014	Balance as at 31 December 2014	Persons with Possible Conflict of Interest	Nature of Relationship	Common Directors	Necessity/ Reasonableness of transactions
<b>1. Associated companies</b>								
(1.1) Purchases of raw materials	TWFP	TDC	31.2	-	-	-	SS CH	(A)
(1.2) Other income : Human Resource Services	TDC	TWFP	0.4	-	-	-	SS CH	(B)
(1.3) Dividend received	ATP	TWFP	3.2	-	-	-	KPH SS SSU KCH	(F)
	TDC	TWFP	19.7	-	-	-	SS CH	(F)
<b>2. Related companies</b>								
(2.1) Sales of finished goods	TWS	TWFP	0.0	0.0*	-	-	SSK APV	(A)
	TWPL	TWFP	0.2	0.0*	-	-	CH KCH	(A)
(2.2) Purchases of raw materials	TWFP	TWS	60.4	6.1	-	-	SSK APV	(A)
(2.3) Rental and services expenses	TWFP	TWPL	7.7	0.0*	-	-	CH KCH	(C)
(2.4) Services expenses	TWFP	TWPL	0.2	-	-	-	CH KCH	(D)
(2.5) Other expenses	TWFP	BTH	0.4	0.0*	-	-	KPH APV	(E)

**Remarks :** \* Connected transactions which have value less than Baht 50,000.

## CONNECTED TRANSACTIONS

Abbreviation	Company name in full	Abbreviation	Director Name in full
ATP	Asia Tapioca Products Company Limited	APV	Mr. Apiel P Vera
BTH	Banyan Tree Holdings Limited	CH	Mr. Kuan Chiet
TDC	Tapioca Development Corporation Limited	HRH	Mr. Ho Ren Hua
TWFP	Thai Wah Food Products Public Company Limited	JH	Dr. Jingjai Hanchanlash
TWPL	Thai Wah Plaza Limited	KCH	Mr. Ho KwonCjan
TWS	Thai Wah Starch Public Company Limited	KPH	Mr. Ho KwonPing
		SS	Dr. Sretsei Saittagaroon
		SSK	Ms. Sirivan Skulkerevathana
		SSU	Mr. Surapon Supratya
		UV	Mr. Udom Vichayabhai
		VS	Mr. Vudhiphol Suriyabhivadh

### Procedures for Approving Connected Transaction

The entering into the connected transactions between the Company and the persons with conflict of interest will be reviewed by the Management and proposed to the Audit and Risk Committee to opine and express their opinion. Once recommended by the Audit and Risk Committee, the transaction will be further proposed to the Board of Directors or the Board of Directors and shareholders for approval depending on the nature and size of the transactions in accordance with the requirements of the SET and the SEC. Interested directors do not take part in approving the transactions.

### Future Policy or Tendency of Connected Transaction

The company 's future policy is geared towards ensuring that all current and future transactions are necessary and are under normed commercial terms and fair price and at arms' length basis.

#### Type of Transactions

#### Policy/Necessity/Reasonableness of Transactions

- |  |  |
|--|--|
| (A) Purchase and sale of goods and raw materials | For the purchasing/selling of qualified raw material and goods and convenience to supply to the production process.<br><br>Pricing is based on the normal business transaction with general trade terms for the mutual benefit.  |
| (B) Other income                                 | Human resources services and other income to get the mutual benefit.<br><br>Human resources service was charged at the rate of Baht 31,500 per month.  |
| (C) Rental and other services expenses           | Rental rate of office and store room space is in line with market rate if compared to the same building in a similar location. Terms and conditions in the agreement are similar to other customers and the market.<br><br>The rental and services rate was Baht 512,320 per month plus the actual costs of public utilities and property tax. |

## CONNECTED TRANSACTIONS

### Type of Transactions

(D) Other service expenses

(E) Other expenses

(F) Dividend received

### Policy/Necessity/Reasonableness of Transactions

To support the general purpose of operating activities by actual charge, at market price.

Most expenses are expenses which these companies paid on behalf of the Company for the mutual benefit.

Approved by Annual General Meeting of the shareholder of associated companies

- Tapioca Development Corporation Limited paid a dividend at the rate of Baht 118.0 per share.
- Asia Tapioca Products Company Limited paid a dividend at the rate of Baht 10.0 per share for fully paid-up and at the rate of Baht 7.5 per share for 75% paid-up.

The above transactions are fair and reasonable, have been entered into on an arms' length basis applying the principles of an open market between willing parties and are in the best interest of the Company.

## OPINION OF THE BOARD OF DIRECTORS ON THE COMPANY'S INTERNAL CONTROL SYSTEM

Based upon the reports of work carried out by the external auditors, the Board of Directors is of the opinion that the Company's internal accounting controls are adequate and have enabled the external auditors to opine that the Company's financial statements for the year ended 2014 are presented fairly.

The Board has also taken note of, and accepted, the Audit and Risk Committee's report on the Company's internal control system comprising of 5 components namely control environment, risk assessment, control activities, information & communication, and monitoring activities and therefore concludes that the Company's internal control system is adequate with sufficient personnel to conduct the system efficiently and that there are no material weaknesses in the Company's internal control system.



**Mr. Ho KwonPing**  
**Chairman of the Board**

**Remarks :** Since the Company has no subsidiaries, the opinion of the Board of Directors on the internal control system with regard to monitoring the operations of the subsidiaries is not available.

## REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee of Thai Wah Food Products Public Company Limited (“the Company”) consists of 3 independent directors. It is empowered to:

- review the Company’s financial reports, internal control and internal audit systems, disclosure of connected transactions and compliance with all relevant regulations and laws;
- recommend special audit plans to the internal auditor as well as approve the appointment, transfer and termination of employment of the chief of the internal audit unit;
- advise management on matters related to the principles of good corporate governance;
- recommend the appointment of the Company’s external auditors and their remuneration; and
- review and encourage the Company to enforce and comply with an appropriate and efficient risk management policy, as well as to oversee and monitor the Enterprise Risk Management Committee.

During 2014, the Audit and Risk Committee formally convened 4 meetings with the Company’s external auditors and internal auditors including the management in order to review the compliance with accounting standard requirements and internal controls prior to approving the quarterly reports and the annual financial statements. These meetings also included the discussions with the Company’s internal auditor to review and advise on its findings and to follow up on matters arising from the schedule of work it had approved the internal auditor to undertake during 2014 thereby ensuring that this work was both sufficient and effective. Besides, the Audit and Risk Committee attended one non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

All members of the Audit and Risk Committee attended all the meetings convened in 2014.

