



THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED

บริษัท ไทย แคปปิตอล คอร์ปอเรชั่น จำกัด (มหาชน)



รายงานประจำปี
ANNUAL REPORT

2559

Vision:

- ***Strive for the country's top five companies in Coal Trading business***
- ***Continuously seek new business opportunities which shall bring forth long-term and sustainable growth***

Strategies:

- ***Maintaining excellent relationships with existing customers***
- ***Penetrating new market***
- ***Continually improving internal controls***
- ***Setting out strategic investment plan and policy for opportunities to expand its business.***



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"The Investors can find more information of the Company via www.set.or.th or
www.thaicapital.co.th"

General Information

Company Name	:	Thai Capital Corporation Public Company Limited
Registered No.	:	0107537001226
Type of Business	:	Holding Company which is operating mainly in the investment operation and owning other companies shares
Address of Head Office	:	87/2 CRC Tower 45th Floor, All Season Place, Wireless Road, Lumpini, Phatumwan, Bangkok, 10330
Telephone	:	0-2685-3600
Fax	:	0-2685-3607
Website	:	http://www.thaicapital.co.th/
E-mail Address	:	info@thaicapital.co.th

Registered Capital and Paid-up Capital as at December 31, 2016:

Registered Capital	905,146,410.50	Baht
Divided into Ordinary Shares	1,810,292,821	Shares
Par Value	0.50	Baht
Paid-up Capital	639,708,032.50	Baht
Divided into Ordinary Shares	1,279,416,065	Share
Par Value	0.50	Baht

Information of legal entities that the Company holds more than 10 percent of their shares sold

1) Company Name	:	Theco Sales Company Limited
Registered No.	:	0105536114441
Type of Business	:	Sales of spare parts of air conditioner, cooler and heater for all types of vehicle, home, building, including other types of heater and cooler. According to the resolution of the Board of Directors' Meeting of TCC No. 7/2008, approval was granted in cancellation of the air conditioning related business of TCC, Consequently, TCS the subsidiary of TCC who operated the air conditioning business together with TCC, was also to cease its operation and, hence, business
Address of Head Office	:	87/2 CRC Tower 45th Floor, All Season Place, Wireless Road, Lumpini, Phatumwan, Bangkok, 10330
Telephone	:	0-2685-3606
Fax	:	0-2685-3607
Holding (%)	:	99.99%
2) Company Name	:	Thai Capital Corporation Company Limited (Guangzhou)
Registered No.	:	440101400110719
Type of Business	:	Consultant about Coal
Address of Head Office	:	Room 1907-1908, No 167 Linhe West Road, Tianhe District, Guangzhou, China, 510610
Holding (%)	:	100%

3) Company Name : **P.T. Thai Capital Indo Mining Company Limited**
 Registered No. : 09.03.1.46.81919
 Type of Business : Sale of solid fuel, liquid fuel, gas and relevance products
 Address of Head Office : 49th Floor, Equity Tower, JL JEND Sudirman KAV
 52-53, SCBD, 12190, Jakarta, Indonesia
 Holding (%) : 99.83%

4) Company Name : **TCC Energy Company Limited**
 Registered No. : 0105559052662
 Type of Business : Import and Distribute Coal and Steel
 Address of Head Office : 87/2 CRC Tower, All Season Place 45th Floor, Unit 2,
 Wireless Road, Lumpini, Patumwan, Bangkok, 10330
 Telephone : 0-2685-3606
 Fax : 0-2685-3607
 Holding (%) : 100%

5) Company Name : **TCC Asset Management Company Limited**
 Registered No. : 0105559052654
 Type of Business : Asset Management
 Address of Head Office : 87/2 CRC Tower, All Season Place 45th Floor, Unit 2,
 Wireless Road, Lumpini, Patumwan, Bangkok, 10330
 Telephone : 0-2685-3606
 Fax : 0-2685-3607
 Holding (%) : 100%

6) Company Name : **NYC – Thai BD Company Limited**
 Registered No. : 0105555043308
 Type of Business : Import and Distribute Ice cream under the
 trademark “Emack and Bolio’s”
 Address of Head Office : 111 S.K.V. Building, 8th Floor, Soi Saen Sabai, Sukhumvit
 36 Road, Klongton, Klongtoey, Bangkok 10110
 Telephone : 0-2259-1193
 Fax : 0-2259-1197
 Holding (%) : 100%

Reference Persons

Securities Registrar : **Thailand Securities Depository Company Limited**
 The Stock Exchange of Thailand Building No. 93
 Ratchadaphisek Road, Dindaeng, Bangkok 10400
 Telephone : 0-2009-9000
 Fax : 0-2009-9991

Auditor : **Siam Truth Audit Company Limited**
 100/71, 22th Floor, Vongvanij B Building,
 Rama 9 Road, Huai Khwang, Bangkok 10310
 Telephone : 02-645-0065

Message from the Chairman

To The Shareholders of Thai Capital Corporation Public Company Limited

2016 was another year Thai Capital Corporation Public Company Limited ("the Company") went through a significant change as the Company restructured itself to become a holding company. The Company transferred coal business to TCC Energy Co., Ltd., a new established subsidiary. In addition the Company purchased shares of NYC – Thai BD Co., Ltd. which operates import and distribution of ice cream under the trademark “**Emack and Bolio’s**” and is the sole distributor of such brand in Thailand. The Company also established TCC Asset Management Co., Ltd. to operate asset management business. Such changes were resulted from the Company's vision to diversify itself and to invest in the new profitable business in order to ultimately generate revenue, profit and sustainable growth in the future.

After the business re-structuring, the Company shall hold total shares of newly incorporated company and the shareholders’ structure on the Company shall not change.

The performance in the year 2016, the Company had revenue of sale coal and steel totaled 1,058.68 Million Baht and had revenue of sale from ice cream business totaled 13.59 Million Baht. Net profit of the Company decreased from previous year mainly due to fierce competition of coal business including during on re-structure organization of ice cream business after purchasing shares on May 2016 to be consistent with business plan . For the business plan in 2017, the Company will commit to develop our products and services to be efficiency and looking for the opportunities for investment into the new business to make sustainable revenue and profit in the future under knowledge and full capacity of employee, executive, and the Directors.

Lastly, on behalf of the Board of Directors of Thai Capital Corporation Public Company Limited, I hereby thank all our shareholders, business partners, financial institution, related public and private organizations, the customers who have provided the Company with great support.

Yours sincerely,



(Mr. Munsin Chaivikrai)
Chairman

Financial Highlights

		Unit	2016	2015	2014
Results of Operations					
	Revenue from Sales	Million Baht	1,072.28	1,160.15	1,593.21
	Total Revenue	Million Baht	1,090.89	1,172.35	1,604.48
	Margin	Million Baht	153.03	145.50	198.35
	Profit (Loss) for the year	Million Baht	8.42	20.58	28.20
	Comprehensive Income for the year	Million Baht	9.57	21.09	24.11
Financial Status					
	Current Assets	Million Baht	692.98	750.60	659.25
	Total Assets	Million Baht	916.21	1,017.32	932.52
	Total Liabilities	Million Baht	56.11	64.45	64.25
	Shareholders' Equity	Million Baht	860.10	952.87	868.27
Ratio Analysis					
	Current Ratio	Times	12.85	12.17	10.63
	Debt to Equity Ratio	Times	0.06	0.06	0.07
	Gross Profit (Loss) Margin Ratio	Percentage	14.27	12.54	12.45
	Net Profit (Loss) Margin Ratio	Percentage	0.79	1.77	1.77
	Return On Equity : ROE	Percentage	0.93	2.26	3.32
	Return On Asset : ROA	Percentage	0.87	2.11	2.96

Policy and Business Overview

Thai Capital Corporation Public Company Limited ("the Company") (formerly known as "Thai Heat Exchange Public Company Limited") has established a limited company under the name Thai Heat Exchange company Limited in 1972 with the registered capital of 1 million Baht. The objective of the Company was to manufacture and distribute automotive air conditioning parts as a substitution for imported products. The Company continued to operate and invested in joint ventures with other parties doing related businesses both domestically and abroad. It was listed on the Stock Exchange of Thailand in 1991.

The Company's business was affected by the economic crisis in Thailand in 1998. It filed for restructuring with the bankruptcy court in 2000, sold investments in various businesses, and undergoing debt restructuring for many times. In March, 2006 the Bankruptcy Court issued an order approving the revised rehabilitation plan. The Company received capital from a new group of shareholders which was used to repay debts to the financial institutions, redeemed of the collateral, and exited the rehabilitation process in July 2006. Afterwards, there was a change in directors and management by new investors.

Due to fluctuations in the price of copper pipe, main raw material, together with a decreasing trend of ordering parts for automotive air conditioners decreased due to the technology change, the Company cannot cope with the market demand. The company therefore started to expand its business, beginning with buying shares Burapa Steel Industry Co., Ltd. (BRP) in 2006.

However, the volatility of steel prices and limitation in the amount of working capital led to a loss in 2007, which did not go as anticipated. Meanwhile, the Company had a plan to invest in coal trading business, which was considered a potential business and was more profitable than steel business, with the similar amount investments. The Board of Directors resolved to do coal business in early 2008 and sold all investment in BRP, resulted in

BRP no longer be a subsidiary ever since. In 2007, the Company had its name changed to **"Thai Capital Corporation Public Company Limited"**.

In the year 2016 the Company restructured itself to become a holding company operating mainly in the investment operation and owning other companies shares and transferred the coal business to TCC Energy Co., Ltd., it's subsidiary. The Company has the policy to invest in other business where performance to growth has, can make the good benefit for the add value in the future for the long term. In the present the company invests in 3 core business: Energy (Coal and Steel), food and beverage (ice cream) and asset management business.

Major Changes and Developments

The summary of major changes and developments in the past 3 years are as follow;

Year 2014

- TCC-W1 of 398,957 units remained after the final exercise date on October 30, 2014 which expired, and also duly ceased to be considered as listed securities from October 31, 2014.
- The Company improved operating results from net loss of Baht 52.85 Million in the year 2013 to net profit of Baht 27.77 Million in the year 2014, increasing from previous year of Baht 80.62 Million or 152.54% due to adjustments in Company's marketing strategies and continuous improvement of its internal control.

Year 2015

- The Board of Director Meeting No. 1/2015 held on January 19, 2015 resolved to appoint Mr. Boon-anant Srikhao Managing Director with the effective date on January 20, 2015.

- Notification about resignation of Mr. Chalit Limpanavech as the Independent Director and Chairman of the Audit Committee on April 30, 2015
- The Board of Director Meeting No. 6/2015 held on August 13, 2015 resolved to appoint Mr. Songyos Noppaprach as to Independent Director and Member of the Audit Committee with the effective date on August 14, 2015.
- The Board of Director Meeting No. 7/2015 held on November 13, 2015 resolved to establish an Investment Committee with the main objective to consider and opine on the Company's investments.
- Notification about resignation of Mr. Chaipat Sahasakul and Ms. Nataya Ouivirach as the Independent Directors and Members of the Sub-Committees on December 9, 2015

Year 2016

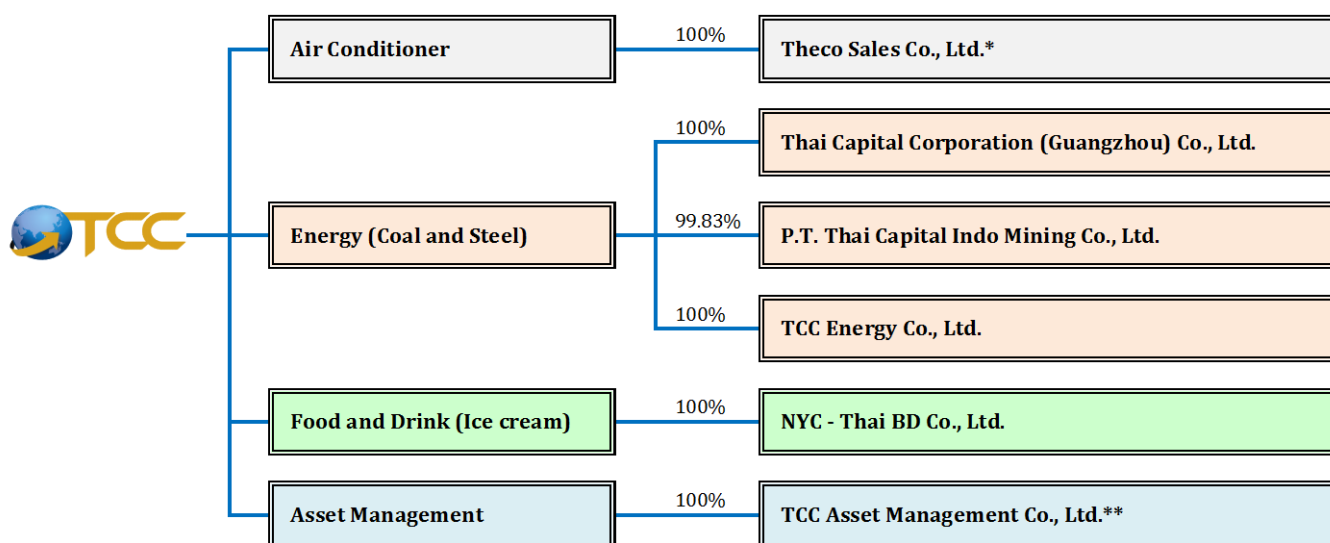
- The Board of Director Meeting No. 1/2016 held on January 7, 2016 resolved to appoint Mr. Chirdsak Kukiattinun as to Independent Director and Chairman of the Audit Committee, the effective date on January 7, 2016.
- The Board of Director Meeting No. 2/2016 held on February 19, 2016 resolved to establish subsidiary companies as following TCC Energy Co., Ltd. and TCC Asset Management Co., Ltd. with the registered capital of Baht 300 Million and Baht 25 Million respectively, the Company will hold 100% of the shares.
- The Board of Director Meeting No. 3/2016 held on March 16, 2016 resolved to appoint Mr. Thanakorn Wangpipatwong as to Independent Director and Member of the Audit Committee, the effective date on March 17, 2016.
- The Annual General Shareholders Meeting for the year 2016 held on March 30, 2016 resolved to the important subject as below;
 - Allocated the profit from 2015 performance for legal reserve in the amount of Baht 1,009,437.94 and to approved dividend payment from the year 2015 performance and retained earnings at Baht 0.08 per share totaling Baht 102,351,900.24.
 - Approved the number of directors from 8 persons to 9 persons and appointment Mr. Kamphol Patananukul as a new director.
 - Approved the decrease of capital from Baht 881,486,633.50 to Baht 880,758,554.50 by decrease of registered capital of un-subscription shares what reserved for the exercise of right warrants TCC-W1 at 1,456,158 shares, ordinary shares with a par value of Baht 0.50.
 - Approved the increase of registered capital from Baht 880,758,554.50 to Baht 905,146,410.50 by issuing the new ordinary shares 48,775,712 shares for reserved the right adjustment of convertible warrants TCC-W3 and TCC-W4 ordinary shares with a par value of Baht 0.50.
 - Approved the new ordinary shares from the increase of the Company's capital not over 7,470,310 shares and 41,305,402 shares with a par value of Baht 0.50 to reserve for the right adjustment of TCC-W3 and TCC-W4 respectively.
- The Board of Director Meeting No. 5/2016 held on May 24, 2016 resolved to purchase shares of NYC – Thai BD Co., Ltd. which is import and distribute ice cream under the trademark “Emack and Bolio’s” and resolved to increase the registered capital from Baht 4 Million to Baht 20 Million with a par value of Baht 10.
- Notification about resignation of Mr. Chirdsak Kukiattinun as the Independent Director and Chairman of the Audit Committee on May 31, 2016
- The Board of Director Meeting No. 6/2016 held on August 11, 2016 resolved to appointment Ms. Phawinee Treekanjananan as to Company Secretary, replace to Mr. Kamphol Patanan-anukul.
- The Board of Director Meeting No. 8/2016 held on November 24, 2016

resolved to appointment Mr. Vasu Siriyong as to Independent Director and Member of the Audit Committee and appointment Mr. Thanakorn Wangpipatwong as to Independent Director and Chairman of the Audit Committee, the effective date on November 25, 2016.

- Notification about restructured the business operation to holding company and has TCC Energy Co., Ltd. is a core company.

The Company's Group Structure

As at December 31, 2016 the Company has 3 subsidiaries, in which the Company directly holds a stake of more than 50 percent of the paid-up capital as follows.



Remark :

* Ceased operations following the resolution of the Board of Directors Meeting No. 7/2008

** Received the License for Asset Management Business from Bank of Thailand on February 7, 2017.

Business entity of the Company and its Subsidiaries

The Company mainly operates investment business and has the policy for separate the subsidiaries operation by type of business as following; energy business, food and drink business and asset management business. The Company appointed the Company's executives as to the directors of the subsidiary companies to define Company's mission, vision, and business strategies that could maximize the profitability of each business unit.

Relationship with the Major Shareholder.

The Company's group sells coal and ice cream to Far East Knitting and Spinning Co., Ltd. and You & I Group Co., Ltd. respectively, the both company have the major shareholder is "Chaivikrai Group" which is also the major shareholder of the Company that transactions were for the normal business operation of the Company and applied normal commercial terms in the same fashion as what ought to be done by a reasonable person in the similar situation, and were done on an arm's length basis. There was no transfer of benefits between the company and individuals with potential conflict of interest. (Details are shown in the chapter. "Connected Transactions").

Nature of Business

Structure of Revenue

Line Business	Management by	Holding (%)	2014		2015		2016	
			Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sale coal and steel	TCC, TCCE	100	1,593.21	100	1,160.15	100	1,058.68	98.73
Revenue from sale ice-cream	NYC	100	-	-	-	-	13.59	1.27
Total			1,593.21	100	1,160.15	100	1,072.27	100

In 2016 the Company has a total revenue from sale of Baht 1,072.27 Million, dividing into revenue from sale coal and steel of Baht 1,058.68 Million and ice-cream of Baht 13.59 Million, the revenue from sale decrease of 7.57% as compared to the same period of 2015 which has revenue from sale of Baht 1,160.15 Million because the competition is very high.

1. Energy Business (Coal and Steel)

Type of Product or Service

Coal is a kind of combustible sedimentary rock, comprising the main component that is carbon compound of not less than 50% by weight or 70% by quantity. Coal begins from naturally changing in the plant matters decomposing and accumulating in the basin or swamp for hundred million years ago. At the time the crust of the Earth changes such as earthquake, erupting volcano, or more accumulating sediment. The sedimentary deposits therefore are more affected by pressure and heat under the World. This humus becomes the various kinds of coals.

The nature of coals will be hard substance without unique forms of crystal. Generally, they come in dark tones from brown to jet-black colors. With the properties of Coal can ignite, the mainly utilized as fuel for industries and electricity production.

Coals can be categorized into various classifications. The more popular system of classifications is the classification, The American Society for Testing Materials (ASTM) defines the property values for coals as criteria for coal classifications such as Anthracite, Bituminous, Sub-bituminous and Lignite. The general properties of coal ranking the high level are the high quantity of carbon, high-heating, and low hydrogen and oxygen. Meanwhile the coal ranking the low level is of the low quantity of carbon, but high hydrogen and oxygen. Each level is subdivided according to the different chemical properties and Calorific Value.



Anthracite



Bituminous



Sub-bituminous



Lignite

The table for compare the quality of each type of coal

Type of coal	Calorific Value (Kcal / Kg)	Moisture (%)	Ash (%)	Sulfur (%)
Anthracite	6,500-8,000	5-8	5-12	0.1-1.0
Bituminous	5,500-6,500	8-15	1-12	0.1-1.5
Sub-bituminous	4,500-5,500	24-30	1-20	0.1-1.5
Lignite	3,000-4,000	30-38	15-20	2.0-5.0

Types of coal can be summarized as follows;

- 1) **Anthracite** is a type of coal classified in the highest rank and deemed as the best quality coal. It's shining, black, and flashing. The carbon content of anthracite is up to 90% or more. Its humidity is much low and the Calorific Value is high. This type is hard-combustible and less smoking. Anthracite usually is used to be fuel source in order to generate the household heat, and in glass industry, chemical industry, etc.
- 2) **Bituminous** is black and shiny with the carbon content of approximately 80-90 percent. Bituminous is appropriate for use as a substituted product for fuel oil in the boilers of many types of industrial factories for instance, food manufacturers and paper manufacturers.
- 3) **Sub-Bituminous** is dark-brown to black coal. Its matter is wax-like soft, not very solid. The carbon content of sub-bituminous is around 71-77%, but low sulfur. This type of coal is almost used as fuel for electricity production or industries.
- 4) **Lignite**, a type of coal with little plant remains, is dark-brown to black coal. The carbon quantity is rather low, and the sulfur is high. The humidity is up to 30-70%. Lignite almost is used as fuel and regarded the low-quality coal.

Type of coals which company distributes are Bituminous/Sub-Bituminous, as non-sized coal (0-50 mm), dust (0-5 mm and 0-10 mm) and nut (10-25 mm and 25-50 mm). Bituminous coal has Calorific value is high, moisture, ash and sulfur are low, so has the pollution environment much low, The industry is turning to coal as a replacement fuel.

Coal is utilized rather widely from several hundred years to the present due to its sources spread aboard the World and is of the large quantity. Coal utilization was very popular after the Industrial Revolution in English. In 1973, much more popular than before, the oil price shock occurred and resulted in the coal was more used as fuel instead of oil, both for electricity production and industries. Coal is regarded as the power source inferior to the petroleum oil and natural gas. The countries possessing the coal source should be deemed that they are highly stable in energy such Indonesia, Russia, China, Germany, and Australia, etc.

Coal is mainly utilized as fuel for electricity production and industries such as steel, cement, lime, and others. It will be less investment than the direct electricity usage. In general, it will be fuel for activities such as water boiling to send the steam to spin the turbine of electricity production or sent the steam to bake such as rubber baking or wood baking, etc.

Other than the direct combustion, the coal can be converted to be other fuel forms through the coal liquefaction or coal gasification. Coal is utilized as clean fuel in order to reduce the pollution from utilizing the coal as fuel. Under the coal conversion process, acidic or toxic gas can be separated. By-product substances obtained from coal can be utilized in other ways such as sulfur used for sulfuric acid and gypsum production, ammonia used as fertilizer for agriculture, coal ash used for building material production, etc.

Marketing and Competition

Marketing Policy

The Company values the importance of maintaining its quality standard of products and services, continues to build good relationship with its customers and maintains its existing customer base. Meanwhile the Company continually adjusts its marketing policy to cope with the market conditions in order to boost its sale up.

Distribution and distribution channels

Customer group targets of the Company are domestic customers using bituminous coal for energy production. It consists of industrial plants ranging from small to large industrial plants such as cement, paper, food, textile industry etc. The distribution coal is direct sale, the Company must to import large coal for screen sizing of coal according to each customer's requirements.

Industrial and Competitive Condition

Domestic coal business has continued to expand for a period of time. Currently, there are approximately 20 operators of domestic coal business. The competition is high, especially in term of pricing. However, for the large industrial enterprises, the purchase is done in large quantities and continual. Coal business operators must maintain sufficient amount of coal inventory to meet the volume and continuity as per these customers' requirement and therefore, requires sufficient funds and a storage facility which could be a major drawback of small coal business operators. The Company currently has 2 warehouses with the

capacity to store over 200,000 tons of coal in total and a capacity of 3,000 tons production per day, and adequate funds to invest. Thus, the Company is deemed to have the potential to compete well in the market.

Uses of Coals in Thailand and Trends in the Future

The Energy Policy and Planning office (EPPO), Ministry of Energy disclosed that in 2016, domestic coal consumption uses lignite and import coal was approximately 38.75 Million Tons, an increase of 4.5% as compare with the same period 2015 at 37.08 Million Tons, In 2016 use total import coal 21.77 Million Tons, a decrease of 0.73% as compare with the same period 2015 at 21.93 Million Tons. The most import coal of 53% are used in electricity generation, the rest of 47% are used in various industries such as cement, paper, food etc.

For the progress of building the power plant at Krabi according to the framework for power development plan of Thailand for the year 2015-2036 ("2015 PDP") must to delay because the command of Gen. Prayut Chan-ocha, Prime Minister on February 21, 2017 assigned the relevant agencies to re-study and carry the Environmental Impact Assessment (EIA) and Environmental Health Impact Assessment (EHIA) which focusing on the people involved in decision making. Furthermore has command to adjust the PDP2015 from the delaying of building the power plant, increase the renewable energy of 40%.

From that situation, expected that in 2017, the coal consumption for using in domestic electricity generation will be unchanged significance.

Coal/Lignite Sourcing (Domestic / Import)

Unit : Thousand Tons

	2012	2013	2014	2015	2016
Mea Moh (EGAT)	16,590	17,072	17,079	14,588	16,450
Other	1,476	1,039	901	563	529
Total - Domestic	18,066	18,111	17,980	15,151	16,979
Import	18,404	17,328	20,881	21,932	21,772
Total (Domestic and Import)	36,470	35,439	38,861	37,083	38,751

Source : Energy Policy and Planning Office (EPPO), Ministry of Energy

Coal/Lignite Usage

Unit : Thousand Tons

	2012	2013	2014	2015	2016
Electricity Generation	9,005.8	9,048.1	9,521.2	8,658.4	9,338
Industry	7,400.8	6,797.5	8,375.7	8,908.1	8,402
Total	16,406.5	15,845.6	17,896.9	17,566.5	17,740

Source : Energy Policy and Planning Office (EPPO), Ministry of Energy

Coal / Lignite Import (Volume and Amount)

	2012	2013	2014	2015	2016
Import Volume (Million Tonnes)	18,614.1	18,030.4	20,932.8	21,932.0	21,772.1
Import Amount (Million Baht)	46,702.3	41,732.3	47,947.3	45,318.4	42,173.6

Source : Energy Policy and Planning Office (EPPO), Ministry of Energy

Sourcing of Products

Currently, most of the company's coal supply comes from mines in Indonesia. Because Indonesia has a lot of coal resources which has quality according to customer's requirement. Furthermore when considering the cost of transportation from the source to customers is worth. Most of all the Company import bituminous coal because that correspond to customer's demand.

For supply the coal from other mines, the Company will be survey quality from each mines and has assign the agencies who have proficiency and knowledge for inspection including carbon, moisture, ashes and sulphur including the inventory of each mines. If the result of inspection pass the criteria set by the Company, the Company will be make an order contract with that distributor.

The Company currently has 2 warehouses with the capacity to store over 200,000 tons of coal in total and a capacity of 3,000 tons production per day. In order to for make confidence to customer that the company has enough inventory for delivery to customers on condition and on time.

The process of import is as follows.

- Selection of coal mines and coal suppliers that are reliable and inspects the quality of products according to the market demand.
- Coal is transported by ocean vessels to Thailand and will legitimately pass legal procedures and customs clearance.
- Partial volume of imported coal will be shipped to the customer directly, and some will be stored in warehouses for sorting coal sizes to meet customers' needs.
- The coal will be delivered to customers according to the customers' requirements, using a truck as a vehicle to transport.

Environmental impact

Coal sourcing process includes inbound transportation, sizing, piling, of which is the impact controlling is as follows:

- In the process of inbound transportation which includes maritime and river transportation, the Company chooses the reliable and high quality service providers. While transporting, coal is entirely covered. In addition, the Company liaises with the service providers to set out the measures to ensure minimum effect of coal flowed into the sea or river.
- In the process of sizing and piling, the Company has built the shelter covering the sizing machines and grown trees along the ridge surrounding the manufacturing area to detect noise and dust from leaking outside. For the coal piled outside the building, the Company covers the coal with a canvas or slan and uses water sprinkle system to prevent dust from spreading. And in order to prevent water pollution, the Company has built a pond and ditches around sizing plant and warehouse to prevent water contaminated by coal from flowing directly outward.

2. Food and Beverage Business (Ice-cream)



Type of Product or Service

“**Emack and Bolio’s**” is a brand of premium ice-cream, established in Boston, Massachusetts, USA. By Mr. Robert Rooke in the year 1975. The company has been licensed to opened the first branch in Thailand at 2014. The prominent point of product is an ice cream super premium. It offers little water and air inside the ice-cream so its taste is creamy and intense. In addition there are various sorts of ingredients into ice cream to make the ice cream more special. The main products are ice cream & yogurt, hot fudge sauce, smoothies, ice cream pizzas and ice cream cake etc.

Marketing and Competition

Marketing Policy

The Company has the strategies sale and marketing as follow;

- Service with good product and develop new product and menu continually
- Provide the best service to customers with the highest satisfaction.
- Open the branch in shopping center, business centers and community centers.
- Provide promotion activity continually for make the memorability in the brand to customer.
- Public the information via various medias which are match with the target customers continually.

Distribution and distribution channels

The distribution channel dividing into 2 main channels as follow;

- Retail via shop (branch)

The target customers for retail channels mostly are Thai customers between 12-35 years old, have the revenue at level B+ above including the foreign tourists. Most locations are located in shopping centers, business centers, and community centers. Customers who come to buy ice cream via shop can eat ice cream in the shop (Dine in) and take home. Currently, there are 6 branches as follow; Central World, Nichada Thani, EmQuartier, Central Ladprao, Siam Center and Central Westgate

- Wholesale via business to business (B2B) and event

The target customers for wholesale channels are mostly Premium Buffet, Fine Dining and Bakery and Café in shopping center, the restaurant in the hotel and community mall. The target customer are the family and working age, have the revenue earning at B+ above who have behaviour eat ice cream after have meal at the restaurant.

Industrial and Competitive Condition

The mostly weather of Thailand are hot and the competitive of business and the customer changed their behaviour to eat ice cream according to their needs or opportunities and various reasons such as personal favorite, meeting, relax or dessert after have meal. For reasons above make to ice cream do not dessert eat in the summer only. And from survey by Kasikorn Research Center Co., Ltd. founded that the consumption rate of ice cream average at 1.7 liter/person/year, That is very small proportion as compare with other countries, that have opportunities to growth in this business in Thailand. The market share of premium ice cream mostly are Swensen's and Häagen-Dazs.

Sourcing of Products

The Company import ice cream from USA of 100%. The other ingredient for topping order pass domestic distributor.

3. Asset Management Business

The asset management was operated by TCC Asset Management Co., Ltd. ("TCCAM"), established on March 28, 2016 with registered capital of Baht 25 Million, now fully-paid. The Company hold the shares of 100% of paid-up capital. In 2016 the company has not operated this business because it is in the process of applying for a business license from the Bank of Thailand.

Risk Factors

1. Operational Risks in Energy Business (Coal)

➤ Risks from variability of the coal price

Major cost components of the Company are coal and freight, which may fluctuate according to certain factors being volatility of oil prices, and demand and supply. To mitigate such risk, the Company enters into forward contracts for partial sale and purchase of coal and regularly keeps track of directions or trends of coal prices in the world market.

➤ The risk of importing coal from Indonesia

The import coal from Indonesia, there may be risks regarding unstable quality and quantity, which are typical risks for this business. The Company manages such risks by building good relationship with the suppliers in Indonesia.

➤ Environmental risk

Due to the fact that the Company operates sourcing and distribution of coal where the related processes may lead to certain environmental risks. The Company implements certain measures to mitigate such risks and explained in the section of Corporate Governance.

2. Operational Risks in Food and Beverage Business (Ice-cream)

➤ Risk from cannot find the location for open the new branch

In the present, there are an increasing number of new entrepreneurs entering in the food and beverage industry, as a result has a highly competitive business. The opening of new branches in an advantageous and potential location is the main factor that will drive the Company to grow continuously. The impact of the competition is quite high, making it difficult to find space for opening a store or branch. The

Company may be having the risk of finding locations for open the new branch or can open but cannot achieve sales target or not worth the investment.

However, the Company has the policy for opening the new branches for analyst the feasibility of investment and return on investment in each area to be consistent with the economic conditions, demand of customer in the present including has the team to following the performance of each branch closely to acknowledge the problems and obstacles in the operation and take the information to adjust the business plan in accordance with the situation and make decision to open other branches.

➤ Risk from failure to find leased space and to renew the leased space under a condition deemed appropriate by the Company

The choosing location in the form of renting space for new potential stores and in areas where have target customers group is in the part of factor that will drive the Company to grow continuously, most of the lease agreements offer a lease term of three years at a time. From an increasing number of new entrepreneurs entering in the food and beverage industry, as a result has a highly competitive business. Failure to renew the lease agreement may affect the Company's operation.

However the Company has had a warm and long-lasting relationship with the lessors. Together with its excellent rent payment track record, its compliance with the lease agreements, the fact that it has never had problem with the lessors and that it has the lease agreements renewed all the time.

➤ **Risk from the shortage operational employees**

The Company's business is a service business which heavily relies upon people as its driving force. Therefore, failure to recruit new staff to accommodate expansion or to replace resigning staff in a timely fashion will materially affect the Company's service and operation. For to close the risk from the shortage operational employees, the Company has the policy of mitigating such risks, take care the employee of all level, Capable staffs are given a chance to rise along their career in the future and takes a great care by giving employees fair remunerations and welfare.

3. Financial Risks

➤ **Risk from fluctuation of exchange rate**

In the event that the Company uses foreign currency (US Dollars) to pay for Coal and freight, while the Company's sales are domestic and quoted in Baht, the Company is exposed to fluctuation of exchange rate if Baht depreciates which would lead to higher import costs. However the Company mitigated such risk by buying Forward Contract.

➤ **Risk from interest rate**

Currently, the company has used credit facilities from financial institutions so the Company may has risk from the fluctuations interest rate in the future, it will be affect the operations and cash flow of the Company. However the Company has managed the risk from interest rate to low level by follow the trend of interest rate of world and domestic in the present and future continually.

➤ **Risk from uncollectible accounts receivable (credit risk)**

Some customers of the Company may encounter liquidity problems which may have an impact on their settlement. In order to mitigate the risk, the Company implements robust internal control over customer selection process and accounts receivable management.

Securities and Shareholders

1. Registered Capital and Paid-up Capital :

Registered Capital and Paid-up Capital as at December 31, 2016 as follow:

Registered Capital	905,146,410.50	Baht
Divided into Ordinary Shares	1,810,292,821	Share
Paid-up Capital	639,708,032.50	Baht
Divided into Ordinary Shares	1,279,416,065	Share
Par Value	0.50	Baht

The Company has not other types of shares with rights or conditions different from the ordinary shares.

Security in Focus

Symbol of Security	TCC
Market	Stock Exchange of Thailand (SET)
Industry	Resources
Sector	Energy & Utilities

2. Shareholders

First top ten major shareholders as at December 31, 2016

No.	Shareholders' Name	No. of Ordinary Shares	% of Total Shares
1	Chaivikrai Family		
1.1	Ms. Yupin Chaivikrai	161,641,758	12.63
1.2	Ms. Pornpin Chaivikrai	94,000,059	7.35
1.3	Ms. Sopin Chaivikrai	71,385,648	5.58
	Total amount of Chaivikrai Family	327,027,465	25.56
2	DNA 2002 Public Company Limited*	100,000,000	7.82
3	Ms. Supattra Thanabatchai	63,600,042	4.97
4	Ms. Thanagorn Riwongsanuphap	62,524,000	4.89
5	Ms. Natsuree Lertchairat	62,300,000	4.87
6	Ms. Vilai Charoenvitoo	60,840,000	4.76
7	Mr. Rachaitossawan Laothavornwong	60,500,000	4.73
8	Ms. Supanee Chaikulwattana	55,600,000	4.35
9	Ms. Nuntana Jittsrisunun	54,900,000	4.29
10	Ms. Angkana Pattamaworrawat	28,420,000	2.22

No.	Shareholders' Name	No. of Ordinary Shares	% of Total Shares
	Total top ten shareholders	875,711,507	68.45
	Total remaining shareholders	403,704,558	31.55
	Total paid-up shares	1,279,416,065	100.00

Remark : *DNA 2002 Public Company Limited is a listed company in the Stock Exchange of Thailand, runs a business of distribution of home entertainment medias such as movies and songs including other publication.

3. Issuance of Other Securities

As at December 31, 2016 the Company has the convertible securities which are warrants that have been issued to the existing shareholders with the details below:

1) The Warrant of Thai Capital Corporation PCL. No. 2 (TCC-W2)

Issuance and Offering Date	:	May 4, 2011
Category	:	Registered and transferable
Term of Warrant	:	7 years from the date issuance and offering
Number of Warrants Issued	:	75,982,482 Units
Number of Warrants Offered	:	75,981,182 Units
Offering Price	:	0.00 Baht
Exercise Ratio	:	Warrant 1 Unit per ordinary share 1.26874 share (right adjusted)
Exercise Price	:	0.788 Baht per share (right adjusted)
Exercise Date	:	The last business day of March, June, September and December of each year
Final Exercise Date	:	May 3, 2018

2) The Warrant of Thai Capital Corporation PCL. No. 3 (TCC-W3)

Issuance and Offering Date	:	April 2, 2012
Category	:	Registered and transferable
Term of Warrant	:	10 years from the date issuance and offering
Number of Warrants Issued	:	92,208,961 Units
Number of Warrants Offered	:	92,208,576 Units
Offering Price	:	0.00 Baht
Exercise Ratio	:	Warrant 1 Unit per ordinary share 1.23886 share (right adjusted)
Exercise Price	:	0.807 Baht per share (right adjusted)
Exercise Date	:	The last business day of March, June, September and December of each year
Final Exercise Date	:	April 1, 2022

3) The Warrant of Thai Capital Corporation PCL. No. 4 (TCC-W4)

Issuance and Offering Date	:	May 15, 2013
Category	:	Registered and transferable
Term of Warrant	:	10 years from the date issuance and offering
Number of Warrants Issued	:	369,800,031 Units
Number of Warrants Offered	:	369,779,804 Units
Offering Price	:	0.00 Baht
Exercise Ratio	:	Warrant 1 Unit per ordinary share 1.10801 share (right adjusted)
Exercise Price	:	0.903 Baht per share (right adjusted)
Exercise Date	:	The last business day of March, June, September and December of each year
Final Exercise Date	:	May 14, 2023

The Annual General Shareholders Meeting for the year 2016 held on March 30, 2016 approved approve the dividend payment to shareholders in the amount of Baht 0.08 per share, totaling Baht 102,351,900.24. The dividend payment falls in one of the terms and conditions of TCC-W2, TCC-W3 and TCC-W4 that the Company is required to adjust the exercise price and ratio of the warrants when the Company pays cash dividend at the amount higher than 80 percent of net profit after tax for maintain the interests of the shareholders not to be devalue than ever. The Company adjusted the exercise ratio and exercise price of TCC-W2, TCC-W3 and TCC-W4 as follow;

Symbol of Securities	Before Right Adjustment		After Right Adjustment	
	Exercise Ratio (Unit : Share)	Exercise Price (Baht)	Exercise Ratio (Unit : Share)	Exercise Price (Baht)
TCC-W2	1 : 1.21782	0.821	1 : 1.26874	0.788
TCC-W3	1 : 1.14249	0.875	1 : 1.23886	0.807
TCC-W4	1 : 1.00000	1.000	1 : 1.10801	0.903

The results of the exercise of warrants (TCC-W2, TCC-W3 and TCC-W4) as at December 31, 2016 as follows.

Symbol of Securities	Number of Warrant			Number of Shares for the Exercise	Number of remaining shares reserved	Final Exercise Date
	Number of Offered	Number of Exercise	Remaining			
TCC-W2	75,981,182	71,165,642	4,815,540	83,893,968	6,543,693	May 3, 2018
TCC-W3	92,208,576	6,212	92,202,364	113,670,379	113,670,379	April 1, 2022
TCC-W4	369,779,804	441,062	369,338,742	410,679,996	410,662,684	May 14, 2023

Dividend Policy

Thai Capital Corporation Public Company Limited

The Board of Directors may consider the annual dividend payment of the Company. It must be approved by the shareholders meeting. Except for interim dividend payment, the Board of Directors have authorized to approve interim dividend payment when they see that the Company has enough profit for to do that and should be inform the next Shareholders' for acknowledge.

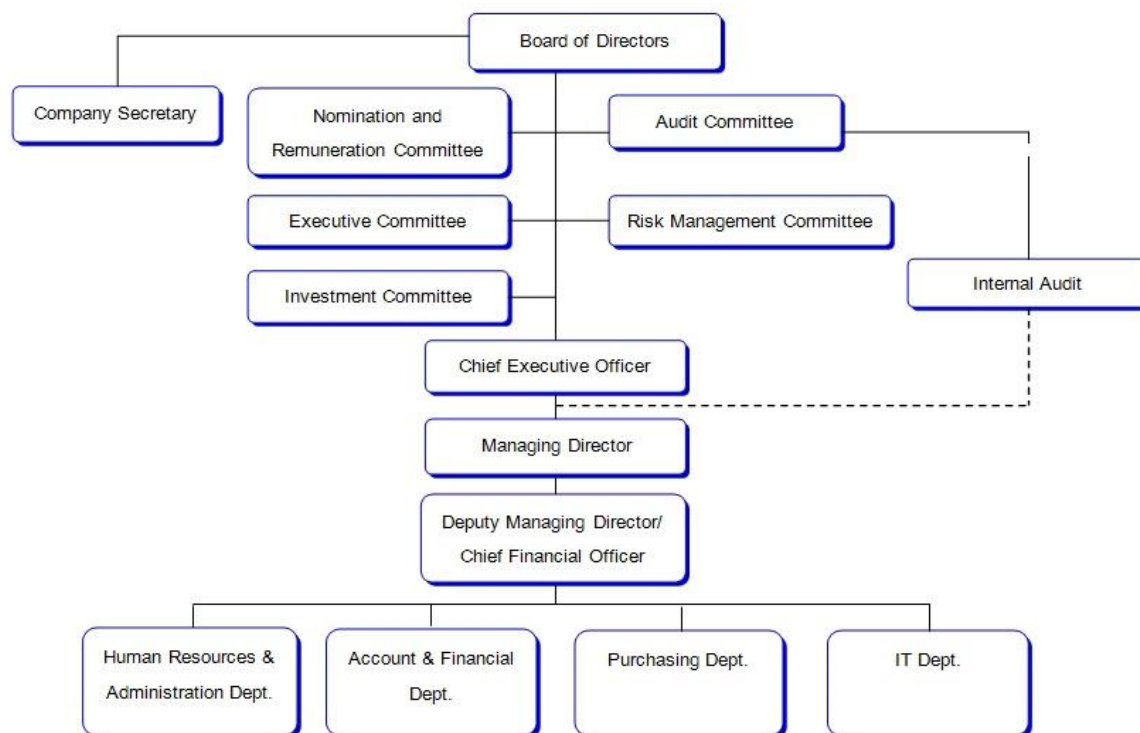
The Company has the policy to pay out at least 40% of net profit after tax (of the separate financial statement) as dividend. The rate may be adjusted as deemed appropriate, considering that there are no other requisites and that the payment has no significant effect on the normal operation of the company.