In regard to Risk Management, the Audit and Risk Committee was assigned by the Board to oversee the Company’s risk management processes and activities in order to mitigate and manage risk at the acceptable level. The Audit and Risk Committee had received a report from the Risk Management Committee which comprised of Senior Management and reported to the Audit and Risk Committee on the operational risks and the measures taken to address them. The Audit and Risk Committee approved the 2014 Risk Management Committee’s work plan and reviewed the progress on risk management of the Company on a quarterly basis. In addition, the Audit and Risk Committee also provided recommendations to the Risk Management Committee in order to enhance the effectiveness and appropriateness of the risk management system suitable for the Company’s operations.

The Audit and Risk Committee agrees with the certified public accountant that the Company’s financial statements and disclosures of relevant information were adequate and fairly presented, in all material respects, in accordance with the general accepted accounting principles. The Audit and Risk Committee is satisfied that the Company’s internal control system comprising of 5 components namely control environment, risk assessment, control activities, information & communication and monitoring activities is sufficient both to support the operations including financial procedures and to enable the external auditors to fairly express an opinion on the financial statements. Where internal control weaknesses have been detected during the course of the Audit and Risk Committee’s review, the management has been alerted and has taken appropriate corrective action.

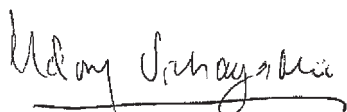
## REPORT OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee also reviewed the connected transactions that required the Board of Directors or Shareholders' approval in compliance with the SET and SEC regulations as well as the disclosure of the Company's connected transactions. The Audit and Risk Committee is satisfied that the connected transactions had been entered into on an arms' length basis applying the principle of an open market between willing parties and the disclosure is sufficient and transparent.

The Audit and Risk Committee is satisfied that the Company has performed in compliance with the SEC/SET rules and regulations and the laws related to the business of the Company and that the Company has supported and continuously developed its good corporate governance principles.

The interests of all shareholders remain the principal objective of the Audit and Risk Committee. The Company's operating results and financial reports are therefore reviewed for transparency and completeness. In this regard the Audit and Risk Committee has been able to satisfactorily resolve all matters arising within the terms of its Charter with both the management and the external and internal auditors.

The Audit and Risk Committee has recommended the Board to appoint Mr. Sophon Permsirivallop, Certified Public Accountant No. 3182 and/or Ms. Rungrapa Lertsuwankul, Certified Public Accountant No. 3516 and/or Ms. Pimjai Manitkajohnkit, Certified Public Accountant No. 4521 and/or Ms. Rosaporn Decharkom, Certified Public Accountant No. 5659 and/or Ms. Sumana Punpongsanon, Certified Public Accountant No. 5872 of EY Office Limited to be the Company's auditors for the fiscal year 2015 with the recommended auditing fee of Baht 945,000.-. The appointment and the auditing fee would be subject to the approval at the Annual General Shareholders' Meeting.



**(Mr. Udom Vichayabhai)**

**Audit and Risk Committee Chairman**

20 February 2015



## BOARD OF DIRECTORS' RESPONSIBILITY FOR THE COMPANY'S FINANCIAL STATEMENTS

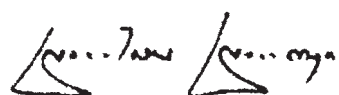
The Board of Directors is responsible for the Company's financial statements including the notes to the financial statements.

In its review of the financial statements, the Board of Directors has relied upon the reports and work performed by the Company's external auditors, EY Office Limited, and the Company's Audit and Risk Committee which has carried out extensive discussions with management of the Company. The Board has also satisfied itself that there is no material weaknesses in the Company's internal accounting controls, internal control system and standard operating procedures.

The Board of Directors is therefore able to conclude that the financial statements for the year ended 2014 have been prudently prepared in accordance with generally accepted accounting principles to give a correct and complete presentation, in all material aspects, the financial position of the Company.



**Mr. Ho KwonPing**  
Chairman of the Board



**Dr. Sretsei Saittagaroon**  
Managing Director

# 2014

**FINANCIAL STATEMENTS**

**AND INDEPENDENT AUDITOR'S REPORT**

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of Thai Wah Food Products Public Company Limited

I have audited the accompanying financial statements of Thai Wah Food Products Public Company Limited, which comprise the statement of financial position, in which the equity method is applied as at 31 December 2014, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Thai Wah Food Products Public Company Limited for the same period.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

## Auditor's Responsibility

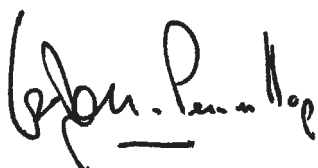
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Wah Food Products Public Company Limited as at 31 December 2014, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



**Sophon Permsirivallop**

**Certified Public Accountant (Thailand) No. 3182**

EY Office Limited

Bangkok: 24 February 2015

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

(Unit: Baht)

		Financial statements in which the equity method is applied		Separate financial statements	
		31 December	31 December	31 December	31 December
	Note	2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	8	35,900,022	48,536,101	35,900,022	48,536,101
Current investments	9				
Term deposits at financial institutions		219,000,000	551,000,000	219,000,000	551,000,000
Trade and other receivables	10	139,396,740	144,194,578	139,396,740	144,194,578
Inventories	11	226,552,103	176,673,252	226,552,103	176,673,252
Other current assets		3,091,438	2,673,735	3,091,438	2,673,735
Total current assets		623,940,303	923,077,666	623,940,303	923,077,666
Non-current assets					
Investments in associates	12	339,944,155	329,962,029	86,350,700	86,350,700
Other long-term investments	13	394,295,522	-	394,295,522	-
Property, plant and equipment	14	434,181,246	368,648,409	434,181,246	368,648,409
Intangible assets - computer software	15	1,797,122	2,307,101	1,797,122	2,307,101
Deferred tax assets		7,086,519	8,216,447	7,086,519	8,216,447
Other non-current assets		1,630,460	1,630,960	1,630,460	1,630,960
Total non-current assets		1,178,935,024	710,764,946	925,341,569	467,153,617
Total assets		1,802,875,327	1,633,842,612	1,549,281,872	1,390,231,283

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

# STATEMENT OF FINANCIAL POSITION (continued)

As at 31 December 2014

(Unit: Baht)