Subsidiary

The Company does not has a fixed dividend policy and therefore the dividend payment is considered based on its financial performance in each year and resolutions shareholder meeting.

Management Structure

Management structure as at December 31, 2016



Management Structure of the Company including;

- The Board of Directors
- The Sub-committees 5 committee as below; Audit Committee, Executive Committee, Risk Management, Nomination and Remuneration Committee and Investment Committee.
- The Chief Executive Officer is the top management of company.

1. Board of Directors

As at December 31, 2016, the Board of Directors has 9 persons, divided into;

- Non – Member of the Executive Director 6 persons, in this number has the independent director 3 person
- Member of the Executive Director 3 persons

Name – Surname		Position	No. of Meetings / No. of Attendance
1. Mr. Munsin	Chaivikrai	Chairman	9/4
2. Ms. Yupin	Chaivikrai	Vice Chairman	9/6
3. Mr. Charoenchai	Chaivikrai	Director	9/8
4. Mr. Kittisak	Chaivikrai	Director	9/7

Name – Surname		Position	No. of Meetings / No. of Attendance
5. Mr. Boon-anant	Srikhao	Director	9/8
6. Mr. Songyos	Noppaprach	Independent Director	9/9
7. Mr. Thanakorn	Wangpipatwong ¹⁾	Independent Director	6/6
8. Mr. Kamphol	Patana-anukul ²⁾	Director	6/6
9. Mr. Vasu	Siriyong ³⁾	Independent Director	1/1
<i>The directors who was appointed / resigned during in the year :</i>			
1. Mr. Chirdsak	Kukiattinun ⁴⁾	Independent Director	4/4

Remark :

1) Mr. Thanakorn Wangpipatwong appointed as the Independent Director and Member of the Audit Committee on March, 16, 2016 instead Ms. Nattaya Ouivirach who resigned from the Independent Director and Member of the Audit Committee before the end of term on December 9, 2015. After that appointed as the Chairman of the Audit Committee on November 24, 2016.

2) Mr. Kamphol Patana-anukul appointed as the director on March 30, 2016.

3) Mr. Vasu Siriyong appointed as the Independent Director and Member of the Audit Committee on November 24, 2016 instead Mr. Chirdsak Kukiattinun who resigned from the Independent Director and Chairman of the Audit Committee before the end of term on May 31, 2016.

4) Mr. Chirdsak Kukiattinun appointed as the Independent Director and Chairman of the Audit Committee on January 7, 2016 instead Mr. Chaiyapat Sahasakul who resigned from the Independent Director and Member of sub-committee before the end of term on December 9, 2015. After that he was resigned from that positions before the end of term on May 31, 2016.

Duties and Responsibilities of the Board of Directors

1. To perform duties according to Public Company Act of 1992 and any other laws which designate such duties and responsibilities as that of Directors of a listed company
2. To perform duties according to the law, objectives and article of Association of the Company, including the resolutions of the Shareholders Meeting
3. To establish major business policies for the Company which include financial policy, funding policy, fund management policy and risk management policy
4. To determine business policy, financial policy, funding policy, capital management policy, and risk management policy for the management to implement.
5. To have the power to designate and change authorized directors
6. To provide good corporate governance and ensure achievement of goal or in excess thereof; and to provide corrective measure to overcome the obstructions that may hinder such achievement
7. To arrange for reports on general information and financial statement to shareholders and stakeholders that are accurate, complete, transparent and according to the law
8. To acknowledge significant audit notes and provide corrective measures in case of material deficiency

According to the Company's Articles of Association, the company's Board of Directors has the authority to make decision and monitor company's operations, except for the following where the Board of Directors must be authorized by the shareholders' meeting before proceeding:

- a) Matters which, according to the law, require resolutions of the shareholders' meeting
- b) the connected transaction with the value exceeding the criteria established by the Stock Exchange of Thailand ("SET").
- c) the purchase and sale of core assets with the value exceeding the criteria established by SET.

Authorized Directors

Mr. Charoenchai Chaivikrai, Ms. Yupin Chavikrai, and Mr. Boon-anant Srikhao are authorized Directors with 2 out of 3 signatures with an affix of the company seal forms legal binding.

Company Secretary

The Board of Directors resolved to appoint Ms. Phawinee Treekanjananan as a Company Secretary on August 11, 2016.

Duties and Responsibilities of the Company Secretary

The company secretary shall perform his or her duties in accordance with section 89/15 and section 89/16 of Securities and Exchange Act (No.4) B.E. 2551, which come into force on August 31, 2008. The company secretary shall perform his or her duties with responsibilities, care, honesty and in compliance with laws, Article of Association and Objective of the Company, resolution of the Board of Director, and resolution of the shareholders' meeting. In performing this duty, the Company Secretary has the following duties and responsibilities:

- 1) Preparing and keeping the following documents of the Company:
 - Register of the Company's directors.
 - Meeting notification letter and minutes of the Board of Directors meeting including annual reports.
 - Meeting notification letter and minutes of the shareholders meeting.
- 2) Keep reports on stake holding submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.
- 3) Perform other duties as specified by the Capital Markets Supervisory Board.

Additionally, the company secretary has duties assigned by the Company (or the board) as follows:

- 1) Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees.
- 2) Organize the meetings of Shareholders, the Board of Directors.
- 3) Coordinate with the company's internal departments to follow the resolutions of the Board of Directors and shareholders' meeting.
- 4) Coordinate with regulatory agencies such as the Stock Exchange of Thailand and be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws.
- 5) Arrange new director orientation.
- 6) Perform other duties as assigned by the Company.

2. Sub-Committee

2.1 Audit Committee

As at December 31, 2016, the Audit Committee has 3 independent directors are as follow;

Name – Surname		Position
1. Mr. Thanakorn	Wangpipatwong ¹⁾	Chairman of the Audit Committee
2. Mr. Songyos	Noppaprach	Member of the Audit Committee
3. Mr. Vasu	Siriying ²⁾	Member of the Audit Committee

Remark :

1) Mr. Thanakorn Wangpipatwong appointed as the Independent Director and Member of the Audit Committee on March, 16, 2016 instead Ms. Nattaya Ouivirach who resigned from the Independent Director and Member of the Audit committee before the end of term on December 9, 2015. After that appointed as the Chairman of Audit Committee on November 24, 2016 instead Mr. Chirdsak Kukiattinun who resigned from position before the end of term on May 31, 2016

2) Mr. Vasu Siriying appointed as the Independent Director and Member of the Audit Committee on November 24, 2016 instead Mr. Chirdsak Kukiattinun who resigned from the Independent Director and Chairman of the Audit Committee before the end of term on May 31, 2016.

Therefore, the Audit Committee does not involve in management of the Company and is not an employee of the Company. It should be noted that Mr. Thanakorn Wangpipatwong, Chairman of the Audit Committee and Mr. Vasu Siriying who have knowledge and experience in accounting.

Duties and Responsibilities of the Audit Committee

- 1) ensure that the Company's financial report accurately and sufficiently discloses the information by coordinating with the auditor and the executives responsible for the preparation of the financial statement both quarterly and annually, During the course of auditing, the Audit Committee may request the auditor to review or audit any transactions as deemed necessary.
- 2) To ensure, together with the auditor and the internal auditor, that the Company has a suitable and effective internal audit system, and to approve the appointment, transfer, and termination of the Company's internal auditor.
- 3) To consider and propose the appointment of auditor as well as remuneration of auditor, The auditor shall be appointed on the basis of credibility, resourcefulness, amount of work commissioned to such audit office and the experience of the auditor that has been appointed.
- 4) To consider and disclose the Company's information regarding connected transactions or conflicts of interest, if any, in an accurate and complete manner.
- 5) To perform duties as assigned by the Board of Directors and agreed by the Audit Committee such as to review financial management and risk management policies; to review the management performance in terms of good business ethics; to review together with the management the reports that disclose significant transactions to the public such as the analysis report of the management.
- 6) To prepare and arrange the Audit Committee's activity report and disclose it in the Annual Report, The report must be certified by the Chairman of the Audit Committee and the detail shall include:
 - a) Opinion regarding preparation process and disclosure of information in the financial statement on its accuracy, completeness and trustworthiness.
 - b) Opinion regarding the sufficiency of internal control system.
 - c) Reasons to support the appointment of the auditor.
 - d) Opinion on the Company's operation in accordance with the Securities and Exchange Act, Regulations set by SET or any other laws relating to the business of the Company.
 - e) Any other reports that the shareholders and investors should be informed, under the duties and responsibilities assigned by the Board of Directors.

2.2 Nomination and Remuneration Committee

As at December 31, 2016, the Nomination and Remuneration Committee has 4 directors are as follow;

Name – Surname		Position
1. Mr. Thanakorn	Wangpipatwong ¹⁾	Chairman of the Nomination and Remuneration Committee
2. Mr. Songyos	Noppaprach	Member of the Nomination and Remuneration Committee
3. Mr. Charoenchai	Chaivikrai	Member of the Nomination and Remuneration Committee
4. Mr. Boon-anant	Srikhao	Member of the Nomination and Remuneration Committee

Remark :

1) Mr. Thanakorn Wangpipatwong appointed as the Chairman of the Nomination and Remuneration Committee on November 24, 2016.

Duties and Responsibilities of the Nomination and Remuneration Committee

- 1) To determine the qualifications of the directors in accordance with the structure, size, and composition of the Board of Directors.
- 2) To nominate and propose candidates who are qualified as the directors for consideration by the Board of Directors.
- 3) To determine the suitable remuneration structure of the directors.
- 4) To set up the criteria for the Managing Director's performance appraisal and present to the Board of Directors for consideration.
- 5) To determine the annual remuneration for the directors and Managing Director.
- 6) To consider the terms and conditions in case of new securities (or warrants) offered to directors and employees (ESOP), if any.

2.3 Executive Committee

As at December 31, 2016, the Executive Committee has 3 directors are as follow;

Name – Surname		Position
1. Mr. Charoenchai	Chaivikrai	Chairman of the Executive Committee
2. Mr. Boon-anant	Srikhao	Member of the Executive Committee
3. Mr. Kamphol	Patana-anukul	Member of the Executive Committee

Duties and Responsibilities of the Executive Committee

Duties and Responsibilities of the Executive Committee are to administer the Company's general business practice and management. Its duties and responsibilities are also to set the policies, business plans, budget, management structure, and power of management authorities, as well as the criteria in conducting the Company's business that complies with the economic environment and propose to the Board of Directors for consideration and approval and/or endorsement. The Executive Committee shall investigate and monitor the Company's performance to ensure the compliance with the prescribed policies. Major duties and responsibilities of the Executive Committee are as follows:

- 1) To set policy, direction, strategy, and core management structure regarding the Company's business conduct and submit to the Board of Directors for approval.

- 2) To set business plan, budget, and management authorities and submit to the Board of Directors for approval.
- 3) To consider the Company's investment project and submit to the Board of Directors for approval.
- 4) To approve important investment expenditures prescribed in the annual budget as assigned by the Board of Directors or investment expenditures that are already approved in principle by the Board of Directors.
- 5) To approve procurement, negotiation, and entering into contracts, agreement or other documents in accordance with the Company's Authority Matrix which is approved by the Board of Directors.
- 6) To act as the management's advisory committee in the matter of financial policy, marketing, operation and other administrative duties.
- 7) To approve the opening or closing of the bank deposit account, to specify the authorized person who shall withdraw money from the Company's account, as well as to handle the matters concerning the bank deposit account.
- 8) To conduct any necessary operations to support and protect the Company's benefits.

According to the regulations of the Securities and Securities Exchange Commission ("SEC") and SET, the authorities of the Executive Committee shall not include the approval of transactions that member of the Executive Committee or other persons may have interests or conflict of interests of any nature with the Company or its subsidiaries (if any).

Duties and Responsibilities of Chief Executive Officer

- 1) To devise the mission, objective, guideline and policy, and to provide good corporate governance according to the guideline or principle approved by the Board of Directors.
- 2) To study and explore the opportunities to expand the Company's business in such a way that will maximize benefits and return to the shareholders, and propose to the Board of Directors.
- 3) To consider and comment on the annual budget proposed by the President/Managing Director before its submission to the Board of Directors, and to control the expenses in ensuring that they fall within the budget limit already approved by the Board of Directors.
- 4) To approve expenditure or disbursements of projects or investments or trading of the Company's fixed assets in accordance with the resolution of the Board of Directors.
- 5) To approve purchasing, hiring, contract bindings, payments or any other entries into legal deeds related to normal business operation of the Company or according to the resolution of the Board of Directors.
- 6) To approve appointment, employment, relocation, salary rate, salary raise and termination of employment of management, from department manager level and above.
- 7) To have authorized power to act on behalf or be the representative of the Company to outside parties in related business and in a way that benefits the Company.
- 8) To have authorized power to sign and certify documents, applications and forms as well as to seek permission and approval from the government agencies related to the objectives of the Company, and to appoint others to act on behalf. However, exception must be made to the latter, in the case that the appointed person may be a connected person or have conflict of interest with the business of the Company.
- 9) To have authorized power to file complaint, charge or prosecute persons involved in corruption, embezzlement, theft or engaged in any other acts that result in a loss of benefits or cause substantial damage to the Company.
- 10) To consider meeting agendas before proposing for approval from the Board of Directors.

2.4 Risk Management Committee

As at December 31, 2016, the Risk Management Committee has 3 directors are as follow;

Name – Surname		Position
1. Mr. Charoenchai	Chaivikrai	Chairman of the Risk Management Committee
2. Mr. Boon-anant	Srikhao	Member of the Risk Management Committee
3. Mr. Kamphol	Patana-anukul	Member of the Risk Management Committee

Duties and Responsibilities of the Risk Management Committee

- 1) The Risk Management Committee shall have the authority to summon each business unit/department of the Company to disclose information in writing or invite the management and officers to attend a meeting with the Risk Management Committee to verbally clarify or provide information on the related risks and there responsibilities as deemed appropriate by the Risk Management Committee. The invited management and officers can inquire or request for information which will be considered a part of their responsibilities in cooperating with the Risk Management Committee.
- 2) The Risk Management Committee has the authority to engage any Company's business unit to carry out any tasks or operations as deemed necessary to achieve its duties, or any other special duties that the Board of Directors exclusively assigns.
- 3) To consider and express its opinion on the risk management policy and framework.
- 4) To consider and express its opinion on determination of the level of acceptable risks, and the risk tolerance level of the Company prior to proposing to the Board of Directors.
- 5) To acknowledge, consider, and express its opinion on the risk assessment, risk management measures, and action plans to mitigate the residual risks of the Company to ensure that the Company's risk management is adequate and appropriate.
- 6) To oversee and support the risk management of the Company to ensure its success. To propose preventive actions and means to mitigate the risk to an acceptable level. To follow up on risk management plans continually to ensure that the risks are adequately and appropriately managed.
- 7) To advise and support the Board of Directors, management and staff on the enterprise risk management as well as promote and encourage the continuous and consistent improvement and development of risk management within the organization.
- 8) To administer and support the review and revision of risk management policy and framework at least on an annual basis to ensure that such policy and framework is still relevant and appropriate for the business as a whole and for the Company's risk management activities.
- 9) To report on the significant risks of the Company as well as risks status, risk management guideline, progress, and results of risk management to the Board of Directors.
- 10) To express its opinion and recommend on engaging services of third parties for an independent consultancy and advice in regards to the scope and operations of the risk management staff.
- 11) To communicate and coordinate regarding risks and internal control with the Audit Committee at least once a year.

2.5 Investment Committee

As at December 31, 2016, the Investment Committee has 4 directors are as follow;

Name – Surname		Position
1. Mr. Charoenchai	Chaivikrai	Chairman of the Investment Committee
2. Mr. Boon-anant	Srikhao	Member of the Investment Committee
3. Ms. Yupin	Chaivikrai	Member of the Investment Committee
4. Mr. Kamphol	Patana-anukul	Member of the Investment Committee

Duties and Responsibilities of the Investment Committee

- 1) Set out strategies, goals, investment plans and budget, return on investment, and other benefits from the investment to increase productivity and growth of the company.
- 2) Consider potential investment projects proposed by the management team in order that the investment aligns and is consistent with the policy and objectives of the company by, taking into account, the return on investment and risk factors which shall be managed to a level that is acceptable.
- 3) Monitor, follow up, and evaluate projects that have been approved for investment. and report to the Board of Directors .

The details on meeting attendance by the Company's directors and members of the sub-committees in the year 2016 are as follows:

Name – Surname	No. of Meetings / No. of Attendance						Remark
	Audit Committee	Executive Committee	Risk Management Committee	Nomination & Remuneration Committee	Investment Committee	Shareholders Meeting	
Mr. Munsin Chaivikrai	-	-	-	-	-	-	-
Ms. Yupin Chaivikrai	-	-	-	-	1/1	1/1	-
Mr. Charoenchai Chaivikrai	-	23/23	1/1	1/1	1/1	1/1	-
Mr. Kittisak Chaivikrai	-	-	-	-	-	1/1	-
Mr. Boon-anant Srikhao	-	23/23	1/1	1/1	1/1	1/1	-
Mr. Thanakorn Wangpipatwong	4/3	23/7	-	-	-	1/1	Appointed Mar. 16, 16
Mr. Songyos Noppaprach	4/4	23/23	-	1/1	-	1/1	-
Mr. Vasu Siriying	-	-	-	-	-	-	Appointed Nov. 24, 16
Mr. Kamphol Patana-anukul	-	23/23	1/1	-	1/1	1/1	Appointed Mar. 30, 16
The directors who was appointed / resigned during in the year :							
Mr. Chirdsak Kukiattinan	4/2	23/2	-	1/1	-	1/1	Appointed Jan. 7, 16 Resigned May 31, 16

3. Management

As at December 31, 2016, the Management has 3 executive directors are as follow;

Name – Surname		Position
1. Mr. Charoenchai	Chaivikrai	Chief Executive Officer
2. Mr. Boon-anant	Srikhao	Managing Director
3. Mr. Kamphol	Patana-anukul	Chief Financial Officer

4. Nomination and Appointment of Directors and Management

4.1 Independent Director

Composition and Nomination of the Independent Director

The Company set up the composition of the Board of Directors in accordance with the regulation of the SEC which requires at least 1 out of 3 of the Directors to be Independent Directors with a minimum of 3 persons. The Company set the nomination criteria in accordance with that determined by SEC as detailed belows:

- 1) Holding shares not exceeding 1 percent of the total shares with voting rights of its parent company, its subsidiary, its associated company or potential conflicting juristic person (provided that any shares held by his or her related person as stipulated in section 258 of securities laws (No.4) 2008 must be taken into account).
- 2) Not being (at present) nor having been (2 years prior to appointment) an executive director (including the director who has the same responsibility as management and authorized director except for the signature in transactions approved by the Board of Directors and joint signing with other directors), employee, officer, monthly paid advisor or controlling person of the Company, its parent company, its subsidiary, its associated company, its parallel subsidiary (subsidiary of the same holding company) or potential conflicting juristic person.
- 3) Not being a person related by blood or by registration under laws such as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person or such other persons who will be nominated to take up the position of executive or controlling person of the Company or its subsidiary.
- 4) Not having (at present) nor having had (2 years prior to appointment) a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person that might interfere his or her use of independent discretion, including not being (at present) nor having been (2 years prior to appointment) a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person with transaction value equal to or more than 3 percent of net tangible assets (NTA) of the Company. The calculation of such transaction value must include the transaction incurred during 1 year prior to the date entering into the business relationship with the same person. The aforementioned business relationship includes any trading transaction in the ordinary course of business, taking or granting a lease of real property, any transaction relating to assets or services, and granting or acceptance of financial assistance.
- 5) Not being (at present) nor having been (3 years prior to appointment) an auditor of the Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person as well as not being a major shareholder, a director who is not an independent director, an executive, or a managing partner of the auditing firm employing an auditor of the

Company, its parent company, its subsidiary, its associated company or potential conflicting juristic person.

- 6) Not being (at present) nor having been (2 years prior to appointment) any professional service providers, including a legal advisor or a financial advisor, obtaining service fees of more than baht two million per annum from the Company, its subsidiary, its associated company or potential conflicting juristic person. If a professional service provider is a juristic person, this will include a major shareholder, a director who is not an independent director, an executive or a managing partner of such professional service provider.
- 7) Not being a director appointed to represent any director of the Company, a major shareholder or a shareholder who is a related person to the Company's major shareholder.
- 8) Not operating the same business and being in a significant competition with the Company, its subsidiary or associated company. Not holding significant shares in the Partnership, being an Executive Director, an employee, or a consultant receiving fixed salary, or holding more than 1% of the total number of shares with voting rights of the other company operating the business of the same nature and being in significant competition with the Company, its subsidiary or associated company.
- 9) Not having any other characteristic which makes him or her incapable of expressing an independent opinion with regard to the Company's operation.

4.2 Director and Senior Executive

Composition and Nomination of the Director

Composition and selection, appointment, dismissal or termination from the position of the Company's Director is prescribed in the Company's article of association which can be concluded as follows.

- 1) The Company's Board of Directors comprises at least 5 members and not less than half of the Directors must reside in Thailand. All Directors must meet the qualification required by law.
- 2) The annual meeting of shareholders shall elect members of the Board of Directors in accordance with the following criteria and procedures.
 - a) Each shareholder shall have one vote for each share he/she holds.
 - b) Each shareholder shall exercise all votes in electing one or many persons to be Directors, provided that a vote shall not be divisible.
 - c) Persons who receive the highest votes are, in descending order, elected to the Board of Directors until the required number is met. In the case that two or more candidates have an equality of votes but exceed the number of Directors which the meeting of shareholders is to appoint, the presiding Chairman will cast the deciding vote.
- 3) At every annual general meeting, one-third of the Directors, or if the number is not a multiple of three, then the number nearest to one-third shall retire from the office. The Directors retiring on the first and second year after the registration of the company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire. Directors whose terms expire may be re-elected.
- 4) In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall choose any person who is qualified and not subject to prohibition by law as a replacement director at the next meeting of the Board of Directors, except in the case that the remaining term of office of such director is less than two months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. The resolution of the Board of Directors must be passed by votes of not less than three-fourth of the number of the remaining directors.

- 5) In appointment of the Director, Nomination and Remuneration Committee, which comprises 2 Independent Directors from out of 4 Committee members, is responsible for considering the qualified candidate by considering the structure, size, and composition of the Board of Directors, and proposing him/her to the Board of Directors for further proposing in the Shareholders' meeting. Nomination and Remuneration Committee also allows the Director and shareholder to propose a qualified candidate.
- 6) The meeting of shareholders may pass a resolution to dismiss the director before the expiration of his/her service term with the votes of at least three-fourth of the number of attendant shareholders entitled to vote and at least one half of shares held by the attendant shareholders entitled to vote.

Composition and Nomination of the the Audit Committee

The Audit Committee members shall be qualified, respectable individuals from outside of the Company and are selected and appointed by the Board of Directors as Independent Directors and Audit Committee members. One of the three committee members shall be appointed as Chairman of the Audit Committee. One director must have knowledge or experience in accounting or finance, and have consistent knowledge of events affecting the changes in the Company's financial report in order to increase the efficiency of the Audit Committee. The Audit Committee shall hold office on a three-year term.

When the term of service expires or there is any circumstance causing any member to be unable to hold office until expiration, thus making the number of committee members to be lower than three persons, the Board of Directors or the shareholders' meeting should appoint the new member to fill up the vacancy immediately or not later than three months from the date of vacancy to ensure the continual performance of the Audit Committee.

Composition and Nomination of the Nomination and Remuneration Committee

The Company shall appoint the Nomination and Remuneration Committee which consists of not less than 3 members. At least half of the members, including the Chairman of the Nomination and Remuneration Committee, must be the independent directors. The Nomination and Remuneration Committee shall hold office on a three-year term.

In case of vacancy because of completion of term, or for other reasons than completion of term, the Board of Directors shall appoint a qualified person as a replacement member within 90 days to ensure that the composition of the Nomination and Remuneration Committee complies with the requirement of the Board of Directors.

Composition and Nomination of the Executive Committee

The Executive Committee is appointed by the Board of Directors

Composition and Nomination of the Risk Management Committee

The Board of Directors shall appoint the Risk Management Committee which consists of Director and/or Executive of not less than 3 members. One member must have knowledge or experience in finance, accounting, or risk management. The Risk Management Committee shall hold office on a three-year term.

In case of vacancy because of completion of term, or for other reasons than completion of term, the Board of Directors shall appoint a qualified person as a replacement member to ensure that the composition of the Risk Management Committee complies with the requirement of the Board of

Directors. The replacement member shall hold the office only for the remaining term of the member whom he/she replaces.

Composition and Nomination of the Investment Committee

The Investment Committee is appointed by the Board of Directors

Composition and Nomination of the Top Executive

In appointment of the Chief Executive Officer and Managing Director, Nomination and Remuneration Committee is responsible for considering the qualified candidate who has knowledge, skills, and experience which are beneficial to the Company, understand the Company's business thoroughly, and is capable of managing the Company to achieve objectives and goals set by the Board of Directors. The Nomination and Remuneration Committee will then propose the candidate to the Board of Directors for consideration.

5. Remuneration of Directors and Management

The Remuneration of directors and sub-committee for the year 2016 has been carefully considered by the Board of Directors and approved by the Annual General Meeting of Shareholders for the year 2016 on March 30, 2016 as per Board of Directors' proposal. The basis for remuneration was determined by the roles and responsibilities of the directors, comparison with listed companies in the same industry, and the operating results of the Company and current economic conditions.

The remuneration of the Board of Directors and Sub-Committee for the year 2016 are as follow;

1) Fixed Remuneration

- Chairman	252,000	Baht per year
- Chairman of the Audit Committee	252,000	Baht per year
- Vice Chairman	150,000	Baht per year
- Independent Director	150,000	Baht per year
- Member of the Audit Committee	204,000	Baht per year

2) Meeting Allowance

- Chairman	12,500	Baht per time
- Chairman of the Audit Committee	12,500	Baht per time
- Chairman of the Nomination and Remuneration Committee	12,500	Baht per time
- Director	10,000	Baht per time
- Independent Director	10,000	Baht per time
- Member of the Audit Committee	10,000	Baht per time
- Member of the Nomination and Remuneration Committee	10,000	Baht per time

3) Bonus (To be allocated by the Board of Directors)

Total Remuneration not exceeding 4,000,000 Baht per year

5.1 Remuneration in Cash

Remuneration of the Directors

Including fixed remuneration and meeting allowance, with pay by number of attendance. Therefore the Company pay the meeting allowance to the independent director who was attendance with executive directors of Baht 10,000 per person per time

Remuneration of the Management

In the year 2016, the Company paid remuneration for management which include salary, bonus and social security fund totaling of Baht 8,631,645.

5.2 Others Remuneration of the Director and Managment

The Company set up a provident fund where the Company contributes for management at a rate of 3% of salary. In the year 2016, the Company contributed providend fund for management of 3 persons totaling of Baht 118,440.

Name of Director	Remuneration of Directors for the year 2016 (Baht)								
	Fixed Remuneration	Meeting Allowance							Total of Remuneration
		Board of Directors	Audit Committee	Executive Committee	Risk Management Committee	Nomination & Remuneration Committee	Investment Committee	Shareholders Meeting	
1. Mr. Munsin Chaivikrai	252,000	25,000	-	-	-	-	-	-	277,000
2. Ms. Yupin Chaivikrai	129,918	50,000	-	-	-	-	-	-	179,918
3. Mr. Charoenchai Chaivikrai	-	60,000	-	-	-	10,000	-	10,000	80,000
4. Mr. Kittisak Chaivikrai	-	60,000	-	-	-	-	-	-	60,000
5. Mr. Boon-anant Sirkhao	-	60,000	-	-	-	10,000	-	10,000	80,000
6. Mr. Songyos Noppaprach	354,000	70,000	40,000	230,000	-	10,000	-	10,000	714,000
7. Mr. Thanakorn Wangpipatwong	286,477	60,000	30,000	70,000	-	-	-	10,000	456,477
8. Mr. Kamphol Patana-anukul	-	60,000	-	-	-	-	-	10,000	70,000
9. Mr. Vasu Siriying	35,400	10,000	-	-	-	-	-	-	45,400
The directors who was appointed / resigned during in the year :									
1. Mr. Chirdsak Kukiattinan	167,500	20,000	25,000	20,000	-	12,500	-	10,000	255,000
Total of Remuneration	1,225,295	475,000	95,000	320,000	-	42,500	-	60,000	2,217,795

6. Personal

As at December 31, 2016 the Company and its subsidiary had the total staff of 88 persons, in the year 2016 the Company paid remuneration for staff which include salary, wages, over time pay, allowance, bonus, social security fund, provident fund and medical bill totaling of Baht 38,084,626.

Level	TCC	TCCE	NYC	Total
Management Staff (Person)	2	2	2	6
Operation Staff (Person)	-	12	22	34
Staff in the Head Office (Person)	2	27	19	48
Total of Staff (Person)	4	41	43	88
Remuneration of Staff (Million Baht) <i>(Including salary, wages, overtime pay, allowance, bonus, social security fund and medical bill etc.)</i>	19.79	11.06	7.23	38.08

During the last 3 years, there has not been any cases of significant change in number of employees or labor disputes.

The information of Directors, Managements, Controlling Shareholders and Company Secretary

Name – Surname / Position / Date of appointment	Age (Year)	Education / Seminar	Holding (%) (Dec. 30, 2016)	Relation with the family during director and management	Experience and Position		
					Time	Position	Department / Company name / Type of Business
1. Mr. Munsin Chaivikrai Chairman Date of appointment: August 13, 2009	66	- Undergrad Degree Sitabutr Bamrung school	- None -	- Older brother of Mr. Charoenchai - Father of Mr. Kittisak and Ms. Yupin	2009 – Present 1973 – Present	Chairman - Chairman - Authorized Director	Thai Capital Corporation PCL. / Distribution coal Far East Knitting & Spinning Co., Ltd. / Production and Distribution Knitting & Spinning
2. Mr. Charoenchai Chaivikrai - Director - Chairman of the Executive Committee - Chairman of the Risk Management Committee - Chairman of the Investment Committee - Member of the Nomination and Remuneration Committee - Chief Executive Officer - Authorized Director Date of appointment: July 25, 2008	59	- Undergrad Degree Suksa Wattan School - Director Accreditation Program (DAP) 78/2009	- None -	- Elder brother of Mr. Munsin - Uncle of Mr. Kittisak and Ms. Yupin	2016 – Present 2008 – Present 1973 – Present	- Director - Executive Director - Authorized Director - Director - Chairman of the Executive Committee - Chairman of the Risk Management Committee - Chairman of the Investment Committee - Member of the Nomination and Remuneration Committee - Chief Executive Officer - Authorized Director - Chief Executive Officer - Authorized Director	TCC Energy Co., Ltd. / Distribution Coal and Steel Thai Capital Corporation PCL. / Holding Company Far East Knitting & Spinning Co., Ltd. / Production and Distribution Knitting & Spinning

Name – Surname / Position / Date of appointment	Age (Year)	Education / Seminar	Holding (%) (Dec. 30, 2016)	Relation with the family during director and management	Experience and Position		
					Time	Position	Department / Company name / Type of Business
3. Mr. Kittisak Chaivikrai Director Date of appointment: August 10, 2007	43	<ul style="list-style-type: none"> - Master Degree of Accounting The George Washington University, USA. - Bechelor Degree of Business Administration, The George Washington University, USA. - Director Accreditation Program (DAP) 54/2006 	- None -	<ul style="list-style-type: none"> - Son of Mr. Munsin - Grandson of Mr. Charoenchai - Older brother of Ms. Yupin 	2016 – Present	- Director - Authorized Director	NYC – Thai BD Co., Ltd. / Import and Distributor Ice cream under the trademark “Emack and Bolio’s” TCC Energy Co., Ltd. / Distribution Coal and Steel Thai Capital Corporation PCL. / Holding Company Theco Sales Co., Ltd. / Sales of spare parts of air conditioner, cooler and heater for all types of vehicle, home, building Far East Knitting & Spinning Co., Ltd. / Production and Distribution Knitting & Spinning Far East Securities / Securities Broker
					2016 – Present	- Director - Authorized Director	
					2007 – Present	Director	
					2007 – Present	- Director - Authorized Director	
					1999 – Present	Deputy Managing Director	
					2002 – 2010	Director	
4. Ms. Yupin Chaivikrai - Vice Chairman - Member of the Investment Committee - Authorized Director Date of appointment: June 21, 2006	39	<ul style="list-style-type: none"> - Master of Science in Accounting, Strayer University, USA. - Bachelor of Business Administration in Accounting, Assumption University (ABAC) - Director Accreditation Program (DAP) 56/2006 - Directors Certification Program (DCP) 210/2015 - Financial Statements for Directors (FSD) 29/2015 	12.63	<ul style="list-style-type: none"> - Daughter of Mr. Munsin - Elder sister of Mr. Kittisak - Granddaughter of Mr. Charoenchai 	2016 – Present	- Director - Chairman - Authorized Director	NYC – Thai BD Co., Ltd. / Import and Distributor Ice cream under the trademark “Emack and Bolio’s” TCC Asset Management Co., Ltd./ Asset Management You & I Group Co., Ltd. / Restuarant Thai Capital Corporation PCL. / Holding Company Far East Knitting & Spinning Co., Ltd. / Production and Distribution Knitting & Spinning
					2016 – Present	- Director - Authorized Director	
					2014 – Present	- Chairman - Chief Executive Officer - Authorized Director	
					2006 – Present	- Vice Chairman - Member of the Investment Committee - Authorized Director	
					2002 – Present	Executive Vice President	

Name – Surname / Position / Date of appointment	Age (Year)	Education / Seminar	Holding (%) (Dec. 30, 2016)	Relation with the family during director and management	Experience and Position		
					Time	Position	Department / Company name / Type of Business
		<ul style="list-style-type: none"> - Successful Formulation & Execution of Strategy (SFE) 27/2016 - Role of the Chairman Program (RCP) 39/2016 					
5. Mr. Boon-anat Srikhao - Director - Member of the Executive Committee - Managing Director - Member of the Nomination and Remuneration Committee - Member of Investment Committee - Member of Risk Management Committee - Authorized Director Date of appointment: February 2, 2009	42	<ul style="list-style-type: none"> - Master Degree of Business Administration Construction Project Management University of Manchester Institute of Science and Technology (UMIST) - Bachelor of Engineering, Thammasat University - Directors Certification Program (DCP) 208/2015 	0.03	- None -	2016 – Present 2016 – Present 2013 – Present 2012 – Present 2009 – Present 2001 – 2009 1999 – 2001 1998 – 1999	- Director - Authorized Director - Director - Managing Director - Authorized Director - Director - Executive Director - Authorized Director - Director - Executive Director - Authorized Director - Director - Member of the Executive Committee - Managing Director - Member of the Nomination and Remuneration Committee - Member of Investment Committee - Member of Risk Management Committee - Authorized Director Senior Engineering Project Civil Engineering Civil Engineering	TCC Asset Management Co., Ltd./ Asset Management TCC Energy Co., Ltd. / Distribution Coal and Steel P.T. Thai Capital Indo Mining / Sale of solid fuel, liquid fuel, gas and relevance products Thai Capital Corporation (Guangzhou) / Consulting on coal business Thai Capital Corporation PCL. / Holding Company Hemaraj Land And Development PCL. / Land Development Nong Khae Cogeneration Co., Ltd. / Power Plant Samutprakarn Cogeneration Co., Ltd. / Power Plant

Name – Surname / Position / Date of appointment	Age (Year)	Education / Seminar	Holding (%) (Dec. 30, 2016)	Relation with the family during director and management	Experience and Position		
					Time	Position	Department / Company name / Type of Business
6. Mr. Thanakorn Wangpipatwong - Independent Director - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee Date of appointment: March 16, 2016	45	- Doctor of Philosophy (Information Technology), King Mongkut's University of Technology Thonburi - Master of Science (Computer Science) Texas A&M University, USA. - Bachelor of Science (Computer Science) Bangkok University, - Directors Certification Program (DCP) 229/2016	- None -	- None -	2016 – Present	- Independent Director - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee	Thai Capital Corporation PCL. / Holding Company
					2016 – Present	Managing Director	iCE Consulting Co., Ltd. / Service and sale computer program
					2015 – 2015	Strategic IT Consultant	Navee Intertrade Co., Ltd. / Fuel trading with fully services of domestic transportation
					2014 – 2015	Strategic IT Consultant	Uawithya Machinery Co., Ltd. / Distribution quarry equipment and commercial explosives
7. Mr. Songyos Noppaprach - Independent Director - Member of the Audit Committee - Member of the Nomination and Remuneration Committee Date of appointment: August 13, 2015	74	- Bachelor Degree, B.A.Language Institute of India - Directors Accreditation Program (DAP) 27/2004	- None -	- None -	2015 – Present	- Independent Director - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	Thai Capital Corporation PCL. / Holding Company
					2004 - 2015	Independent Consultant	Ministry of Industry / Government Sector Mitsubishi Corporation Cambodia Ltd, / Production and Distribution Electronic Mitsubishi Corporation (Thailand) Co., Ltd. / Production and Distribution Electronic
					2001 – 2003	Consultant of Invigorating Thai Business	
					1996 – 2000	Managing Director	
					1990 - 1995	Executive Director	

Name – Surname / Position / Date of appointment	Age (Year)	Education / Seminar	Holding (%) (Dec. 30, 2016)	Relation with the family during director and management	Experience and Position		
					Time	Position	Department / Company name / Type of Business
8. Mr. Vasu Siriying - Independent Director - Member of the Audit Committee Date of appointment: November 24, 2016	41	- Master Degree of Business Administration, Chulalongkorn University. - Bachelor Degree of Engineering, King Mongkut's University of Technology North	- None -	- None -	2016 – Present 2012 – Present 2010 – Present 2009 – Present 2006 - 2010	- Independent Director - Member of the Audit Committee Senior Consultant - Key Valuer - Independent Consultant Senior Consultant - Senior Financial Analyst - Independent Consultant	Thai Capital Corporation PCL. / Holding Company Business Incution Center, National Science and Technolygy / Government Sector Candor Consultant Co., Ltd. / Property Valuer Institute for Small and Medium Enterprises Development / State Enterprises Hemaraj Land And Development PCL. / Land Development
9. Mr. Kamphol Patana-anukul - Director - Member of the Executive Committee - Member of the Risk Management Committee - Member of the Investment Committee - Chief Financial Office Date of appointment: March 30, 2016	39	- Bachelor Degree of Business Aministration, Accounting, Assumption University (ABAC) - Certified Public Account (CPA) of Thailand, Federation of Accounting Professions - Company Scretary Program (CSP) 65/2015 - Directors Certification Program (DCP) 229/2016	- None -	- None -	2016 – Present 2016 – Present 2013 – Present 2011 – 2013 2008 – 2011 2005 – 2007	- Director - Authorized Director - Director - Executive Director - Authorized Director - Director - Member of the Executive Committee - Member of the Risk Management Committee - Member of the Investment Committee - Chief Financial Office Senior Regional Accounting Manager / Financial Controller, Thailand Corporate Accounting Manager Assurance Manager	NYC – Thai BD Co., Ltd. / Import and Distributor Ice cream under the trademark “Emack and Bolio’s” TCC Asset Management Co., Ltd./ Asset Management Thai Capital Corporation PCL. / Holding Company Red Planet Hotel Co., Ltd. / Hotel Bangkok Hospital Medical / Hospital Pricewaterhouse Coopers LLP, USA / Consultant

Name – Surname / Position / Date of appointment	Age (Year)	Education / Seminar	Holding (%) (Dec. 30, 2016)	Relation with the family during director and management	Experience and Position		
					Time	Position	Department / Company name / Type of Business
					1999 - 2008	Audit Manager	Price Waterhouse Coopers ABAS Ltd. / Consultant
10. Ms. Phawinee Treekanjananan Company Secretary Date of appointment: August 11, 2016	32	- Bachelor Degree of Business Administration, Ramkhamhaeng University - Advances for Corporate Secretaries , Thai Listed Companies Association	- None -	- None -	2015 – Present 2013 – 2015 2008 – 2013	Company Secretary Company Secretary Staff of Company Secretary Department	Thai Capital Corporation PCL. / Holding Company Porn Prom Metal PCL. / Distribution Copper and Brass Thanasiri Group PCL. / Property Development

Corporate Governance

1. Corporate Governance Policy

The Board of Directors values the importance of running a business under the principles of good corporate governance to encourage transparency, fairness, accountability and promote confidence from shareholders, investors, and all stakeholders. The Board of Directors Meeting No. 7/2015 held on November 13, 2015 approved Corporate Governance Policy and Business Ethics and Code of Conduct for executives and employees to use as guidelines. The Company' bases its principles of corporate governance on best practices of the Stock Exchange of Thailand ("SET") which is also consistent with ASEAN CG Scorecard, which covers five categories as follows:

- Section 1 Rights of Shareholders
- Section 2 Equitable Treatment of Shareholders
- Section 3 Role of Stakeholders
- Section 4 Disclosure and Transparency
- Section 5 Responsibilities of the Board of Directors

The details of the above matter can be seen on the company's website
<http://www.thaicapital.co.th/>

2. Compliance with the principles of corporate governance.

The Company adheres to good corporate governance principles are as follow;

1) Rights of Shareholders

The Company must recognize shareholders' rights, such as the right to attend and vote in shareholders' meetings, the right to approve dividend payment and the right to specify remuneration for directors; and non-statutory rights such as disclosure of information and news to shareholders via the Company's website.