		Financial statements in which the equity method is applied		Separate financial statements	
		31 December	31 December	31 December	31 December
Note		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	16	178,855,081	159,805,980	178,855,081	159,805,980
Income tax payable		21,377,818	31,359,498	21,377,818	31,359,498
Current portion of liabilities under finance lease agreements	17	340,022	-	340,022	-
Other current liabilities		1,983,744	1,827	1,983,744	1,827
Total current liabilities		202,556,665	191,167,305	202,556,665	191,167,305
Non-current liabilities					
Liabilities under finance lease agreements, net of current portion	17	1,815,978	-	1,815,978	-
Provision for long-term employee benefits	18	70,189,447	66,869,663	70,189,447	66,869,663
Total non-current liabilities		72,005,425	66,869,663	72,005,425	66,869,663
Total liabilities		274,562,090	258,036,968	274,562,090	258,036,968
Shareholders' equity					
Share capital					
Registered					
109,550,000 ordinary shares of Baht 1 each	19	109,550,000	109,550,000	109,550,000	109,550,000
Issued and fully paid up					
95,060,550 ordinary shares of Baht 1 each	19	95,060,550	95,060,550	95,060,550	95,060,550
Share premium		123,277,900	123,277,900	123,277,900	123,277,900
Retained earnings					
Appropriated - statutory reserve	20	10,955,000	10,955,000	10,955,000	10,955,000
Unappropriated		1,318,416,283	1,165,994,979	1,045,426,332	902,900,865
Other components of shareholders' equity		(19,396,496)	(19,482,785)	-	-
Total shareholders' equity		1,528,313,237	1,375,805,644	1,274,719,782	1,132,194,315
Total liabilities and shareholders' equity		1,802,875,327	1,633,842,612	1,549,281,872	1,390,231,283

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

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

(Unit: Baht)

		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2014	2013	2014	2013
			(Restated)		(Restated)
Profit or loss:					
Revenues					
Sales		1,286,363,703	1,297,810,279	1,286,363,703	1,297,810,279
Other income		21,126,367	18,332,880	43,952,365	22,504,080
Total revenues		1,307,490,070	1,316,143,159	1,330,316,068	1,320,314,359
Expenses					
Cost of sales	4	872,811,093	841,162,331	872,811,093	841,162,331
Selling expenses	4	96,886,639	83,112,215	96,886,639	83,112,215
Administrative expenses		83,945,328	82,524,180	83,945,328	82,524,180
Total expenses		1,053,643,060	1,006,798,726	1,053,643,060	1,006,798,726
Profit before share of profit from investments in associates and income tax expenses					
Share of profit from investments in associates		32,721,835	42,766,494	-	-
Profit before income tax expenses		286,568,845	352,110,927	276,673,008	313,515,633
Income tax expenses	22	(50,494,257)	(61,935,022)	(50,494,257)	(61,935,022)
Profit for the year		236,074,588	290,175,905	226,178,751	251,580,611
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		86,546	1,009,164	-	-
Gain (loss) on change in value of available-for-sale investment		(257)	3,278	-	-
Other comprehensive income for the year		86,289	1,012,442	-	-
Total comprehensive income for the year		236,160,877	291,188,347	226,178,751	251,580,611
Basic earnings per share					
Earnings per share	23	2.48	3.05	2.38	2.65

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

# STATEMENT OF CASH FLOW

For the year ended 31 December 2014

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit before tax	286,568,845	352,110,927	276,673,008	313,515,633
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	32,511,331	31,786,391	32,511,331	31,786,391
Amortisation of premium on long-term investments	(502,097)	-	(502,097)	-
Bad debt and allowance for doubtful accounts	4,374	1,267,541	4,374	1,267,541
Gain on sales of equipment	(16,141)	(33,318)	(16,141)	(33,318)
Unrealised (gain) loss on exchange rate	250,145	(308,802)	250,145	(308,802)
Provision for long-term employee benefits	5,913,884	5,941,782	5,913,884	5,941,782
Interest income	(8,138,742)	-	(8,138,742)	-
Share of profit from investments in associates	(32,721,835)	(42,766,494)	-	-
Dividend income from associates	-	-	(22,825,998)	(4,171,200)
Profit from operating activities before changes in operating assets and liabilities	283,869,764	347,998,027	283,869,764	347,998,027
Operating assets (increase) decrease				
Trade and other receivables	8,739,478	(19,175,189)	8,739,478	(19,175,189)
Inventories	(49,878,851)	69,373,929	(49,878,851)	69,373,929
Other current assets	(417,703)	(619,346)	(417,703)	(619,346)
Other non-current assets	500	(124,910)	500	(124,910)
Operating liabilities increase (decrease)				
Trade and other payables	9,291,882	13,401,121	9,291,882	13,401,121
Other current liabilities	1,981,917	(55,911)	1,981,917	(55,911)
Provision for long-term employee benefits	(2,594,100)	(1,592,600)	(2,594,100)	(1,592,600)
Cash flows from operating activities	250,992,887	409,205,121	250,992,887	409,205,121
Cash paid for income tax expenses	(59,346,009)	(58,177,410)	(59,346,009)	(58,177,410)
<b>Net cash flows from operating activities</b>	<b>191,646,878</b>	<b>351,027,711</b>	<b>191,646,878</b>	<b>351,027,711</b>

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

## STATEMENT OF CASH FLOW (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(85,651,559)	(33,402,677)	(85,651,559)	(33,402,677)
Acquisition of intangible assets	-	(24,001)	-	(24,001)
Proceeds from sale of equipment	16,241	33,430	16,241	33,430
Decrease (Increase) in term deposits at financial institutions with maturity over 3 months	360,000,000	(125,000,000)	360,000,000	(125,000,000)
Cash receipts from interest on investments	8,873,951	-	8,873,951	-
Increase in other long-term investments	(398,724,836)	-	(398,724,836)	-
Dividends received from associates	22,825,998	4,171,200	22,825,998	4,171,200
<b>Net cash flows used in investing activities</b>	<b>(92,660,205)</b>	<b>(154,222,048)</b>	<b>(92,660,205)</b>	<b>(154,222,048)</b>
<b>Cash flow from financing activity</b>				
Dividend paid	(83,622,752)	(71,272,850)	(83,622,752)	(71,272,850)
<b>Net cash flows used in financing activity</b>	<b>(83,622,752)</b>	<b>(71,272,850)</b>	<b>(83,622,752)</b>	<b>(71,272,850)</b>
<b>Net increase in cash and cash equivalents</b>	<b>15,363,921</b>	<b>125,532,813</b>	<b>15,363,921</b>	<b>125,532,813</b>
Cash and cash equivalents at beginning of year	239,536,101	114,003,288	239,536,101	114,003,288
<b>Cash and cash equivalents at end of year (Note 27)</b>	<b>254,900,022</b>	<b>239,536,101</b>	<b>254,900,022</b>	<b>239,536,101</b>
<b>Supplement cash flows information</b>				
Non-cash items				
Purchase of equipment that has yet to be paid	11,212,412	1,485,682	11,212,412	1,485,682
Purchase of vehicle under financial lease agreements	2,156,000	-	2,156,000	-
Dividend payable	442,812	412,280	442,812	412,280