Shareholders' Meeting

In order to encourage and facilitate the shareholders. This includes institutional investors have joined the shareholder meeting of the Company. The company set the scheduled and meeting place where is the shareholders can attend the meeting. In the year 2016, the Company the Annual General Meeting for the year on March 30, 2016 at 10.00 hrs. at the Infinity Room, 7th Floor, AETAS Lumpini, 1030/4 Rama IV Road, Thung Maha Mek, Sathorn, Bangkok.

In regards to shareholders' meetings, minor shareholders are allowed to propose the meeting agendas and the names of candidates for the directors to the Company in advance. The Board of Directors sets various criteria such as the shareholding percentage of the shareholder eligible for proposal, details of supporting information for consideration, various channels for information submission, and the submission deadline. All relevant information will be published through the channel of the SET and details of the said criteria are also available on the Company's website. The Company's meeting invitation document contains supporting information for each agenda and various proxy forms as well as a list of independent directors in case that any shareholders would like to assign proxy to attend the meeting on their behalves with no conditions which make the proxy granting difficult. The Company also posts the meeting invitation and related attachments on its website in advance of the meeting.

At the Annual General Meeting of Shareholders, all members of the Board of Directors shall attend the meeting unless having inevitable matter. The meeting Chair, who is also Chairman of the Board of Directors will inform all the attendees about regulations governing the meeting, enabled the shareholders to use their right to elect each individual director, as well as allowed the shareholders to express their opinions and pose any inquiries relating to the meeting or the Company. Furthermore, the Company has

encouraged the shareholders to send their questions to the Company in advance via the Company's email.

The Company has policy in facilitating and promoting the shareholders, including investment institutions, to attend the shareholders' meeting by determining the meeting place to which is convenient for the shareholders to travel, enclosing the map and suggestion in traveling as well as the contact number in case of any questions. In additions, the Company prepares the invitation letter in both Thai and English for the shareholders and investment institutions to exercise their rights in attending the meeting or granting proxy with ease. The Company publishes the news regarding the meeting in the newspaper for 3 days consecutively before the meeting to remind the shareholders of and promote the meeting.

At the Annual General Meeting of Shareholders, all members of the Board of Directors shall attend the meeting unless having inevitable matter. At the beginning of the meeting, the Chairman of the meeting will inform all the attendees about regulations governing the meeting, enabled the shareholders to use their right to elect each individual director, as well as allowed the shareholders to express their opinions and pose any inquiries relating to the meeting or the Company. Furthermore, the Company has encouraged the shareholders to send their questions to the Company in advance via the Company's email. After the Company's Annual General Meeting of Shareholders, the meeting minutes shall be prepared for dissemination through the Company's website within 14 days.

With regards to control of usage of internal information, the Board of Directors has a policy to prevent directors, executives, and employees from using internal information they may acquire through their status for their own or other persons' benefits. Details of this policy are presented under the section "Supervision of inside Information Usage". In addition, the Company has prescribed measures and procedures on the approval of connected transactions between the Company and its stakeholders or relevant parties to ensure that the directors who have conflicts of interest or

participated in such transactions do not have the right to vote in the decision making process.

2) Equitable Treatment of Shareholders

The Company values the importance of equitable treatment of all shareholders including major shareholders, minor shareholders, investment institutions, or foreign investors by by doing the following:

The Company allows minor shareholders to propose the meeting agendas and the names of candidates for the directors. The Company announces various criteria for consideration publicly via SET website and the Company's website. Proposal made by the minor shareholder will be condiseder by the Nomination and Remuneration Committee and proposed to the Board of Directors to further consider putting in as the Shareholders' Meeting agenda. In addition, the minor shareholders can suggest or express their opinion or file complaints to the Independent Directors or the Company Secretary and can request for the Company's information or express their opinion via Investor Relations.

3) Role of Stakeholders

The Company realizes the importance and gives due care to all groups of stakeholders both inside and outside the Company, such as the shareholders, employees, customers, suppliers and competitors with respect to their legal rights, as well as undertakes responsibility for the society and the public. The Board of Directors therefore stipulates a code of business ethics as guidelines for the Board of Directors, the management team and employees in their operations. It is the duty and responsibility of everyone to comply with this code. The synopsis is as follows:

➤ Treatment of Employees

The Company realizes the importance of every employee and set the clear and concrete policy regarding this matter as follows:

Compensation and welfare of the employee

The Company pays compensation with rate that is deemed proper, fair, consistent with the

same business industry, and consistent with the Company's results of operation both short-term and long-term, as well as provides various welfare for instance, overtime, bonus, allowance, social security fund, and provident fund (Company's portion), healthcare, and annual leave.

Safety and Health

The Company stresses the importance of occupational health and safety by assigning a person directly responsible for Safety and Environment for the factories. There are measures to check the safety of workplaces on a regular basis. Fire extinguishers were installed and fire exits were established, and fire control demonstrations and fire drills were arranged every year for the factory and fire drills are participated for the head office. The operating manual for construction sites was formulated. The practices and statistics of accident, absence, or illness from work are disclosed. In the year 2016, there was no absence from work accident.

Developing Knowledge, Ability, and Potential of Employees

The Company has policy regarding development of the Company's personnel which forms part of the Corporate Governance with the guideline for practice as follows:

- 1) Conducting in-house training by the instructors who are expertizes in such topics for instance, Risk Management Training.
- 2) Promoting external training by sending out employees to attend courses with an objective to develop their professional knowledge and potential for instance, various accounting courses conducted by the Federation of Accounting Professions or other private instructors.
- 3) Preparing employees manual which lays out rules and regulations required, and communicating to all employees.

In addition, the Company values on the job training by having a supervisor giving knowledge and training necessary skills to new personnel of the Company.

➤ ***Treatment of Shareholders***

As mentioned in subjects, 1) Rights of Shareholders and 2) Equitable Treatment of Shareholders

➤ ***Treatment of Customers***

The Company stresses the importance of customer satisfaction and confidence by consistently providing customers with high quality products and services at reasonable prices while maximizing customers' benefits with integrity and honesty.

➤ ***Treatment of Competitors***

The Company competes fairly with all business competitors under the justified framework of complying with a good business competition practice with morality and not damaging the reputation of its competitors by making false accusations.

➤ ***Treatment of Creditors***

The Company has a policy relating to fair treatment and responsibility to the creditors by adhering to operating business with principle and discipline to build trust with the creditors. The Company strictly complies with the mutually agreed terms and conditions in settlement of the debt and interest thereon (if any) and full holds itself responsible for any collaterals. In case of any potential breach of the agreed terms and conditions, the Company will inform the creditors in advance to collectively find solutions.

➤ ***No Infringement of Intellectual Property or Copyright***

The Company values no Infringement of Intellectual Property or Copyright and setting the policy that all employees must respect the rights of the owner of the intellectual property or copyright, and must use of information and communication technology under the terms of the law and regulation of the Company With due care.

➤ **Social and Public Responsibility**

The Company emphasizes the importance of the social and public responsibility through its compliance with laws and related regulations, management of environment issues, and adoption of safety measures for business operations. With regards to environment, the Company has determined measures to reduce environmental impact at the job sites and the maintenance yard. Furthermore, the Company has promoted the resources and energy saving campaign among employees through reduction in use of electricity, water, and fuel. The Company places importance on providing supporting activities to the community around the Head Office and Petchburi factory with key activities in 2013 such as providing monetary support for the Children's Day activities and other merit making ceremonies held in Nong Chumpon, Khao Yoi, Petchaburi.

All stakeholders may report or send complaints on the matters which may damage the Company, or if their rights are violated to the Board of Directors. In addition, the Company has Whistle Blowing policy whereby if anyone discovers any illegal or unethical acts, inaccurate financial reports or weak internal control systems, they can inform these through the Independent Directors and Audit Committee or Company's secretary. The Company will protect the informants by keeping their name as confidential. The Independent Directors and Audit Committee will then examine the submitted information and report it to the Board of Directors.

All stakeholders can communicate such matters to the Board of Directors through Independent Directors and Audit Committee via e-mail or through Company's Secretary via telephone, e-mail, or mail as detailed below:

Through Independent Directors and Audit Committee :

E-mail: thanakorn.w@thaicapital.co.th
 songyos@thaicapital.co.th
 vasu.s@thaicapital.co.th

Through Company Secretary

Company's Secretary
Thai Capital Corporation PCL.
87/2 CRC Tower Building, 45th Floor,
All Seasons Place, Wireless Road,
Lumpini, Pathumwan, Bangkok 10330

Tel. 02-685-3600 Ext. 801, 300
Fax. 02-865-3607
E-mail address:
kamphol@thaicapital.co.th
phawinee.t@thaicapital.co.th

4) Disclosure and Transparency

The Company discloses all of its important information, both financial and non-financial, via the Company's website. This includes information about the organization, corporate governance policy, shareholding structure, structure of the Board of Directors and its Committees, as well as news inside and outside the organization, which is mostly available in Both Thai and English. Shareholders and investors are also provided easy access to the Company's website to download the Annual Report, the Annual Registration Statement (Form 56-1) and the financial statements. In addition, the Company sets up an investor relations unit to communicate with shareholders, investors, and securities analysts equally.

The Company values importance of the disclosure of information to investors so that they are provided with accurate and transparent information thoroughly. The Company therefore set the Investor Relations to be responsible for liaising with the investors and shareholders. The Investor Relations can be contacted at e-mail: info@thaicapital.co.th or at:

Mr. Kamphol Patana-anukul,
Tel: 02-685-3600 Ext. 801
Email: kamphol@thaicapital.co.th or
Ms. Phawinee Treekanjananan
Tel: 02-685-3600 Ext. 300
E-mail: phawinee.t@thaicapital.co.th

5) Responsibilities of the Board of Directors

As at December 31, 2016 The Board of Directors has the directors 9 directors divided to 3 Independent Directors, 3 Executive Directors and 3 Non - Executive Directors. The structure of the Board of Directors consists of directors with extensive knowledge and experience in various fields relating to the Company's business, e.g. accounting, finance and banking, marketing, economics, corporate governance and engineering.

The Board of Directors directly appoints 5 sub-committees being Audit Committee who are all the Independent Directors, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee and Investment Committee. All sub-committees have a scope of authority, responsibility and qualifications as specified by the Board of Directors and report directly to the Board on a quarterly basis. The Independent Directors also regularly hold a meeting with no participation from the Company's executive management.

The Board of Directors approves the Company's vision, mission and income projection of the following year as well as an annual investment budget. The Board of Directors also revises standards of corporate governance, code of business ethics for Directors, Executives, and employees, risk management policy and transactions that may cause conflicts of interest (if any), and expresses opinions on the adequacy of the internal control system. Board of Directors, sub-committees, and individual Director will perform self-assessment on his/her operating performance.

Policy and criteria on payment of directors' remuneration are determined by the Board of Directors and approved by the shareholders. Considerations for remuneration are based on comparison with the industry and the Company's operating results. The Board of Directors also sets remuneration for sub-committees except for the Executive Committee member and Risk Management Committee member which receives Remuneration as the Company's employee.

Chairman of the Board of Directors

The Board of Directors select Chairman of the Board of Directors from the Director but must not be the same person as the Chief Executive Officer or Managing Director. Their roles are clearly segregated where the Chairman of the Board of Directors does not take part in the day-to-day operation and is not a member of any committee of specific matters. The roles related to policies, follow-up and appraisal, and management are segregated. The Chairman of the Board of Directors must exhibit strong leadership and play the key role in ensuring the efficient operation of the Board of Directors, is independent from the management, assists in determining the smooth running of the meeting of the Board and the Shareholders' meeting, and ensuring that the Directors abide by the Corporate Governance Policy and the Code of Business Ethics, and perform duties independently under the policies established by the Board of Directors.

Board of Directors Meetings

The Board of Directors will determine the dates of its meetings over a year in advance, as well as set a clear agenda to be discussed each month. Special meetings (urgent) will be held if the need arises. The Board received copies of their invitations, minutes of meeting drafts, and information pertaining to agenda items at least 5 days before each meeting was held.

The Chief Executive Officer and Managing Director are normally responsible for setting the Meeting Agenda. However, Directors are entitled to make suggestions as well. High-level Executives and members of management are invited to attend the meetings and provide useful information directly to the Board. Exceptions to this are when agenda items concern specific issues related to special committees, which need to be given independent consideration or meeting for Non-Member of the Executive Directors.

The Chairman is responsible for and presides over meetings, providing every Director with an opportunity to openly voice his/her opinions. Meeting resolutions are then decided by a majority vote. Each Director is entitled to one vote except for anyone who has

conflicts of interest with the agenda item being discussed. In the event that the final vote ends in a tie, the Chairman will cast the deciding vote. After the conclusion of the meeting, the Company Secretary is responsible for preparing the meeting minutes and presenting them at the following meeting for approval.

Policy and practice on Holding Director Position in Other Companies

Directors as well as Executives being Chief Executive Officer, Managing Director, and Executive Vice President must not operate the same business and being in a significant competition with the Company, or holding ownership or being a Director in a partnership or a private company or other institution that operate same business as the Company's or being in competition with the Company, regardless of whose benefit from such actions; himself/herself or others unless he/she notifies such information to the shareholders before the appointment. And in order to comply with good governance guideline, Directors, Executives being Chief Executive Officer, Managing Director, and Executive Vice President shall not hold Director Position in more than 5 listed companies or limited companies established under the Public Limited Company Act B.E.2535 or Civil and Commercial Code. And the Directors must notify the Company immediately for any direct

or indirect interests in the Company's business operation or changes in ownership of the Company's or related companies' shares or securities.

Directors and Executives Development

The Company values the importance of Directors and Executives Development and has a policy to continually develop knowledge and ability as follows:

- New Director; The Company conducts orientation for the new Director of the Company and meeting with the Executives so that the Director and inquire on the extensive information related to Company's business and related rules and regulations.
- Existing Director; Directors are knowledgeable, skilled, and they are constantly seeking more information about developments in the Company's industry. The Company is supportive in providing extra training to Directors to help them better perform their duties such as the training courses conducted by the Thai Institute of Directors ("IOD") or other courses relevant to the Company's business. Majority of the Company's Directors have completed the essential training courses conducted by IOD.

Details of training courses attended by each Director in the last year are as follows:

Name – Surname	Position	Training Courses Attended In the year 2016
Ms. Yupin Chaivikrai	<ul style="list-style-type: none"> - Vice Chairman - Member of the Investment Committee - Authorized Director 	<ul style="list-style-type: none"> - Successful Formulation & Execution of Strategy (SFE) # 27/2016 - Role of the Chairman Program (RCP) #39/2016
Mr. Thanakorn Wangpipatwong	<ul style="list-style-type: none"> - Independent Director - Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee 	Directors Certification Program (DCP) #229/2016
Mr. Kamphol Patana-anukul	<ul style="list-style-type: none"> - Director - Member of the Executive Committee - Member of the Risk Management Committee - Member of the Investment Committee - Chief Financial Office 	Directors Certification Program (DCP) #229/2016

Performance Assessment of the Board of Directors

The Company requires the annual performance evaluation of the Board of Directors. These reviews are made to assess the working operations, problems and obstacles that had been dealt with over the year. Two types of assessment are performed: assessments on the Board as a whole including all sub-committees (Audit Committee, Nomination and Remuneration Committee, Executive Committee, and Risk Management Committee), and individual self-assessments. The self assessment guideline prepared by the SET, which is deemed appropriate by the Board of Directors, is used. The 6 key topic of the assessments are as follows:

- Structure and Qualification of the Board of Directors/Committee
- Roles, Duties, and Responsibilities of the Board of Directors/Committee
- Meeting of the Board of Directors/Committee
- Acting on Duties of the Board of Directors/Committee
- Relationship with the Management
- Self Development of the Directors and Executives

Operating under the principle of good governance, the Company was rated by agencies related to the corporate governance in 2015 as follows:

- 1) According to the assessment of the Annual General Meeting 2016, held by the Investors Association Thailand, companies rated with scored 90-99 out of 100 were "excellent".
- 2) Survey on Corporate Governance of Listed Companies for the year 2016, organized by the Thailand Institute of Thailand listed companies. The company has been assessed as one of the 191 companies that have been scored at a good level (Good CG Scoring) from the report on corporate governance of listed companies for the year 2016. When compared to the maximum and average overall rating of listed companies, from a total of 601 companies surveyed, the company's overall score was higher than the overall average score of all companies.

3. Overseeing the operations of its subsidiaries and associated companies

In order to comply with a regulatory mechanism that allows control and management responsibility for the operations of its subsidiaries and associated companies and maintain the benefits of the investment company. The Board is sending a person to represent the company as directors in subsidiaries and associated companies. The appointed person must ensure the best interests of the subsidiaries or associates. The Company has granted the right to the appointed person to vote on the matter which must be approved by the Board of Directors. The company will send a representative to the Board of Directors in subsidiaries or associates according to the shareholding structure and ownership.

Besides, in the case of a subsidiary, it is required that the appointed person must

ensure that its subsidiaries apply regulations in respect of connected transactions, the acquisition or disposition of assets, significant transactions, and the practices relating to the disclosure and transactions in the same manner as the parent company, as well as to oversee the storage and accounting records of the subsidiary companies to monitor and obtain information to prepare the consolidated financial statements by the deadline.

The Company does not has agreement between the company and other shareholders in the management of its subsidiaries and associated companies that have significant operations, or control, or profit sharing other than normal return based on shareholding ratio.

5. Supervision of Inside Information Usage

The Company has a strict policy on supervision of inside information usage and has a written policy on this matter in the Code of Business Ethics for Directors, Executives, and Employees disclosed in the Annual Report and the Company's website and requires Director, Executive, and Employee to comply. The Company's guidelines on this policy are as follows.

- 1) It is an obligation of Directors, Executives and employees to acknowledge the announcement published by SEC which requires Directors and Executives to prepare the report on changes of their ownerships of the Company's stock to SEC, in accordance with Section 59 of the Securities and Securities Exchange Act B.E.2535, within 3 days after buying, selling, or transferring of those stocks. An information must be copied to the Company Secretary to prepare a summary of the information of each Director and Executive and report to the Board of Directors for acknowledgement in the Board of

Directors' meeting. In addition, penalty for violating or not complying with such regulation is informed to the Directors, Executives, and employees.

- 2) The Company prohibits its Directors, Executives, and Employees to disclose financial information or other information of the Company which may have an impact on Company's stock price to outsiders. Directors, Executives and Employees must stop buying or selling of the Company's stock 1 month prior to the day that the Company discloses of Company's financial statements or other related information to general public and must not buy or sell Company's stock until after 24 hours after such disclosure. Violation of this regulation will result in penalty the Company deems appropriate which includes, but not limited to, cooperating with relevant supervisory agencies to undertake necessary legal actions.

The mentioned guideline has been approved by the Board of Directors.

The details of change in ownerships of the Company's stock of Directors and top Executives in the year 2016 are as follows:

Name - Surname		No. of Share Held as of Dec. 31, 2015	No. of Share Held as of Dec. 31, 2016	Increase / (Decrease)	Remark
Mr. Munsin	Chaivikrai	-	-	-	-
Ms. Yupin	Chaivikrai	161,641,758	161,641,758	-	-
Mr. Charoenchai	Chaivikrai	-	-	-	-
Mr. Kittisak	Chaivikrai	-	-	-	-
Mr. Boon-anant	Srikhao	423,652	423,652	-	-
Mr. Thanakorn	Wangpipatwong	-	-	-	Appointed Mar. 16, 2016
Mr. Songyos	Noppaprach	-	-	-	-
Mr. Kamphol	Patana-anukul	-	-	-	Appointed Mar. 30, 2016
Mr. Vasu	Siriyong	-	-	-	Appointed Nov. 24, 2016
Mr. Chirdsak	Kukiattinan	-	-	-	Appointed Jan. 7, 2016 Assigned May 31, 2016

Corporate Social Responsibilities

1. Policy Overview

The company is committed to developing business with social responsibility. The company has business operations with social responsibility (Corporate Social Responsibility: CSR), which are detailed below:

1) Undertaking with fairness

The company is committed to conduct business fairly and ethically, emphasize on respecting law and regulations of the society, be politically neutral. The company is committed to leading the foundation of quality and performance by building credibility with customers, investors and other stakeholders in order to add value and promote the sustainable growth of the organization, as well as the management principles in accordance with standard universal principles which shall also be beneficial to Thai society. All mentioned were for the Company to achieve and sustain excellence in moral values .