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



# STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2014

(Unit: Baht)

Financial statements in which the equity method is applied							
Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity			Total shareholders' equity
		Appropriated	Unappropriated	foregin currency statements in	Exchange differences on translation of financial statements in	Surplus on change in value of available-for-sale investment	
<b>Balance as at 1 January 2013</b>							
Profit for the year	-	-	290,175,905	-	-	41,503	1,155,912,710
Other comprehensive income for the year	-	-	-	1,009,164	3,278	-	290,175,905
Total comprehensive income for the year	-	-	290,175,905	1,009,164	3,278	-	291,188,347
Dividend paid (Note 26)	-	-	(71,295,413)	-	-	-	(71,295,413)
<b>Balance as at 31 December 2013</b>							
95,060,550	123,277,900	10,955,000	947,114,487	(20,536,730)	41,503		1,155,912,710
<b>Balance as at 1 January 2014</b>							
Profit for the year	-	-	236,074,588	-	-	-	236,074,588
Other comprehensive income for the year	-	-	-	86,546	(257)	-	86,289
Total comprehensive income for the year	-	-	236,074,588	86,546	(257)	-	236,160,877
Dividend paid (Note 26)	-	-	(83,653,284)	-	-	-	(83,653,284)
<b>Balance as at 31 December 2014</b>							
95,060,550	123,277,900	10,955,000	1,318,416,283	(19,441,020)	44,524		1,528,313,237

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

# STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Separate financial statements				
					Total
	Issued and paid-up		Retained earnings		shareholders' equity
	share capital	Share premium	Appropriated	Unappropriated	
Balance as at 1 January 2013	95,060,550	123,277,900	10,955,000	722,615,667	951,909,117
Profit for the year	-	-	-	251,580,611	251,580,611
Dividend paid (Note 26)	-	-	-	(71,295,413)	(71,295,413)
Balance as at 31 December 2013	95,060,550	123,277,900	10,955,000	902,900,865	1,132,194,315
Balance as at 1 January 2014	95,060,550	123,277,900	10,955,000	902,900,865	1,132,194,315
Profit for the year	-	-	-	226,178,751	226,178,751
Dividend paid (Note 26)	-	-	-	(83,653,284)	(83,653,284)
Balance as at 31 December 2014	95,060,550	123,277,900	10,955,000	1,045,426,332	1,274,719,782

The accompanying notes are an integral part of the financial statements

# NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 1. General information

Thai Wah Food Products Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is listed on the Stock Exchange of Thailand on 6 December 1989. The Company is principally engaged in the manufacture and distribution of vermicelli and other food products. Its registered address is 21/10, 21/12A and 21/17A Thai Wah Tower 1 Bldg., 6th, 7th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of preparation of financial statements in which the equity method is applied

- a) The financial statements in which the equity method is applied, also incorporate the Company's shares of the results and net assets of associates whose shares are held by the Company in the range of 20 - 50 percent of the total capital together with the Company's representation on the respective boards of directors.
- b) The financial statements of the overseas associate are translated to Baht using the exchange rate prevailing on the end of reporting period as to assets and liabilities, and at the monthly average exchange rate as to revenues and expenses. The resulting differences are shown under the caption of “Other components of shareholders' equity - Exchange differences on translation of financial statements in foreign currency” in shareholders' equity.

2.3 The separate financial statements, which present investments in associates under the cost method, have been prepared solely for the benefit of the public.

## 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.

### (a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements, except as follows.

### **TFRIC 13 Customer Loyalty Programmes**

This TFRIC requires an entity to account for the award credits from customer loyalty programmes as a separate component of the sales transaction granting those award credits and allocate part of the fair value of the consideration received to the award credits and defer the recognition of revenue. The cumulative effect of the adoption of this TFRIC is shown in Note 4 to the financial statements.

### **(b) Financial reporting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognised actuarial gains and losses immediately in other comprehensive income.

### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company has control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company believes that this standard will not have any impact on the Company's financial statements as the Company does not have investment in a jointly controlled entity.

#### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company.

#### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

#### **4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard**

During the current year, the Company made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of TFRIC 13 Customer Loyalty Programmes. The cumulative effect of the changes in the accounting policies does not have any significant impact on the financial statements, except for the reclassification in statement of comprehensive income for the year ended 31 December 2013 to conform to the current period's classification.

The amounts of reclassification affecting the statements of comprehensive income for the year ended 31 December 2013 are summarised below.

	(Unit: Thousand Baht)
	<b>Financial statements in which the equity method is applied/ Separate finance statements</b>
<b>Statements of comprehensive income</b>	
<b>Profit or loss:</b>	
Increase in cost of goods sold	2,612
Decrease in selling expense	2,612

However, the reclassifications had no effect to previously reported net profit or shareholders' equity.

#### **5. Significant accounting policies**

##### **5.1 Revenues recognition**

###### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

###### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

###### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

## 5.2 Cash and cash equivalents

Cash and cash equivalents in statement of cash flows consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## 5.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

## 5.4 Inventories

Inventories consist of agricultural products and related materials for the agricultural business. Inventories are valued at the lower of cost and net realisable value. Cost is determined by the weighted average method except for factory supplies, the cost of which is determined by the first-in, first-out method.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as transportation charge, less all attributable discounts, allowances or rebates. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

## 5.5 Investments

- a) 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/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investment in associates are accounted for in the financial statements in which the equity method is applied using the equity method.
- c) Investment in associates are accounted for in the separate financial statements using the cost method.

## 5.6 Property, plant and equipment / Depreciation

Land and land improvement is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	15, 20, 30 years
Machinery and equipment	5, 10, 15 years
Furniture, fixtures and office equipment	3, 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land, land improvements and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **5.7 Intangible assets - computer software**

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The finite useful life of computer software is 10 years.

#### **5.8 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

#### **5.9 Long-term leases**

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **5.10 Foreign currencies**

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are recognised in determining income.

#### **5.11 Impairment of assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

#### **5.12 Employee benefits**

##### **Short-term employee benefits**

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.



## **Post-employment benefits and other long-term employee benefits**

### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

### *Defined benefit plans and other long-term employee benefits*

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

## **5.13 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **5.14 Income tax**

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 taxation authorities, based on taxable profits determined in accordance with tax legislation.

### **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 recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces 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 utilised.

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

## 6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

### Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

### Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

### Property plant and equipment/Depreciation and Intangible assets/Amortisation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's plant and equipment and to review estimate useful lives and residual values when there are any changes.

In determining amortisation of intangible assets with finite lives, the management is required to make estimates of the useful lives of the Company's intangible assets and to review estimate useful lives when there are any changes.

In addition, the management is required to review property, plant and equipment and intangible assets for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 7. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Financial statements in which the equity method is applied		Separate financial statements		Transfer pricing policy
	2014	2013	2014	2013	
<b>Transactions with associated companies</b>					
Purchases of raw materials	31	53	31	53	Market price
Dividends received	23	4	23	4	As declared (1), (2)
<b>Transactions with related companies</b>					
Purchases of raw materials	60	53	60	53	Market price
Rental and service expenses	8	9	8	9	Contract price (3)
Other expenses	1	1	1	1	Actual charge (4)

### Note

- (1) Dividends received from Asia Tapioca Products Company Limited, an associate, 4,000 shares at the rate of Baht 10.0 (2013: Baht 13.2) and 416,000 shares at the rate of Baht 7.5 (2013: Baht 9.9).
- (2) Dividend received from Tapioca Development Corporation Limited, an associate, 166,661 shares at the rate of Baht 118.0.
- (3) At the rate of Baht 512,320 per month which is on normal terms and conditions and the actual charge for public utility.
- (4) Most expenses are the expenses which related companies paid on behalf of the Company.

As at 31 December 2014 and 2013, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
<b>Trade and other receivables - related parties (Note 10)</b>		
Related companies	41	44
<b>Trade and other payables - related parties (Note 16)</b>		
Associated company	-	5,680
Related companies	6,081	4,907
Total trade and other payables - related parties	6,081	10,587

### Directors and management's benefits

During the year ended 31 December 2014 and 2013, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

**Financial statements in which  
the equity method is applied /  
Separate financial statements**

	<b>2014</b>	<b>2013</b>
Short-term employee benefits	26,165	25,606
Post-employment benefits	613	578
Other long-term benefits	21	21
<b>Total</b>	<b>26,799</b>	<b>26,205</b>

**8. Cash and cash equivalents**

(Unit: Thousand Baht)

**Financial statements in which  
the equity method is applied /  
Separate financial statements**

	<b>2014</b>	<b>2013</b>
Cash	270	304
Bank deposits	35,630	48,232
<b>Total</b>	<b>35,900</b>	<b>48,536</b>

As at 31 December 2014, bank deposits in saving accounts carried interests between 0.25 and 0.38 percent per annum (2013: between 0.25 and 0.63 percent per annum).

**9. Current investments**

As at 31 December 2014, current investments are comprised of term deposits at financial institutions carried interests between 1.84 and 2.70 percent per annum (2013: between 2.15 and 3.25 percent per annum).

**10. Trade and other receivables**

(Unit: Thousand Baht)

**Financial statements in which  
the equity method is applied /  
Separate financial statements**

	<b>2014</b>	<b>2013</b>
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	37	44
Past due up to 3 months	4	-
<b>Total trade receivables - related parties</b>	<b>41</b>	<b>44</b>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	112,983	115,159
Past due		
Up to 3 months	21,736	23,941
3 - 6 months	-	3
Over 12 months	3,023	3,223
<b>Total</b>	<b>137,742</b>	<b>142,326</b>
Less: Allowance for doubtful debts	(3,093)	(3,271)
<b>Total trade receivables - unrelated parties, net</b>	<b>134,649</b>	<b>139,055</b>
<b>Total trade receivables - net</b>	<b>134,690</b>	<b>139,099</b>

(Unit: Thousand Baht)

**Financial statements in which  
the equity method is applied /  
Separate financial statements**

Other receivables

	2014	2013
Advances to employees	393	1,682
Interest receivable	4,179	3,089
Other receivables - others	135	324
Total other receivables	4,707	5,095
Trade and other receivables - net	139,397	144,194

## 11. Inventories

(Unit: Thousand Baht)

**Financial statements in which  
the equity method is applied /  
Separate financial statements**

	2014	2013
Finished goods	49,720	37,430
Raw materials	108,069	65,138
Goods in transit	37,244	40,652
Packing materials	16,259	20,195
Factory supplies	15,260	13,258
Total	226,552	176,673

## 12. Investments in associates

### 12.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Financial statements							
		Percentage of share				Financial statements		Separate financial	
		Paid-up capital		holding		in which the equity		statements	
		Carrying amount based		on equity method		method is applied		on equity method	
		2014	2013	2014	2013	2014	2013	2014	2013
		Million	Million	Percent	Percent				
		Baht	Baht						
Tapioca Development Corporation Limited	Manufacture and distribution of modified tapioca starch	50.0	50.0	33.3	33.3	306,717	295,722	54,751	54,751
Asia Tapioca Products Company Limited	Holding company	105.3	105.3	30.0	30.0	33,227	34,240	31,600	31,600
						339,944	329,962	86,351	86,351

All associates were incorporated in Thailand. Asia Tapioca Products Company Limited, an associate, invested USD 3.5 million in Vietnam Tapioca Company Limited, a manufacturer and distributor of tapioca starch incorporated in Vietnam. As a result of this transaction, Asia Tapioca Products Company Limited holds 70 percent of the equity in Vietnam Tapioca Company Limited.

## 12.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in associate companies in the financial statements in which the equity method is applied, and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements	
	Share of profit from investments in associates during the year		Dividend received during the year	
	2014	2013	2014	2013
Tapioca Development Corporation Limited	30,661	40,655	19,666	-
Asia Tapioca Products Company Limited	2,061	2,111	3,160	4,171
Total	32,722	42,766	22,826	4,171

During the current year, Asia Tapioca Products Company Limited received dividend amounting to USD 0.34 million (2013: USD 0.53 million) from Vietnam Tapioca Company Limited and paid dividend amounting to Baht 3.2 million (2013: Baht 4.2 million) to the Company.

The financial statements of Vietnam Tapioca Company Limited were audited by other auditor who expressed unqualified opinion on those financial statements. The financial statements in which the equity method is applied of the Company as at 31 December 2014 included investments in the aforesaid overseas associate accounted for under the equity method amounting to Baht 32.6 million (2013: Baht 32.6 million) and share of profit of the associate for the year then ended of Baht 3.3 million (2013: Baht 3.3 million).