2) Anti-Corruption

The Board has a policy on banning anti-corruption and bribery by setting out the written guidelines in ethics and business ethics for directors, executives and employees, including the policy on not receiving gifts, assets or other benefits from business partners. The Board also promotes the training to educate the employees on the anti-corruption. There is a process to assess the risk of fraud designated as part of the internal audit and is in charge by Risk Management Committee.

The Company also provides a channel to report misconduct (Whistle Blowing) with the aim for all employees to jointly help monitor/oversee to ensure compliance with the principles of corporate governance and business ethics. The Company supports reporting on practices that is contrary to good faith or suspected violation of the principles. All complaints are treated as confidential and the complainants will be protected.

3) Respect for Human Rights

The Company focuses on basic human rights to promote respect for the rights and freedoms of non-discrimination, no gender discrimination, no racist, and no use of illegal labor.

4) To treat workers fairly

The company has oversight and treat workers fairly in terms of wages, welfare, quality of life, work safety and hygiene in the work environment. As disclosed in The role of stakeholders As part of the Employees.

5) Respond to Customer

The company focuses on quality production with maximum security to maximize customer satisfaction and is sincere to handle customer complaints, as well as fixing problems that may arise from production and/or services with an aim to maintain lasting relationships with customers.

6) Caring for the environment

The company has a clear environmental policy and shall be strictly abided by. The Board encourages communication to educate employees on environmental issues. The policy is part of the corporate governance and disclosure practices guidelines to be noted by employees at all levels with an emphasis on practical, legal and environmental standards. The company has embarked on a campaign to help employees save resources and energy, for instance, electricity, water and oil.

7) Development of a community or society.

The Company will consider the needs of the community and provide assistance for those who are involved in the local establishment and promote and encourage employee participation, volunteer work and activities with the community, as disclosed in the subject. The role of stakeholders In terms of social practices.

8) The innovation and innovation diffusion, which was operating with social responsibility and environmental stakeholders.

- none -

2. Implementation and reporting.

The company has established a 2016 Corporate Social Responsibility Annual Report. This report is based on the guidelines for reporting on the social responsibility of the business conducted by the Stock Exchange of Thailand. Article 8, which covers the principles, including Running the business fairly, Anti-Corruption, Respect human rights, Treat workers fairly, Being responsible for consumers, Caring for the environment, Community and social development, and Innovation and the dissemination of innovation.

In addition to operating responsibly towards society as mentioned above, the company focuses on environmental issues that may arise from the operations. The core operation process of the company includes inbound transportation, sizing, piling, and outbound transport. This may have an impact on the environment since coal may leak into the sea or river, and there may be dust spreading around the plant, warehouse, and transportation routes. The Company has measures to mitigate such impacts as follows:

- In the process of inbound transportation which includes maritime and river transportation, the Company chooses the reliable and high quality service providers. While transporting, coal is entirely covered. In addition, the Company liaises with the service providers to set out the measures to ensure minimum effect of coal flowed into the sea or river.
- In the process of sizing and piling, the Company has built the shelter covering the sizing machines and grown trees along the ridge surrounding the manufacturing area to detect noise and dust from leaking outside. For the coal piled outside the building, the Company covers the coal with a canvas or slan and uses water sprinkle system to prevent dust from spreading. And in order to prevent water pollution, the Company has built a pond and ditches around sizing plant and warehouse to prevent water contaminated by coal from flowing directly outward.
- On the outbound transportation, the Company uses the reliable top-tier logistics providers with an emphasis on entirely covering of canvas over the transported coal.

3. The business impact of social responsibility.

In 2016, no business operations of the Company and its subsidiaries that affected society and the environment and / or businesses that violated the law with regards to the principles of Article 8.

4. Activities to benefit society and the environment (After Process).

The Company is committed to conducting business with social responsibility and collective. In compliance with the relevant laws or regulations. As well as support activities that benefit society and the surrounding community.

- Support for the Red Cross joined with Bangkok Bank 2,000 Baht.
- Grant to Support Children's Day organized by the SAO. Nong Chumphon 3,500 Baht.
- Support for the Red Cross for the year 2016 joined with Ministry of Industry 1,300 Baht.
- Candle offerings with Office of the SAO Nong Chumphon 1,000 Baht.
- Grant to Support New Year's Day organized by the SAO. Nong Chumphon 1,500 Baht.
- Grant to Support Mother's Day organized by Moo. 6, 1,500 Baht.
- Support for the food and drinks and gifts to elderly people and disabled with Office of the SAO Nong Chumphon 6,500 Baht
- Grant to Support Thai Song Dum's Tradition, Kupanpot Temple 1,500 Baht.
- Grant to Support Thai Song Dum's Tradition organized by the SAO. Nong Chumphon 800 Baht.
- Grant to Support Father's Day organized by Moo. 6, 1,500 Baht.

5. Protection has been involved in corrupt

The Board of Directors has established a policy prohibiting bribery and anti-corruption to the business interests of the company. There are written guidelines including as a part of business ethics and codes of conduct for directors, executives and employees, which have been approved by the Board of Directors. The company has measures to prevent involvement with corruption as follows:

- The Company communicates to both executives and employees by requiring them to carry out all processes in strict legal framework. If an error occurs in the process due to negligence, they shall be legally punished by the government. The Company will not attempt lobbying for acquittal.
- The Company provides channels to report if they see any violations, fraud, or corruption with protection measures to the reporters.

The details of the policies and actions related to the prevention of fraud and corruption have been disclosed on the company website. <http://www.thaicapital.co.th/>

Internal Control and Risk Management

1. Board of Directors' Evaluation on Company's Internal Controls

At the Board of Director Meeting No. 2/2017 held on February 27, 2017 in which the Independent Director 3 members of the Audit Committee was also in attendance, the Board of Directors assessed the adequacy of internal control system of the year 2016 based on the Audit Committee's report duly considered at the Meeting No. 1/2017 in the same day, which the Audit Committee has reviewed the assessment form of Year 2016 and considered the reports of the Internal Audit Department and the external auditor. The auditor has mutually agreed that no significant operational faults were identified in 2016. The Board of Director deemed that the internal control system of the Company was appropriate and adequate. However, the Audit Committee has adopted policy to improve company' internal control system for higher standard.

2. Opinion of the Audit Committee where it Differs from the opinion of the Board of Directors

- None -

3. Chief of the Internal Audit Operation

The Company has realized the importance of the internal control system. The Company has appointed an external audit office, BK-IA&IC Co., Ltd. to audit the Company since the second half of 2007 until now to review and assess company's internal control system. After due consideration of the qualifications of BK-IA&IC Co., Ltd., the Audit Committee opined that the firm was qualified for performing such duties as the firm has demonstrated independence and experiences in audits more than 10 years. Furthermore, the Company appointed Mr. Kamphol Patana-anukul to coordinate with such outsource auditor.

The consideration on appointment, transfer, and terminate the internal auditor must be approved by the Audit Committee.

Connected Transactions

In doing business, the Company has related-party transactions with its subsidiary. Information and details of the related-party transactions are disclosed in Note 4 of the Financial Statements for the year ended December 31, 2016 and additionally disclosed the comparative connected transactions for the year ended December 31, 2015 as follows:

Individual/ Corporation with Potential Conflict	Relationship	Nature of Transactions	Amount (Million Baht)		Rationale
			2016	2015	
Far East Knitting Industry Co., Ltd. ("FAR EAST") Type of Business: Production and Distribution Knitting & Spinning	FAR EAST is the business of Chaivikrai Family, which have the directors and major shareholders are the same group with the Company as follow; 1. Mr. Munsin Chaivikrai - Hold director position in the Company - Hold director and share in FAR EAST 9.99% 2. Ms. Yupin Chaivikrai - Hold director and share in the Company 12.63% - Hold director and share in FAR EAST 10.00% 3. Mr. Charoenchai Chaivikrai - Hold director in the Company - Hold director and share in FAR EAST 8.33% 4. Mr. Kittisak Chaivikrai - Hold director in the Company - Hold director and share in FAR EAST 10.00%	1. Revenue from Sales 2. Trade Receivables	31.35 47.49	36.25 27.51	Selling the product by the Company and TCC Energy Co., Ltd., ("TCCE") which is subsidiary of the Company, import and distribution coal. The Company and TCCE sold coal to FAR EAST to use in a normal business operation, has compared the selling price with other supplier. The selling prices were quoted using Cost plus margin and was in line with market prices.

Individual/ Corporation with Potential Conflict	Relationship	Nature of Transactions	Amount (Million Baht)		Rationale
			2016	2015	
	5. Ms. Pornpin Chaivikrai - Share in the Company - share in FAR EAST 10.00% 6. Ms. Sopin Chaivikrai - Share in the Company - share in FAR EAST 10.00%				
You and I Group Co., Ltd. ("YOU & I") Type of Business: Retuarant	YOU & I is the business of Ms. Yupin Chaivikrai who is hold the director position and major shareholder of the Company	1. Revenue from Sales 2. Trade Receivables 3. Administrative Expenses	1.00 0.36 0.23	- - -	Selling the product by NYC – Thai BD Co., Ltd. ("NYC") which is subsidiary of the Company, import and distribution ice cream under the trademark "Emack and Bolio's" NYC sold ice cream to YOU & I to use in a normal business operation, has compared the selling price with other supplier and NYC paid the consultant fee to staff of YOU & I for running business after purchased shares of NYC from the older shareholder.

On February 27, 2017 the Audit Committee considered the connected transactions for the year ended December 31, 2016 and expressed its opinion that such transactions were for the normal business operation of the Company and applied normal commercial terms in the same fashion as what ought to be done by a reasonable person in the similar situation, and were done on an arm's length basis. There was no transfer of benefits between the company and individuals with potential conflict of interest.

Measures or Procedures on the Approval of the Connected Transactions

The Board of Directors has supervised the Company to ensure compliance with the Securities and Securities Exchange Act, rules, notifications, orders, or regulations prescribed by SET including the regulations regarding the disclosure of information on the connected transaction and the acquisition or disposition of the Company's asset.

If the Company enters into a connected transaction with person who may have conflict, interest, or may cause conflict of interest in the future, the Audit Committee shall advise on the necessity of the transaction and suitability of its price. The advice would base on the terms and conditions of the normal business practice in the market and the price would be compared with the market price. In case that the Audit Committee does not have skill to consider the particular connected transaction, the Company shall appoint the independent expert or the Company's external auditor to provide comments on that transaction to be used for

the decision of the Board of Directors, and/or the Audit Committee and/or the shareholders whatever the case may be. The Company shall disclose the connected transactions in the note accompanying the financial statements that are audited or reviewed by the Company's external auditor.

The Company has complied with the regulations of SET and its amendments regarding the connected transaction and/or the acquisition and disposition of asset of the listed company as well as the disclosure of information to the Company's shareholders, general investors, and relevant agencies including SET. The regulations also include the approval from the Board of Directors' Meeting and/or The meeting of shareholders as prescribed by SET. In addition, directors or shareholders who have conflicts of interest or participate in such transactions do not have the right to vote in the decision making process.

Policy or Trend on the Connected Transaction Including the Acquisition and Disposition of Asset in the Future

The company set a policy for connected transactions in the future that they must be done in accordance with the normal business operations of the Company. No unfair transfer of the Company's benefit to shareholders, Board of Directors, or other related parties.

The Audit Committee will consider the reasonableness of the transaction and the pricing conditions and terms of the transaction that they are in line with normal business of the Company and the prices are comparable with outsiders. Party with conflict of interest will not involve in the approval of such transactions. The audit committee will approve the transactions and propose to the Board of Directors for further approval.

The Board of Directors Will comply with the regulations relating to Securities and and Securities Exchange, or regulations of SET as well as the regulations relating to the disclosure of information about the connected transaction, the acquisition or disposition of core assets of the Company or its subsidiary, and Accounting Standards set by the Federation of Accounting Professions. The Company will disclose the transactions in the notes to the financial statements which are audited by the statutory auditors.

Management's Discussion and Analysis

The consolidated and separate financial statements of Company and its subsidiaries for the year ended December 31, 2016, 2015 and 2014 was audited by Mr. Kraisit Silapamongkonkul CPA License No.9429 which expressed an unqualified opinion. The financial statement presents fairly, in all material respects, the consolidated financial position of Company and its subsidiaries as at December 31 2016, and its financial performance and cash flows for the year ended in accordance with Thai Generally Accepted Accounting Principles.

Audit Fee

In the year 2016, the Company paid audit fee for auditor of Siam Truth Audit Co., Ltd. and PV Audit Co., Ltd. amounting of Baht 1,030,000 and 970,000 respectively totaling of Baht 2,000,000 (Company and its subsidiaries), excluding other auditing expenses such as travelling expenses, stamp etc.

Therefore during in the auditing the financial statement of the year 2016, the auditor was transferred the office from PV Audit Co., Ltd. to Siam Truth Audit Co., Ltd. In addition the Company and its subsidiaries did not pay the Non - Audit fee for auditor and related individual.

1. Overall Performance Overview

Thai Capital Corporation Public Company Limited and its subsidiaries Statements of Income

Unit : Million Baht

	2016	%	2015	%	2014	%
Revenues from sales	1,072.28	100.00%	1,160.15	100.00%	1,593.21	100.00%
Cost of sales	919.25	85.73%	1,014.65	87.46%	1,394.86	87.55%
Gross Profit	153.03	14.27%	145.50	12.54%	198.35	12.45%
Other income	18.61	1.74%	12.20	1.05%	11.27	0.71%
Selling expenses	(95.79)	(8.93%)	(89.33)	(7.70%)	(131.35)	(8.24%)
Administrative expense	(60.83)	(5.67%)	(40.31)	(3.47%)	(40.36)	(2.53%)
Financial costs	(0.02)	(0.00%)	-	0.00%	(0.01)	(0.00%)
Tax income (expense)	(6.58)	(0.61%)	(7.48)	(0.64%)	(9.70)	(0.61%)
Profit (loss) for the year from continuing operations	8.42	0.79%	20.58	1.77%	28.20	1.77%
Profit (loss) for the year from discontinued operations	-	0.00%	-	0.00%	-	0.00%
Profit (loss) for the year	8.42	0.79%	20.58	1.77%	28.20	1.77%
Profit (loss) attributable to minority interest	-	0.00%	-	0.00%	-	0.00%
Profit (loss) attributable to Equity holders of the parent	8.42	0.79%	20.58	1.77%	28.20	1.77%
Basic earnings (loss) per share	0.0066		0.0166		0.0237	
Diluted earnings (loss) per share	0.0060		0.0137		0.0205	

Thai Capital Corporation Public Company Limited and its subsidiaries
Statements of Comprehensive Income

Unit : Million Baht

	2016	%	2015	%	2014	%
Profit (loss) for the year	8.42	0.79%	20.58	1.77%	28.20	1.77%
Other comprehensive Income (loss):						
Items that will never be reclassified to profit of loss						
Defined benefit plan actuarial gains (losses)	1.23	0.11%	0.09	0.01%	(0.53)	(0.03%)
Income tax relating to defined benefit plan actuarial gains (losses)						
Defined benefit plan actuarial gains (losses)	(0.24)	(0.02%)	(0.02)	(0.00%)	0.10	0.01%
	0.99	0.09%	0.07	0.01%	(0.43)	(0.03%)
Items that are or may be reclassified to profit or loss						
Foreign currency translation differences for Foreign operations	0.16	0.01%	0.44	0.04%	(3.66)	(0.23%)
	0.16	0.01%	0.44	0.04%	(3.66)	(0.23%)
Other comprehensive income (loss) for the year - net of tax	1.15	0.11%	0.51	0.04%	(4.09)	(0.26%)
Total comprehensive Income (loss) for the year	9.57	0.89%	21.09	1.82%	24.11	1.51%

Thai Capital Corporation Public Company Limited and its subsidiaries
Statements of Financial Position

Unit : Million Baht

	2016	%	2015	%	2014	%
Assets						
Current assets						
Cash and cash equivalents	134.88	14.72%	70.55	6.93%	44.93	4.82%
Current investments	124.85	13.63%	426.67	41.94%	322.36	34.57%
Trade and other receivables, net	349.52	38.15%	167.84	16.50%	153.64	16.48%
Current portion of long – term loan	2.21	0.24%	-	0.00%	2.00	0.21%
Inventories, net	79.11	8.63%	85.28	8.38%	136.13	14.60%
Other current assets	2.41	0.26%	0.26	0.03%	0.19	0.02%
Total current assets	692.98	75.64%	750.60	73.78%	659.25	70.70%
Non – Current assets						
Restricted investments	67.14	7.33%	135.84	13.35%	135.84	14.57%
Other long-term loan	0.03	0.00%	-	0.00%	-	0.00%
Property, plant and equipment, net	119.89	13.09%	115.57	11.36%	123.39	13.23%
Goodwill	17.62	1.92%	-	0.00%	-	0.00%
Intangible asset, net	9.42	1.03%	8.50	0.84%	5.81	0.62%
Deferred tax assets	5.70	0.62%	5.75	0.57%	6.95	0.75%
Other non-current assets	3.43	0.37%	1.06	0.10%	1.28	0.14%
Total non-current assets	223.23	24.36%	266.72	26.22%	273.27	29.30%
Total assets	916.21	100.00%	1,017.32	100.00%	932.52	100.00%

Thai Capital Corporation Public Company Limited and its subsidiaries
Statements of Financial Position (Continue)

Unit : Million Baht

	2016	%	2015	%	2014	%
Liabilities						
Current liabilities						
Trade and other payables	49.76	5.43%	57.31	5.63%	61.58	6.60%
Current portion of liabilities under finance leases	0.08	0.01%	-	0.00%	-	0.00%
Income tax payable	3.55	0.39%	3.99	0.39%	-	0.00%
Other current liabilities	0.55	0.06%	0.38	0.04%	0.42	0.05%
Total current liabilities	53.94	5.89%	61.68	6.06%	62.00	6.65%
Non-current liabilities						
Long - term liabilities under finance leases	0.10	0.01%	-	0.00%	-	0.00%
Employee benefit obligations	2.06	0.22%	2.77	0.27%	2.25	0.24%
Other non - current liabilities	0.01	0.00%	-	0.00%	-	0.00%
Total non - current liabilities	2.17	0.24%	2.77	0.27%	2.25	0.24%
Total liabilities	56.11	6.12%	64.45	6.34%	64.25	6.89%
Shareholders' equity						
<u>Authorized share capital</u>	<u>905.15</u>		<u>881.49</u>		<u>881.49</u>	
Fully paid - up	639.71	69.82%	639.70	62.88%	601.02	64.45%
Premium on ordinary shares	197.49	21.56%	197.49	19.41%	172.66	18.52%
Retained earnings	26.60	2.90%	119.54	11.75%	98.89	10.60%
Other component of shareholders' equity	(3.70)	(0.40%)	(3.86)	(0.38%)	(4.30)	(0.46%)
Total shareholders' equity	860.10	93.88%	952.87	93.66%	868.27	93.11%
Total liabilities and shareholders' equity	916.21	100.00%	1,017.32	100.00%	932.52	100.00%

Thai Capital Corporation Public Company Limited and its subsidiaries
Statements of Cash Flows

Unit : Million Baht

	2016	2015	2014
Net cash provided by (used in) operating activities	(176.83)	60.06	62.81
Net cash provided by (used in) investing activities	354.24	(98.38)	(191.17)
Net cash provided by (used in) financing activities	(113.24)	63.50	11.05
Exchange differences on translating financial statements	0.16	0.44	(3.66)
Cash and cash equivalent increase (Decrease), Net	64.33	25.62	(120.97)
Cash and cash equivalents at beginning of the year	70.55	44.93	165.90
Cash and cash equivalents at end of the year	134.88	70.55	44.93

Financial Ratio

	Unit	2016	2015	2014
Liquidity Ratio				
Current ratio	Times	12.85	12.17	10.63
Quick ratio	Times	11.38	10.79	8.44
Cash Flows liquidity ratio	Times	(3.06)	0.97	0.74
Account receivable turnover	Times	4.15	7.22	10.01
Collection period	Days	87.95	50.55	36.46
Inventory turnover	Times	11.18	9.17	8.38
Average number of days sales	Days	32.65	39.80	43.56
Account payables turnover	Times	17.17	17.07	16.41
Payment period	Days	21.26	21.38	22.24
Cash Cycle	Days	99.34	68.97	57.78
Profitability Ratio				
Gross profit margin	%	14.27	12.54	12.45
Operating profit margin	%	0.79	1.77	1.77
Other revenue margin	%	1.74	1.05	0.71
Cash flows from operating activities-to-net profit	%	(2,100.12)	291.84	222.73
Net profit margin	%	0.79	1.77	1.77
Return on Equity - ROE	%	0.93	2.26	3.32
Efficiency Ratio				
Return On Assets – ROA	%	0.87	2.11	2.96
Return On Fixed Assets	%	7.15	17.22	21.86
Total Assets Turnover	Times	1.13	1.20	1.71
Financial Policy Ratio				
Total debt-to-total assets ratio	Times	0.06	0.06	0.07
Debt to Equity ratio	Times	0.06	0.06	0.07

2. Analysis of operations and financial position. Significant changes

1) Overview of Operating Results

Thai Capital Corporation Public Company Limited and its subsidiaries (“The Group”) operates in 2 businesses primarily include sale of coal and steel and sale of ice cream. The Group’s business segment information and reconciliation of reportable segment profit or loss for the years ended December 31, 2016 and 2015 was as follows:

	Thousand Baht					
	Sale of coal and steel		Sale of ice cream		Total	
	2016	2015	2016	2015	2016	2015
Revenue from sales	1,058,681	1,160,150	13,594	-	1,072,276	1,160,150
Cost of sales	(913,494)	(1,014,655)	(5,753)	-	(919,247)	(1,014,655)
Gross profit	145,187	145,495	7,841	-	153,028	145,496
Other income					18,617	12,210
Selling expenses					(95,794)	(89,329)
Administrative expenses					(60,830)	(40,312)
Finance costs					(21)	-
Profit before income tax					15,000	28,064
Tax expense					(6,576)	(7,483)
Profit for the year					8,424	20,581

The Group had net profit for 2016 totaling 8.42 Million Baht or 0.79% of total revenues decreased from net profit of previous year 20.58 Million Baht due to the net loss from NYC – Thai BD Co., Ltd., the subsidiary which its operates distribution ice cream under the trademark “Emack and Bolio’s”. The Group had made the acquisition of business by acquiring of ordinary share on May 2016.