## 12.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit : Million Baht)

Company's name	Total revenues		Total assets		Total liabilities		Profit	
	as at		as at		for the year ended		for the year ended	
	31 December	31 December	31 December	31 December	31 December	31 December	31 December	31 December
	2014	2013	2014	2013	2014	2013	2014	2013
Tapioca Development Corporation Limited	1,027	1,048	113	166	1,230	1,405	92	118
Asia Tapioca Products Company Limited	160	163	2	1	11	16	7	11
Vietnam Tapioca Company Limited (An associate by virtue of indirect shareholding)	153	139	19	5	392	314	16	15

### 13. Other long-term investments

(Unit: Thousand Baht)

Financial statements in which  
the equity method is applied /  
Separate financial statements

#### Investments in held-to-maturity debt securities

	2014	2013
Mature in 2017	71,001	-
Mature in 2018	161,201	-
Mature in 2019	50,780	-
Mature in 2021	111,314	-
	394,296	-

Other long-term investments are invested in debt securities with interest rate at 3.84% to 5.09% per annum.

### 14. Property, plant and equipment

(Unit: Thousand Baht)

Financial statements in which the equity method is applied / Separate financial statements

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
<b>Cost:</b>							
1 January 2013	90,467	258,523	486,478	33,890	4,661	2,885	876,904
Additions	6,940	1,377	7,172	2,576	3,166	9,504	30,735
Disposals	-	(41)	(3,995)	(1,067)	-	-	(5,103)
Transfer in (out)	-	2,333	2,515	66	-	(4,914)	-
31 December 2013	97,407	262,192	492,170	35,465	7,827	7,475	902,536
Additions	21,630	430	12,396	2,902	3,208	56,968	97,534
Disposals	-	(660)	(1,260)	(560)	-	-	(2,480)
Transfer in (out)	-	3,507	400	16	-	(3,923)	-
31 December 2014	119,037	265,469	503,706	37,823	11,035	60,520	997,590
<b>Accumulated depreciation:</b>							
1 January 2013	-	135,329	339,112	29,076	4,195	-	507,712
Depreciation for the year	-	7,196	21,537	2,102	444	-	31,279
Depreciation on disposals	-	(41)	(3,995)	(1,067)	-	-	(5,103)
31 December 2013	-	142,484	356,654	30,111	4,639	-	533,888
Depreciation for the year	-	7,323	21,476	2,314	888	-	32,001
Depreciation on disposals	-	(660)	(1,260)	(560)	-	-	(2,480)
31 December 2014	-	149,147	376,870	31,865	5,527	-	563,409
<b>Net book value:</b>							
31 December 2013	97,407	119,708	135,516	5,354	3,188	7,475	368,648
31 December 2014	119,037	116,322	126,836	5,958	5,508	60,520	434,181
<b>Depreciation for the year</b>							
2013 (Baht 30.7 million included in manufacturing cost, and the balance in administrative expenses)							31,279
2014 (Baht 30.8 million included in manufacturing cost, and the balance in administrative expenses)							32,001

As at 31 December 2014, the Company had vehicles under finance lease agreements with net book value amounting to Baht 2.2 million (2013: Nil).

As at 31 December 2014, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 283.9 million (2013: Baht 268.4 million).

## 15. Intangible assets - computer software

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Cost	5,100	5,100
Less: Accumulated amortisation	(3,303)	(2,793)
Net book value	1,797	2,307

A reconciliation of the net book value of intangible assets for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Net book value at beginning of year	2,307	2,791
Acquisition of computer software	-	24
Amortisation	(510)	(508)
Net book value at end of year	1,797	2,307

## 16. Trade and other payables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Trade payables - related parties	6,068	10,482
Trade payables - unrelated parties	81,820	71,409
Value added tax payable	4,945	5,446
Withholding tax payable	565	127
Other payables - related parties	13	105
Other payables for plant and equipment	11,213	1,486
Other payables - others	2,101	1,937
Accrued expenses	72,130	68,814
Total trade and other payables	178,855	159,806



## 17. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Liabilities under finance lease agreements	2,832	-
Less : Deferred interest expenses	(676)	-
Total	2,156	-
Less : Portion due within one year	(340)	-
Liabilities under finance lease agreements - net of current portion	1,816	-

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements		
	As at 31 December 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	566	2,266	2,832
Deferred interest expenses	(226)	(450)	(676)
Present value of future minimum lease payments	340	1,816	2,156

## 18. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2014 and 2013 were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Provision for compensation on employees' retirement	48,342	45,249
Provision for long service awards	21,847	21,621
Total	70,189	66,870

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
<b>Defined benefit obligation at beginning of year</b>	45,249	41,276
Current service cost	2,613	2,525
Interest cost	1,282	1,448
Benefits paid during the year	(802)	-
<b>Defined benefit obligation at end of year</b>	<b>48,342</b>	<b>45,249</b>

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Current service cost	3,942	3,809
Interest cost	1,972	2,133
<b>Total expense recognised in profit or loss</b>	<b>5,914</b>	<b>5,942</b>
Line items under which such expenses are included in profit or loss		
Cost of sales	3,692	3,674
Selling and administrative expenses	2,222	2,268

Total cumulative actuarial losses recognised in the other comprehensive income and taken as part of retained earnings of the Company as at 31 December 2014 amounted to Baht 13.2 million (2013: Baht 13.2 million).

Principal actuarial assumptions at the valuation date were as follows:

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
	(% per annum)	(% per annum)
Discount rate	3.5%	3.5%
Future salary increase rate	3% - 6%	3% - 6%
Staff turnover rate (depending on age)	1.9% - 22.9%	1.9% - 22.9%

Amounts of defined benefit obligation for the current and previous four periods are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	Defined benefit obligation	Experience adjustments on the obligation
Year 2014	70,189	-
Year 2013	66,870	-
Year 2012	62,520	11,181
Year 2011	38,633	-
Year 2010	36,160	-

## 19. Share capital

On 27 August 2013, the Extraordinary General Meeting of the Company's shareholders passed a resolution to approve the change of the par value of the Company's shares from Baht 10 per share to Baht 1 per share, resulting in an increase in the number of the Company's shares while the registered and paid up capital of the Company remains unchanged as follows:

	Before the change of the par value	After the change of the par value
Registered capital (Baht)	109,550,000	109,550,000
- Par value (Baht per share)	10	1
- Number of ordinary shares (Share)	10,955,000	109,550,000
Paid up capital (Baht)	95,060,550	95,060,550
- Par value (Baht per share)	10	1
- Number of ordinary shares (Share)	9,506,055	95,060,550

The Company has already registered the change of the par value of the Company's shares with the Ministry of Commerce on 28 August 2013.

## 20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net income, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 21. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Salaries and wages and other employee benefits	296,613	273,386
Depreciation	32,001	31,279
Amortisation expenses	510	508
Rental and service expenses from operating lease agreements	6,337	6,170
Raw materials and consumables used	447,856	393,706
Changes in inventories of finished goods	(12,289)	26,281

## 22. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
<b>Current income tax:</b>		
Current income tax charge	49,364	60,475
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1,130	1,460
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>50,494</b>	<b>61,935</b>

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before tax	286,569	352,111	276,673	313,516
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	57,314	70,422	55,335	62,703
Effects of:				
Non-deductible expenses	122	383	122	383
Additional expense deductions allowed	(398)	(317)	(398)	(317)
Share of profit from investments in associates	(6,544)	(8,553)	-	-
Dividend income from associates	-	-	(4,565)	(834)
Total	(6,820)	(8,487)	(4,841)	(768)
Income tax expenses reported in the statement of comprehensive income	50,494	61,935	50,494	61,935

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position Financial statements in which the equity method is applied / Separate financial statements	
	As at 31 December 2014	As at 31 December 2013
<b>Deferred tax assets</b>		
Provision for long-term employee benefits	14,038	13,374
Others	827	-
Total	14,865	13,374
<b>Deferred tax liabilities</b>		
Accumulated depreciation - Plant and equipment	7,349	430
Others	5,158	-
Total	7,779	5,158

As at 31 December 2014, the total of temporary differences associated with investments in associates for which deferred tax asset has not been recognised, is Baht 1.71 million (2013: Baht 1.76 million).

## 23. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Financial statements in which the equity method is applied		Separate financial statements	
	2014	2013	2014	2013
Profit for the year (Thousand Baht)	236,075	290,176	226,179	251,581
Number of ordinary shares (shares)	95,060,550	95,060,550	95,060,550	95,060,550
Earnings per share (Baht/share)	2.48	3.05	2.38	2.65

## 24. 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 Company is principally engaged in the manufacture and distribution of vermicelli and other food products. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

The revenues from sale of each products are as follows.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
<b>Products</b>		
<b>Domestic sales</b>		
Vermicelli and bean sheet	1,180,727	1,218,562
Rice noodle and rice vermicelli	26,983	15,474
Starch and tapioca pearl product	14,717	14,225
By products and others	5,765	6,373
Total domestic sales	1,228,192	1,254,634
<b>Export Sales</b>		
Vermicelli and bean sheet	43,447	42,408
Rice noodle and rice vermicelli	14,552	394
Starch and tapioca pearl product	173	374
Total export sales	58,172	43,176

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
<b>Domestic and export sales</b>		
Vermicelli and bean sheet	1,224,174	1,260,970
Rice noodle and rice vermicelli	41,535	15,868
Starch and tapioca pearl product	14,890	14,599
By products and others	5,765	6,373
Total domestic and export sales	1,286,364	1,297,810

## 25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 3.47 million (2013: Baht 3.23 million) to the fund.

## 26. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share	
			Before the change of the par value (Baht)	After the change of the par value (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 25 April 2013	71.30	7.5	0.75
Final dividends for 2013	Annual General Meeting of the shareholders on 22 April 2014	83.65	N/A	0.88

## 27. Statements of cash flows

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and at financial institutions with an original maturity of 3 months or less and without restriction.

Cash and cash equivalents as reflected in the statements of cash flows consist of the followings:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied / Separate financial statements	
	2014	2013
Cash and deposits at financial institutions	35,900	48,536
Current investment - Term deposits with financial institutions	219,000	551,000
Total	254,900	599,536
Less: Term deposits at financial institutions with maturity over 3 months	-	(360,000)
Cash and cash equivalents in statements of cash flows	254,900	239,536

## 28. Commitments and contingent liabilities

### 28.1 Investment commitment

As at 31 December 2014 and 2013, the Company was committed to pay uncalled portions of its investment in an associate, approximately of Baht 10.4 million.

### 28.2 Capital commitments

As at 31 December 2014, the Company had capital commitments of approximately Baht 170.26 million (2013: Baht 3.38 million), relating to the construction on improvement of factory buildings.

### 28.3 Operating lease commitments

The Company has entered into several lease agreements in respect of the lease of office building space. The terms of the agreements are generally 3 years. Operating lease agreements are non-cancellable.

Future minimum rentals payments under these non-cancellable leases were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	2014	2013
Payable		
In up to 1 year	6.34	6.27
In over 1 and up to 5 years	1.02	7.17

### 28.4 Purchase of raw material commitments

As at 31 December 2014, the Company had outstanding future payment commitments of approximately USD 3.03 million and Baht 54.26 million (2013: USD 3.86 million and Baht 30.06 million) in respect of agreements to purchase raw materials.

### 28.5 Other commitments

As at 31 December 2014, the Company had commitments of approximately Baht 17.79 million in respect of advertising agreement (2013: Baht 12.05 million).

### 28.6 Guarantees

As at 31 December 2014, there were outstanding bank guarantees issued by the banks on behalf of the Company of approximately Baht 4.02 million to guarantee electricity use (2013: Baht 4.02 million).

## 29. Financial instruments

### 29.1 Financial risk management and policies

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, investments and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit Risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customers base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

### Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions. However, since most of the financial assets bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December 2014					
	Fixed interest rate		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% p.a.)
	within					
	1 year	1 - 5 years				
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	36	-	36	0.25-0.38
Current investment	219	-	-	-	219	1.84-2.70
Trade and other receivables	-	-	-	139	139	
Other long-term investments	-	394	-	-	394	3.84-5.09
	219	394	36	139	788	
<b><u>Financial liabilities</u></b>						
Trade and other payables	-	-	-	179	179	
	-	-	-	179	179	

(Unit: Million Baht)

	As at 31 December 2013					
	Fixed interest rate		Floating interest rate	Non - interest bearing	Total	Effective interest rate  (% p.a.)
	within					
	1 year	1 - 5 years				
<b><u>Financial assets</u></b>						
Cash and cash equivalents	-	-	49	-	49	0.25 - 0.63
Current investment	551	-	-	-	551	2.15 - 3.25
Trade and other receivables	-	-	-	144	144	
	551	-	49	144	744	
<b><u>Financial liabilities</u></b>						
Trade and other payables	-	-	-	160	160	
	-	-	-	160	160	

### Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.