2) Operating Results for the Past Year

Revenue

In 2016 the Group had revenue from sale of coal and steel 1,058.68 Million Baht, decreasing from previous year 101.47 Million Baht or 8.75%.

The Group had revenue from sale ice cream in 2016 (shown in the Consolidated financial statements) totaled 13.59 Million Baht.

Cost of sales and Expenses

In 2016 the Group had cost of sales and expenses from sale coal and steel totaled 913.49 Million Baht, decreasing from previous year totaled 101.16 Million Baht or 9.97%. The gross profit margin of coal and steel business for 2016 was 13.71%, increasing from previous year of 12.54%.

Selling expenses of sale coal and steel in 2016 totaled 84.17 Million Baht, decreasing from previous year 5.16 Million Baht or 5.78% which was in line with a decrease in revenue from sales. However when compared to revenue from sales, selling expenses of 2016 were 7.95%, increasing from previous year 7.70%.

Administrative expenses of coal and steel business in 2016 totaled 53.98 Million Baht, increasing from previous year 13.67 Million Baht or 33.91% which increasing from expenses about purchasing shares of ice cream business and study fee for investment in new business.

Tax expense of coal and steel business in 2016 totaled 6.32 Million Baht, compared with previous year to 7.48 Million Baht, which was in line with a decrease in profit before taxes.

In 2016 the Group had cost of sale ice cream (shown in the Consolidated financial statements) totaled 5.75 Million Baht and had gross profit margin totaled 57.69%.

Selling expenses of sale ice cream in 2016 totaled 11.62 Million Baht including space rental, utility expenses and marketing expenses. The mostly of expenses were the fixed expenses and had administrative expenses totaled 6.85 Million Baht.

Tax expense of ice cream business for 2016 totaled 0.26 Million Baht.

Net Profit

The Company had net profit for 2016 totaled 8.42 Million Baht decreasing from previous year 12.16 Million Baht or 59.09% (net profit for 2015 totaled 20.58 Million Baht). The Group had earnings per share was 0.0066 Baht/share.

Return on Equity

The Return on Equity of the Group in 2016 was 0.93% decreasing from previous year of 2.26.

3) Financial Position

Asset

Total Assets in the year 2016 amounting to 916.21 Million Baht, increasing from previous year 101.11 Million Baht, due to the following factors:

Cash	Increase	64.33	Million Baht
Current investments	Decrease	(301.82)	Million Baht
Trade account receivables, net	Increase	181.68	Million Baht
Restructured investment	Decrease	(68.70)	Million Baht
Goodwill	Increase	17.62	Million Baht

Cash and Current investments decreased mainly from investment in subsidiaries and dividend payment in 2016.

Liabilities and Shareholders' equity

Total amount Liabilities in 2016 totaled 56.11 Million Baht decreasing from previous year 8.34 Million Baht with the main factor being a decrease in trade account payables 7.55 Million Baht which was majorly coal suppliers. In term of payment period, the company paid suppliers faster than that of previous year.

As at 31 December 2016 had shareholders' equity 860.10 Million Baht which decreasing from previous year 92.77 Million Baht mainly due to the dividend payment 102.35 Million Baht which resulted in a decrease in shareholders' equity and net profit for the year which increased shareholders' equity 8.42 Million Baht, including exchange differences on translating financial statements which resulted in an increase in shareholders' equity 0.16 Million Baht.

Liquidity

The Group had high liquidity as the mentioned in the part of Financial Ratio Analysis.

Sources of Capital

As at 31 December 2016, the capital structure comprised total liabilities amounting to 56.11 Million Baht and shareholders' equity amounting to 860.10 Million Baht or calculated as debt to equity ratio of 0.06 times.

4) Financial ratio analysis

Significant Liquidity ratio

➤ Current ratio

In 2016, The Group's current ratio was 12.85 times, increasing from previous year which of 12.17 times due to a decrease of trade and other payables as at 31 December 2016 when compared with previous year.

➤ Collection period

In 2016, Company's collection period equaling to 87.95 days, slower than previous year 37 days was in line with an increase of revenue of sale in quarter 3/2016 which an significance increase when compared with the same time of previous year.

➤ Average number of days sales

In 2016, the Group's average number of days sales equaling to 32.65 days, faster than previous year 7 days due to the inventory management process.

➤ Payment period

In 2016, the Group's payment period equaling to 21.26 days, which was similar to previous year.

Significant Profitability ratio

➤ Gross profit margin

In 2016, the Group had gross profit margin of 14.27% increasing from previous year of 12.45% due to continuous reduce cost as mentioned in profit and cost of sales analysis.

➤ Net profit margin

In 2016, the Group had net profit margin of 0.79% decreaseing from previous year which had expenseses about purchasing shares of ice cream business and study fee for investment for new business.

➤ Return on Equity

In 2016, the Group had return on equity of 0.93%, decreasing from previous year of 2.26% due to operating results as above mentioned.

Significant Efficiency ratio

➤ Return on Assets

In 2016, the Group had return on assets of 0.87%, decreasing from previous year of 2.11% due to operating results as above mentioned.

Significant Financial ratio

➤ Debt to Equity ratio

In 2016, the Group had debt to equity of 0.06 times similar to previous year.

3. Factor or situation possibly affecting significantly on the Company financial position or business operation in the future.

1) Coal price fluctuations

World oil price is one of significant factors which may affect to coal price and it tends to continue to fluctuation which can affect coal purchasing price and selling price in the future.

2) Exercises of Warrants

If warrant holders exercise TCC-W2, TCC-W3 and TCC-W4 result in increasing in capital for investment and normal operation.

The Audit Committee's Report for the year 2016

The Audit Committee of Thai Capital Corporation Public Company Limited comprise 3 Independent Directors including Mr. Thanakorn Wangpipatwong as the Chairman of the Chairman of the Audit Committee, Mr. Songyos Noppaprach and Mr. Vasu Siriyong. The Member of the Audit Committee has knowledge, professions, and experience in accounting, finance, marketing, legal, organizational management, as well as coal business.

The Audit Committee conducted duties and responsibilities assigned by Board of Directors. During the year 2016, the audit committees held 4 meetings which were attended by all members. In addition, Audit Committee had meetings with top managements, internal auditors and external auditors with the significant reviews as follows;

Name – Surname		Position	No. of Meetings / No. of Attendance
1. Mr. Thanakorn	Wangpipatwong ¹⁾	Chairman of the Audit Committee	4/3
2. Mr. Songyos	Noppaprach	Member of the Audit Committee	4/4
3. Mr. Vasu	Siriyong ²⁾	Member of the Audit Committee	-
4. Mr. Chirdsak	Kukiattinan ³⁾	Chairman of the Audit Committee	4/2

Remark :

1) Mr. Thanakorn Wangpipatwong appointed as the Independent Director and Member of the Audit Committee on March, 16, 2016 instead Ms. Nattaya Quivirach who resigned from the Independent Director and Member of the Audit committee before the end of term on December 9, 2015. After that appointed as the Chairman of the Audit Committee on November 24, 2016.

2) Mr. Vasu Siriyong appointed as the Independent Director and Member of the Audit Committee on November 24, 2016 instead Mr. Chirdsak Kukiattinan who resigned from position before the end of term on May 31, 2016.

3) Mr. Chirdsak Kukiattinan appointed as the Independent Director and Chairman of the Audit Committee on January 7, 2016 instead Mr. Chaipayat Sahasakul who resigned from position before the end of term on December 9, 2015.

The Audit Committee has been meeting with senior executives involved, internal auditor and auditors. The results of the review of the Audit Committee are significant as follows;

Reviewed financial statements: the committee reviewed the reliability of financial statements and suitability of accounting principles for quarterly and annual financial statements for the year 2016 with the auditor and management to ensure that the quality evaluation results in its financial report is appropriately prepared and complied with generally accepted accounting standard. Financial information and statements are accurately reliable and disclosed properly and accurately on timely basis as per related regulations. This includes the consideration on adoption of new Thai Accounting Standards (“TAS”), new Thai Financial Reporting Standards (“TFRS”), new Thai Standard Interpretations (“TSIC”) and new Thai Financial Reporting Interpretations (“TFRIC”) which may have an impact on the Company’s Accounting’s policy. Additionally, the Audit Committee had a separated private meeting with external auditor without the presence of executive management to ensure that external auditor performed an independent process.

Reviewed related transactions: the committee reviewed the disclosure of the Company’s and its subordinated company’s related transactions which might cause the conflict of interest among stakeholders. The result was that the related transactions were complied with ordinary business practices and good governance regulation of SET.

Reviewed the internal control operation: the committee reviewed the suitability of the internal control in 2016 and considered the reports of the Internal Audit and the external auditor. The auditor expressed an opinion of similar fashion that no significant deficiencies were identified in 2016. In conclusion, the internal control of the Company was reasonable adequate. However, the Audit Committee will ensure that the Company will continue to improve its internal control.

Monitored the internal audit: The committee considered and approved scope and plan of the internal audit for 2016, and considered results thereon. The internal auditor directly reported to the Audit Committee for the independency of the Internal Auditor.

Review of risk management: The committee revisited with the management on risk management process of the Company, follow up on the process, propose the Company on the efficient way of the risk management process to ensure that the Company continuously maintains the risk management and consider preventive method and manage significant risks of the business both current and in the future as well as determine the way to improve the process.

Ensure the Company complies with the rules and regulations of SET and other related regulations: Additionally, the committee reviewed the Company to follow the regulations of SEC and SET and the other regulation related to its business regularly for the maximum of the effectiveness and the efficiency. It also included the business conduct to stakeholders with the purpose of fairness, transparency and good governance to create the reliability to all investors and stakeholders.

Consider the elections of the auditors of the Company: The committee considered the elections of the auditors for year 2017 by reviewing the qualification, professional experiences, and the appropriateness of audit fee and has a resolution to propose to Board of Directors to ask for the approval of AGM2017 to appoint Mr. Bunjong Pichayaprasat, CPA License No. 7147 or Mr. Kraisit Silapamongkonkul, CPA License No. 9429 or Miss Khaymanundt Chaichuen, CPA License No. 8260 of Siam Truth Audit Co., Ltd. as the auditor for 2017 of the Company and its subsidiary.

February 27, 2017

On behalf of the Audit Committee



(Mr. Thanakorn Wangpipatwong)
Chairman of the Audit Committee

Report on the Board of Director's Responsibilities for Financial Statements

The Board of Directors of Thai Capital Corporation Public Company Limited has provided The financial statements showing the Company's financial position and business Operation result for the year 2016 under the Public Limited Companies Act B.E.2535 (A.D. 1992) and Rules and Regulations of SET. The Board of Directors is responsible for the company financial statements presented in this annual report. The Board of Directors confirms that the aforementioned financial statements are in accordance with Thai Generally Accepted Accounting Principles, Using appropriate accounting policy consistently employed by the Company as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to financial statements.

The Board of Directors has provided and maintained an efficient internal control system to ensure that accounting records are accurate, complete and adequate to protect its assets and uncover weaknesses in order to prevent fraud or materially irregular operations.

The Company's financial statement was audited by external auditor of Siam Truth Audit Co., Ltd. In auditing process, managements provided the information and documents to support auditor for reviewing and express an opinion in accordance with Thai Standards on Auditing, whose comments are readily included in the Auditor's Report in this annual report.

The Board of Directors has appointed an Audit Committee, which consists of non-Executive Directors responsible for the quality of financial statements, internal control system and law compliance, whose comments are readily included in the Audit Committee Report in this annual report

From the above procedures, The Board of Directors is of the opinion that the financial statements presented fairly, in all material respects, the consolidated and separate financial statements for the year ended December 31, 2016 in accordance with Thai Financial Reporting Standards.



(Mr. Munsin Chaivikrai)
Chairman of the Board of Directors



(Mr. Charoenchai Chaivikrai)
Chief Executive Officer

Auditor's Report

To the Shareholders of Thai Capital Corporation Public Company Limited and its subsidiaries

Opinion

I have audited the accompanying consolidated and separate financial statements of Thai Capital Corporation Public Company Limited and its subsidiaries ("the Group") and of Thai Capital Corporation Public Company Limited ("the Company"), respectively, which comprise the consolidated and separate statement of financial position as at December 31, 2016, the consolidated and separate statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Thai Capital Corporation Public Company Limited and its subsidiaries and of Thai Capital Corporation Public Company Limited as at December 31, 2016, and their consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accounts issued by the Federation of Accounting Professions under the Royal Patronage of his Majesty the King that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Acquisition of business

As described in notes 2 and 10 to the financial statements, during the year 2016, the Company had made the acquisition of business by acquiring of ordinary shares of “NYC-Thai BD Co., Ltd. (“the subsidiary”) in the amount of Baht 22.93 million, which its main business is an ice cream distribution. The Company recorded the provisional amounts for a business combination with the best estimated for the initial accounting. The Company will completely measure the provisional amounts within the year 2017, which the Company may adjust the provisional amounts recognized at the acquisition date. The measurement period was determined to provide the Company with a reasonable time to obtain the information necessary to identify and measure the identifiable assets acquired, liabilities assumed and goodwill. I focused on this business acquisition involved in fair valuation of the assets and liabilities, which affect to the recognition of goodwill because such area was material to the consolidated financial statements of the Group. In addition, the Company had to perform impairment test of goodwill acquired from a business combination. This process of impairment tests were complex and involve a high level of judgments and is based on assumptions including the expectation of increase in sale volume by considering economic condition, marketing policies and competition situation over the ice cream business, and efficient cost management.

I audited the financial information of such subsidiary at the acquisition date until the end of accounting period, examined the significant agreements of the subsidiary to assess the fair valuation of the identifiable assets acquired and liabilities assumed, and also reviewed the goodwill recognition of the Group. In addition, I tested the model and the appropriateness of the recoverable amount calculated basing on cash flow projection of the subsidiary, the variables and estimations, significant assumptions, discount rate, and including, the sources of information for the purpose to assess the possibility of the assumptions including discuss with the management of the Group involving the direction and operation plan of the subsidiary.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor’s report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

A handwritten signature in blue ink, appearing to read "Kraist S.", is positioned above the printed name.

Kraist Silapamongkonkul
Certified Public Accountant
Registration No. 9429

Siam Truth Audit Company Limited
Bangkok, February 27, 2017

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets	3				
Current assets					
Cash and cash equivalents	5	134,880,322.99	70,554,929.72	25,890,112.18	58,536,836.31
Current investments	6, 29	124,851,535.45	426,665,525.83	124,851,535.45	426,665,525.83
Trade and other receivables	4, 7	349,522,978.84	167,841,295.85	157,063,104.88	167,849,758.51
Current portion of long-term loan	11	2,211,514.45	-	2,211,514.45	-
Short-term loan to related parties	4	-	-	145,891,378.95	-
Inventories	4, 8	79,112,025.81	85,277,165.72	-	85,277,165.72
Other current assets		2,407,671.60	262,275.83	713,082.45	257,507.11
Total current assets		692,986,049.14	750,601,192.95	456,620,728.36	738,586,793.48
Non-current assets					
Restricted investments	9	67,135,216.11	135,840,150.00	67,135,216.11	135,840,150.00
Investments in subsidiaries	4, 10	-	-	238,080,507.31	24,226,736.36
Other long-term loan	11	31,394.96	-	31,394.96	-
Investment property	12	-	-	89,268,713.16	-
Property, plant and equipment	13	119,890,444.71	115,568,746.17	19,343,345.55	115,466,417.96
Goodwill	10	17,622,070.88	-	-	-
Intangible assets	14	9,417,844.50	8,501,691.04	8,621,121.58	8,501,691.04
Deferred tax assets	15	5,703,245.95	5,752,029.19	3,591,483.23	5,752,029.19
Other non-current assets		3,427,691.93	1,058,465.06	1,101,787.69	1,058,465.06
Total non-current assets		223,227,909.04	266,721,081.46	427,173,569.59	290,845,489.61
Total assets		916,213,958.18	1,017,322,274.41	883,794,297.95	1,029,432,283.09

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity	3				
Current liabilities					
Trade and other payables	4, 17	49,761,223.63	57,314,755.81	20,781,706.99	71,495,067.49
Current portion of liabilities under finance leases		81,545.03	-	81,545.03	-
Income tax payable		3,550,332.63	3,990,583.17	-	3,990,583.17
Other current liabilities		547,325.40	380,779.16	159,677.55	380,779.16
Total current liabilities		53,940,426.69	61,686,118.14	21,022,929.57	75,866,429.82
Non-current liabilities					
Long-term liabilities under finance leases		107,227.76	-	107,227.76	-
Employee benefit obligations	18	2,057,141.30	2,769,174.03	149,345.34	2,769,174.03
Other non-current liabilities		8,900.00	-	-	-
Total non-current liabilities		2,173,269.06	2,769,174.03	256,573.10	2,769,174.03
Total liabilities		56,113,695.75	64,455,292.17	21,279,502.67	78,635,603.85
Shareholders' equity					
Share capital	19				
Authorized share capital					
1,810,292,821 ordinary shares, (1,762,973,267 ordinary shares, in 2015)					
Baht 0.50 par value		905,146,410.50	881,486,633.50	905,146,410.50	881,486,633.50
Issued and paid-up share capital					
1,279,416,065 ordinary shares (1,279,398,753 ordinary shares, in 2015)					
fully paid-up		639,708,032.50	639,699,376.50	639,708,032.50	639,699,376.50
Premium on share capital	21	197,494,020.50	197,487,044.50	197,494,020.50	197,487,044.50
Retained earnings					
Appropriated to legal reserve	22	9,828,921.03	9,126,201.82	9,828,921.03	9,126,201.82
Unappropriated	19	16,767,558.49	110,411,997.38	15,483,821.25	104,484,056.42
Other component of shareholders' equity		(3,698,270.09)	(3,857,637.96)	-	-
Total shareholders' equity		860,100,262.43	952,866,982.24	862,514,795.28	950,796,679.24
Total liabilities and shareholders' equity		916,213,958.18	1,017,322,274.41	883,794,297.95	1,029,432,283.09

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
	3, 4				
Revenue from sales		1,072,275,629.33	1,160,150,310.23	387,343,494.08	1,160,150,310.23
Cost of sales	23	(919,247,427.82)	(1,014,654,777.89)	(310,219,524.28)	(1,014,654,777.89)
Gross profit		153,028,201.51	145,495,532.34	77,123,969.80	145,495,532.34
Other income		18,617,321.09	12,209,886.19	17,529,409.60	10,816,933.66
Selling expenses	23	(95,793,908.31)	(89,328,993.33)	(41,332,766.45)	(89,328,993.33)
Administrative expenses	23	(60,830,010.79)	(40,311,995.86)	(36,043,322.86)	(39,382,358.38)
Finance costs		(21,202.51)	-	(21,202.51)	-
Profit before income tax		15,000,400.99	28,064,429.34	17,256,087.58	27,601,114.29
Tax expense	25	(6,575,950.05)	(7,483,058.94)	(4,187,432.92)	(7,483,058.94)
Profit for the year		8,424,450.94	20,581,370.40	13,068,654.66	20,118,055.35
Earnings per share					
Basic earnings per share					
Profit for the year		0.0066	0.0166	0.0102	0.0162
Weighted average number of ordinary shares (shares)		1,279,412,092	1,242,257,860	1,279,412,092	1,242,257,860
Diluted earnings per share					
Profit for the year		0.0060	0.0137	0.0093	0.0134
Weighted average number of ordinary shares - diluted (shares)		1,408,562,453	1,502,957,259	1,408,562,453	1,502,957,259