The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollars	0.10	0.11	1.12	-	32.9630	32.8136
Euro	0.47	0.19	-	-	40.0530	45.0217
Chinese Yuan	0.01	0.01	-	-	5.2998	5.4087
Korean Won	-	1.08	-	-	0.0300	0.0310

The Company had no foreign exchange contracts outstanding as at 31 December 2014 and 2013.

## 29.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

## 30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2014, the Company's debt-to-equity ratio was 0.18:1 (2013: 0.19:1).

## 31. Events after the reporting period

On 24 February 2015, the Company's Board of Directors passed a resolution to propose to the meeting of Company's shareholders with respect to the amalgamation of the Company and Thai Wah Starch Public Company Limited for its consideration and approval.

## 32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2015.

# GENERAL INFORMATION AND OTHER KEY INFORMATION

## General Information

### Issuing Company

<b>The Issuing Company</b>	:	Thai Wah Food Products Public Company Limited
<b>Head Office</b>	:	Thai Wah Tower I, 6 <sup>th</sup> - 7 <sup>th</sup> floor, No. 21/10, 21/12A and 21/17A, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
• Telephone	:	66 (0) 2285 0031 and 66 (0) 2285 0315 - 20
• Facsimile	:	66 (0) 2285 0485
<b>1<sup>st</sup> Branch Office</b>	:	No. 2, Moo 1, Banglane-Dontoom Road, Banglane, Banglane, Nakorn Pathom, 73130 Thailand
• Telephone	:	66 (0) 3439 1011 - 4
• Facsimile	:	66 (0) 3439 1015
<b>2<sup>nd</sup> Branch Office</b>	:	No. 173, Moo 1, Khok Sa-at, Mueang Udon Thani, Udon Thani, 41000 Thailand
• Telephone	:	66 (0) 4224-8794 and 66 (0) 4224-8618
• Facsimile	:	66 (0) 4224-8794 and 66 (0) 4224-8618
<b>Type of Major Business</b>	:	Manufacturer and distributor of vermicelli and other food products
<b>Corporate Registration Number</b>	:	0107536000960 (Former : Bor Mor Jor 170)
<b>Website</b>	:	<a href="http://www.twfp.co.th">www.twfp.co.th</a>
<b>Registered Capital</b>	:	Baht 109,550,000
<b>Issued and Paid-up Capital</b>	:	Baht 95,060,550
<b>Divided into Ordinary Shares</b>	:	95,060,550 Shares
<b>Par Value</b>	:	Baht 1

## GENERAL INFORMATION AND OTHER KEY INFORMATION

### Companies in which the Company's Shareholding Exceeds 10 percent

Company	Type of Business	Registered Capital (Baht)	Par Value (Baht/share)	Issued and Paid-up Capital (Baht)	Shareholding Proportion (Direct+ Indirect*) (%)
<b>Tapioca Development Corporation Limited</b> Thai Wah Tower I, 8 <sup>th</sup> floor, No. 21/19, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand Telephone : 66 (0) 2677 4466 Facsimile : 66 (0) 2285 0281	Manufacturer and distributor of modified tapioca starch	50,000,400	100	50,000,400	33.3
<b>Asia Tapioca Products Company Limited</b> Lumpini Tower, 13 <sup>th</sup> floor No. 1168/18, Rama 4 Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand Telephone : 66 (0) 2286 8554 Facsimile : 66 (0) 2286 3468	Holding company	140,000,000	100	105,250,000	30.0

**Remarks :** \* Taking into account only companies in which the Company has shareholding through a subsidiary (exceeding 50 percent)

### References

#### Regulator for Issuing Company:

##### Securities and Exchange Commission (SEC)

Securities and Exchange Commission Building,

No. 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand

Telephone : 66 (0) 2695 9999 Facsimile : 66 (0) 2695 9660

SEC Help Center : 66 (0) 2263 6000 Email : info@sec.or.th Website : www.sec.or.th

#### Regulator for Listed Company:

##### The Stock Exchange of Thailand (SET)

The Stock Exchange of Thailand Building,

No. 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Telephone : 66 (0) 2229 2000 Facsimile : 66 (0) 2654 5607- 8

SET Call Center : 66 (0) 2229 2222 Email : SETCallCenter@set.or.th Website : www.set.or.th

## GENERAL INFORMATION AND OTHER KEY INFORMATION

### Registrar:

#### Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building,

No. 62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Telephone : 66 (0) 2229 2800 Facsimile : 66 (0) 2654 5427

TSD Call Center : 66 (0) 2229 2888 Email : TSDCallCenter@set.or.th Website : www.tsd.co.th

### Auditor:

#### EY Office Limited by

Mr. Sophon Permsirivallop,

Certified Public Accountant No. 3182 and/or

Ms. Pimjai Manikajohnkit

Certified Public Accountant No. 4521 and/or

Ms. Rosaporn Decharkom

Certified Public Accountant. No. 5659 and/or

Mr. Chayapol Supasedtanon

Certified Public Accountant No. 3972 and/or

Ms. Sumana Punpongsanon

Certified Public Accountant No. 5872

Lake Rajada Office Complex, 33<sup>rd</sup> floor,

No. 193/136 - 137 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Telephone : 66 (0) 2264 0777 Facsimile : 66 (0) 2264 0789 - 90

### Legal Counselor:

#### Allen & Overy (Thailand) Co., Ltd.

Sindhorn Tower III, 22<sup>nd</sup> floor,

No. 130 - 132 Wireless Road, Lumpini, Patumwan, Bangkok 10330, Thailand

Telephone : 66 (0) 2263 7600 Facsimile : 66 (0) 2263 7699

### Financial Advisor:

- None -

### Financial Institutions:

Bangkok Bank Public Company Limited, Head Office

Bangkok Bank Public Company Limited, Silom Branch

Bangkok Bank Public Company Limited, Banglane Branch

United Overseas Bank (Thai) Public Company Limited, Thai Wah Tower Branch

Citibank, N.A. Bangkok branch

TISCO Bank Public Company Limited, Head Office

The Siam Commercial Bank Public Company Limited, Thanon Sathorn Branch

The Siam Commercial Bank Public Company Limited, Bang Len (Nakhon Pathom) Branch

### Other Key Information

-None-

Additional information of the issuing company is available in the Form 56-1 which has been disclosed in the Company's website (www.twfp.co.th).



เพราะเราเชื่อว่าคุณภาพที่ดี  
ต้องพัฒนาไม่มีวันหยุด









**Thai Wah Food Products Public Company Limited**

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