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

Baht

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit for the year		8,424,450.94	20,581,370.40	13,068,654.66	20,118,055.35
Other comprehensive income:					
Items that will never be reclassified to profit or loss					
Defined benefit plan actuarial gains	18	1,232,162.03	88,379.20	1,232,162.03	88,379.20
Income tax on other comprehensive income relating to items that will never be reclassified	15	(246,432.41)	(17,675.84)	(246,432.41)	(17,675.84)
		985,729.62	70,703.36	985,729.62	70,703.36
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations		159,367.87	438,033.92	-	-
		159,367.87	438,033.92	-	-
Other comprehensive income - net of tax		1,145,097.49	508,737.28	985,729.62	70,703.36
Total comprehensive income		9,569,548.43	21,090,107.68	14,054,384.28	20,188,758.71

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

Baht

Consolidated financial statements

	Note	Issued and paid-up share capital	Premium on share capital	Advanced receipts for share subscription	Retained earnings		Other component of shareholders' equity	Total
					Appropriated	Unappropriated	Other comprehensive income (loss) Translating financial statements	
Balance as at January 1, 2015		601,024,239.00	172,657,609.00	-	8,116,763.88	90,769,361.56	(4,295,671.88)	868,272,301.56
Advanced receipts for share subscription	20	-	-	63,504,573.00	-	-	-	63,504,573.00
Increase in ordinary shares	20, 21	38,675,137.50	24,829,435.50	(63,504,573.00)	-	-	-	-
Profit for the year		-	-	-	-	20,581,370.40	-	20,581,370.40
Other comprehensive income		-	-	-	-	70,703.36	438,033.92	508,737.28
Legal reserve	22	-	-	-	1,009,437.94	(1,009,437.94)	-	-
Balance as at December 31, 2015		639,699,376.50	197,487,044.50	-	9,126,201.82	110,411,997.38	(3,857,637.96)	952,866,982.24
Increase in ordinary shares	20, 21	8,656.00	6,976.00	-	-	-	-	15,632.00
Dividend payment	19	-	-	-	-	(102,351,900.24)	-	(102,351,900.24)
Profit for the year		-	-	-	-	8,424,450.94	-	8,424,450.94
Other comprehensive income		-	-	-	-	985,729.62	159,367.87	1,145,097.49
Legal reserve	22	-	-	-	702,719.21	(702,719.21)	-	-
Balance as at December 31, 2016		639,708,032.50	197,494,020.50	-	9,828,921.03	16,767,558.49	(3,698,270.09)	860,100,262.43

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

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

Baht

	Note	Separate financial statements					Total
		Issued and paid-up	Premium on	Advanced receipts	Retained earnings		
		share capital	ordinary shares	for share subscription	Appropriated	Unappropriated	
Balance as at January 1, 2015		601,024,239.00	172,657,609.00	-	8,116,763.88	85,304,735.65	867,103,347.53
Advanced receipts for share subscription	20	-	-	63,504,573.00	-	-	63,504,573.00
Increase in ordinary shares	20, 21	38,675,137.50	24,829,435.50	(63,504,573.00)	-	-	-
Profit for the year		-	-	-	-	20,118,055.35	20,118,055.35
Other comprehensive income		-	-	-	-	70,703.36	70,703.36
Legal reserve	22	-	-	-	1,009,437.94	(1,009,437.94)	-
Balance as at December 31, 2015		639,699,376.50	197,487,044.50	-	9,126,201.82	104,484,056.42	950,796,679.24
Increase in ordinary shares	20, 21	8,656.00	6,976.00	-	-	-	15,632.00
Devidend payment	19	-	-	-	-	(102,351,900.24)	(102,351,900.24)
Profit for the year		-	-	-	-	13,068,654.66	13,068,654.66
Other comprehensive income		-	-	-	-	985,729.62	985,729.62
Legal reserve	22	-	-	-	702,719.21	(702,719.21)	-
Balance as at December 31, 2016		639,708,032.50	197,494,020.50	-	9,828,921.03	15,483,821.25	862,514,795.28

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

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before income tax	15,000,400.99	28,064,429.34	17,256,087.58	27,601,114.29
Adjustments to reconcile profit before income tax to cash provided by (used in) operating activities				
Depreciation and amortization	13,051,493.94	10,604,088.89	11,656,545.07	10,564,458.67
Doubtful accounts (reversal)	468,116.56	(1,469,016.06)	320,179.38	(857,354.55)
Reversal of loss from devaluation of inventories	-	-	(8,503,080.47)	-
Loss from impairment of assets and written-off of assets (reversal)	(40,844.51)	208,832.96	36,269.32	(640,796.09)
Dividend incomes	(561,716.10)	-	(561,716.10)	-
Interest income	(3,272,972.61)	(4,360,471.28)	(3,614,732.10)	(4,043,903.36)
Finance cost	21,202.51	-	21,202.51	-
Employee benefit obligations (reversal)	520,129.30	604,515.52	(1,387,666.66)	604,515.52
Loss on sales of assets	-	90,149.18	-	90,149.18
Unrealized loss on exchange rate	5,800.70	1,447.61	112,759.28	285,692.67
Gain on sales and revaluation of investments	(12,667,922.12)	(5,836,264.49)	(12,231,953.48)	(5,836,264.49)
Cash flow before changes in working capital	12,523,688.66	27,907,711.67	3,103,894.33	27,767,611.84
Changes in working capital				
Trade and other receivables	(181,758,079.61)	(12,580,084.61)	10,235,901.22	(12,812,795.81)
Inventories	11,958,258.90	50,849,137.50	93,780,246.19	50,849,137.50
Other current assets	(2,080,618.66)	(70,533.49)	(455,575.34)	(68,956.53)
Other non-current assets	(524,963.68)	14,990.00	38,443.64	14,990.00
Trade and other payables	(8,615,792.64)	(3,707,537.64)	(50,875,929.48)	(1,678,439.55)
Other current liabilities	166,546.24	(41,244.94)	(221,101.61)	(41,244.94)
Other non-current liabilities	(1,049,798.90)	-	-	-
Cash generated from (used in) the operations	(169,380,759.69)	62,372,438.49	55,605,878.95	64,030,302.51
Interest paid	(21,202.51)	-	(21,202.51)	-
Income tax refund	78,615.06	-	78,615.06	-
Income tax paid	(7,510,074.14)	(2,308,489.68)	(6,383,438.36)	(2,308,489.68)
Net cash provided by (used in) operating activities	(176,833,421.28)	60,063,948.81	49,279,853.14	61,721,812.83

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
(Increase) decrease in current investments	314,481,912.50	(98,469,233.23)	314,045,943.86	(98,469,233.23)
Decrease in other short-term loans	-	2,000,000.00	-	2,000,000.00
Increase in short-term loan to related parties	-	-	(145,891,378.95)	-
Increase in other long-term loan	(2,242,909.41)	-	(2,242,909.41)	-
Decrease in restricted investments	68,704,933.89	-	68,704,933.89	-
Purchases of investments in subsidiary	(20,978,962.45)	-	(22,930,884.78)	-
Investments in subsidiaries	-	-	(191,000,000.00)	-
Purchases of equipment	(8,834,059.59)	(2,561,105.46)	(3,390,433.36)	(2,561,105.46)
Purchases of intangible assets	(1,957,100.00)	(3,675,000.00)	(1,281,000.00)	(3,675,000.00)
Sales of assets	-	112,149.53	-	112,149.53
Dividend receipt	561,716.10	-	517,397.66	-
Interest receipt	4,505,114.23	4,211,074.80	3,891,573.46	3,894,506.88
Net cash provided by (used in) investing activities	354,240,645.27	(98,382,114.36)	20,423,242.37	(98,698,682.28)
Cash flows from financing activities				
Decrease in other short-term loan	(10,891,378.95)	-	-	-
Repayment for liabilities under finance leases	(61,411.21)	-	(61,411.21)	-
Advanced receipts for share subscription and increase in ordinary shares	15,632.00	63,504,573.00	15,632.00	63,504,573.00
Divident payment	(102,304,040.43)	-	(102,304,040.43)	-
Net cash provided by (used in) financing activities	(113,241,198.59)	63,504,573.00	(102,349,819.64)	63,504,573.00
Net increase (decrease) in cash and cash equivalents	64,166,025.40	25,186,407.45	(32,646,724.13)	26,527,703.55
Cash and cash equivalents at beginning of the year	70,554,929.72	44,930,488.35	58,536,836.31	32,009,132.76
Exchange differences on translating financial statements	159,367.87	438,033.92	-	-
Cash and cash equivalents at end of the year	134,880,322.99	70,554,929.72	25,890,112.18	58,536,836.31

THAI CAPITAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. GENERAL INFORMATION

Thai Capital Corporation Public Company Limited (“the Company”) is incorporated in Thailand and has its registered office at 87/2 CRC Tower, 45th Floor, All Seasons Place, Wireless Road, Lumpini, Phatumwan, Bangkok.

The Company was listed on the stock Exchange of Thailand on April 29, 1991. For reporting purpose, the Company and its subsidiaries are referred to as the Group.

The Group is engaged in two principal businesses as follows:

- Distribution of coal and steel.
- Distribution of ice cream.

The financial statements have been approved for issue by the Company’s Board of Directors on February 27, 2017

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), including the related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and the financial reporting requirements of the Securities and Exchange Commission.

The financial statements are presented in Thai Baht, which is the Company’s functional currency. The preparation of these financial statements is in Thai and English language and issued for Thai reporting purposes.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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

BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements consisted of the financial statements of the Group as follow:

Subsidiaries	Located in	Business type	Percentage of holding	
			December 31,	
			2016	2015
Theco Sales Co., Ltd.	Thailand	Ceased operations	99.99%	99.99%
Thai Capital Corporation (Guangzhou) Co., Ltd.	People's Republic of China	Consultant on coal business	100.00%	100.00%
P.T. Thai Capital Indo Mining Co., Ltd.	Republic of Indonesia	Sale of solid fuel, liquid fuel and gas	99.83%	99.83%
TCC Energy Co., Ltd.	Thailand	Sale of coal and steel	100.00%	-
TCC Asset Management Co., Ltd.	Thailand	Not yet operated	100.00%	-
NYC-Thai BD Co., Ltd.	Thailand	Import and distribute of ice cream	100.00%	-

On September 16, 2016, TCC Management Co., Ltd. (“Subsidiary”) had changed its name to “TCC Asset Management Co., Ltd” conforming to the Company’s business policies in the future.

All significant intercompany transactions and accounts are eliminated in preparing the consolidated interim financial statements.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

Subsidiaries are an entity controlled by the Company. The Company is deemed to have control over an investee or subsidiaries 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 significantly affect the amount of its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Adoption of new and revised Thai Financial Reporting Standards

The FAP has issued the notifications, mandating the use of new and revised Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Standard Interpretations (“TSIC”), Thai Financial Reporting Interpretations (“TFRIC”) (revised 2015) and new and revised accounting guidance (“AG”), which are effective for the financial statements, which its accounting period beginning on or after January 1, 2016.

During the year 2016, the Group has adopted new and revised TFRS which are effective for the accounting period beginning on or after January 1, 2016. These TFRS 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 standards. The adoption of these TFRS does not have any significant impact on the financial statements of the Group.

New and revised Thai Financial Reporting Standards not yet effective

During the year 2016, the FAP has issued the notifications, mandating the use of new and revised TAS, TFRS, TSIC, TFRIC(revised 2016) and new and revised AG which are effective for the financial statements, which its accounting period beginning on or after January 1, 2017 as follows:

TAS/TFRS/TSIC/TFRIC/AG	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2015)	Accounting for Certain Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation
TFRS 2 (revised 2016)	Share-based Payment

TAS/TFRS/TSIC/TFRIC/AG	Topic
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases-Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies
Accounting guidance for derecognition of financial assets and financial liabilities	

The management of the Group is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues

Sales of goods and service

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

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

Revenue from services is recognized when services are rendered.

Revenue from rental

Revenue from rental is recognized to the statement of comprehensive income by the straight-line method over the term of the agreement.

Interest income

Interest income is recognized as income on an accrual basis, based on the effective rate method.

Other income

Other income is recognized on an accrual basis.

Expenses

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Expenses are recognized on an accrual basis.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits – defined contribution plan

The Group operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the relevant companies. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits – defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Group in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average year until the benefits become vested.

When the actuarial assumptions are changed, the Group recognizes all actuarial gains (losses) immediately in other comprehensive income.

Termination benefits

The Group recognizes termination benefits as a liability and expense when the Group terminates the employment of an employee or group of employees before the normal retirement date.

Fair value measurement

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

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

Level 1 Use of quoted market prices in an observable active market for such assets or liabilities

- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

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

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, current deposits and savings deposits, cash at bank with an original maturity of 3 months and short-term investments with high liquidity excluded deposits at bank on obligation.

Current investments

Current investments those are investments in marketable securities are stated at fair value as at the end of reporting period. Any changes in value are recognized in the statement of comprehensive income.

The fair value of investment units is determined from their net asset values.

Gains and losses on disposals of investments are recorded upon disposals. The cost of securities on disposal is average cost method.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The Group records allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables.

In determining an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated as follows;

Coal	- the first in – first out method
Ice cream	- the average cost method

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

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

The Group records allowance for devaluation of inventories is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements are accounted for using the cost method less allowance for impairment loss (if any).

Investment property

Investment property is the property held for earning rental income, or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is stated at cost less accumulated depreciation and allowance for impairment (if any).

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Building	20	years
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Depreciation is included in determining income and no depreciation is provided on land.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Reclassification to property, plant and equipment

When the use of an investment properties changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its cost for subsequent accounting.

Finance lease

The Group recognised finance leases as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charge is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment

Owned assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different consumption patterns or useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or other expenses in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment properties, its carrying amount is recognized and reclassified as investment properties.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 and 20	years
Machinery and factory equipment	5 and 10	years
Furniture and office equipment	3 and 5	years
Vehicles	5	years

Depreciation for the finance lease assets is charged as expense for each accounting period. The depreciation method for leased assets is consistent with that for depreciable assets that are owned by the Group.

No depreciation is provided on land or assets under construction.

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

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 10 to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Intangible asset

Intangible assets that are acquired by the Company, which have finite useful lives, are stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Software	5 and 10	years
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No amortization is provided on assets under development.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment of assets

The carrying amounts of the Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the current fair value and acquisition cost, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or accumulated amortisation, if no impairment loss had been recognised.

Provisions

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

Foreign currencies

Functional and presentation currency

The financial statements of each entity within the Group are presented in the functional currency which is the currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in the presentation currency as Thai Baht in accordance with the regulatory requirements in Thailand. The functional currency of the Company and its subsidiaries in Thailand is Thai Baht, whereas the functional currencies of foreign operations are Renminbi and Rupiah.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or loss on translating is recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translating into the functional currency using the exchange rate at the date of transaction.

Translation of the Group's financial statements

The financial statements of the Group are translated into the presentation currency using the following exchange rate:

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Group's revenues and expenses are translated at the average exchange rates during the years which are approximate the exchange rates at the dates of transactions; and
- Share capital is translated at historical rates.

Exchange differences on translating financial statements are recognized in the other comprehensive income and presented in the exchange differences as a separate component of shareholders' equity until the disposal of the foreign operations.

Basic earnings per share

Basic earnings per share is calculated by dividing profit for the years by the weighted average number of ordinary shares issued and paid-up during the years.

For the years ended December 31, 2016 and 2015 were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Profit for the years (Baht)	8,424,450.94	20,581,370.40	13,068,654.66	20,118,055.35
Weighted average number of				
ordinary shares (shares)				
Issued ordinary shares the beginning of year	1,279,398,753	1,202,048,478	1,279,398,753	1,202,048,478
Effect of shares issued during the year	13,339	40,209,382	13,339	40,209,382
Weighted average number of				
ordinary shares (shares)	1,279,412,092	1,242,257,860	1,279,412,092	1,242,257,860
Basic earnings per share (Baht)	0.0066	0.0166	0.0102	0.0162

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the years plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary shares into ordinary shares when the exercise price is lower than fair value of ordinary shares.

The basic earnings per share and the diluted earnings per share for the years ended December 31, 2016 and 2015 were as follows:

Consolidated financial statements						
2016			2015			
<i>Baht</i>	shares	<i>Baht per share</i>	<i>Baht</i>	shares	<i>Baht per share</i>	
	Weighted average number of ordinary shares	Earnings per share		Weighted average number of ordinary shares	Earnings per share	
Profit			Profit			
Earnings per share						
Basic earnings per share	8,424,450.94	1,279,412,092	0.0066	20,581,370.40	1,242,257,860	0.0166
Effect of dilutive potential ordinary shares	-	129,150,361	-	-	260,699,399	-
Diluted earnings per share	8,424,450.94	1,408,562,453	0.0060	20,581,370.40	1,502,957,259	0.0137

Separate financial statements						
2016			2015			
<i>Baht</i>	shares	<i>Baht per share</i>	<i>Baht</i>	shares	<i>Baht per share</i>	
	Weighted average number of ordinary shares	Earnings per share		Weighted average number of ordinary shares	Earnings per share	
Profit			Profit			
Earnings per share						
Basic earnings per share	13,068,654.66	1,279,412,092	0.0102	20,118,055.35	1,242,257,860	0.0162
Effect of dilutive potential ordinary shares	-	129,150,361	-	-	260,699,399	-
Diluted earnings per share	13,068,654.66	1,408,562,453	0.0093	20,118,055.35	1,502,957,259	0.0134

4. TRANSACTIONS WITH RELATED PARTIES

The Company had transactions with related parties. These parties are related through common shareholders and/or directorships or close members of the family of an individual. The significant transactions with related parties as included in the financial statements were determined at prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

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

	<i>Baht</i>	
	Consolidated financial statements	Separate financial statements
	2016	2015
Subsidiaries		
Theco Sales Co., Ltd.		
Other income	-	22,429.92
P.T. Thai Capital Indo Mining Co., Ltd.		
Administrative expenses	-	2,126,537.50
TCC Energy Co., Ltd.		
Management fee income	-	11,446,068.80
Interest income	-	823,770.49
Purchase goods	-	755,040.90
Transfer of inventories	-	87,285,050.77

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
NYC-Thai BD Co., Ltd.				
Interest income	-	-	131,529.77	-
Related companies				
Far East Knitting & Spining Co., Ltd.				
Revenue from sales	31,353,047.80	36,250,999.30	14,066,935.80	36,250,999.30
You and I Group Co., Ltd.				
Revenue from sales	1,000,523.00	-	-	-
Administrative expenses	225,000.00	-	-	-

The significant balances of assets and liabilities with related parties as at December 31, 2016 and 2015 were as follows:

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables				
Theco Sales Co., Ltd.	-	-	15,504,439.11	15,504,439.11
Far East Knitting & Spining Co., Ltd.	47,489,662.23	27,509,726.26	28,993,522.31	27,509,726.26
You and I Group Co., Ltd.	363,200.80	-	-	-
Total	47,852,863.03	27,509,726.26	44,497,961.42	43,014,165.37
Less: Allowance for doubtful accounts	-	-	(15,504,439.11)	(15,504,439.11)
Trade receivables - net	47,852,863.03	27,509,726.26	28,993,522.31	27,509,726.26
Other receivables				
Theco Sales Co., Ltd.	-	-	1,311,547.20	1,282,983.20
Thai Capital Corporation (Guangzhou) Co., Ltd.	-	-	689,331.85	468,682.05
TCC Energy Co., Ltd.	-	-	72,662,746.00	-
TCC Asset Management Co., Ltd.	-	-	145,265.00	-
NYC-Thai BD Co., Ltd.	-	-	221,841.91	-
Total	-	-	75,030,731.96	1,751,665.25
Less: Allowance for doubtful accounts	-	-	(1,631,661.50)	(1,631,661.50)
Other receivables - net	-	-	73,399,070.46	120,003.75
Investments in subsidiaries (see note 10)	-	-	238,080,507.31	24,226,736.36

Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Other payables				
Thai Capital Corporation				
(Guangzhou) Co., Ltd.	-	-	182,577.50	196,836.50
P.T. Thai Capital Indo Mining Co., Ltd.	-	-	16,481,218.31	14,219,089.24
TCC Energy Co., Ltd.	-	-	2,508.00	-
Total	-	-	16,666,303.81	14,415,925.74
Other current liabilities				
Far East Knitting & Spining Co., Ltd.	2,000.00	-	-	-

Short-term loans to related parties

Short-term loans to related parties in the separate financial statement as at December 31, 2016 consisted of:

	Baht
TCC Energy Co., Ltd.	135,000,000.00
NYC-Thai BD Co., Ltd.	10,891,378.95
Total	145,891,378.95

Movements of short-term loans to related parties in the separate financial statement for year ended December 31, 2016 were as follows:

	Baht
Beginning balance	-
Increase	195,891,378.95
Decrease	(50,000,000.00)
Ending balance	145,891,378.95

The Company had short-term loans to related companies due at call with interest charged at the rate referred with the interest rate bank deposit and unsecured.

Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Short-term benefits	13,079,152.00	11,492,372.00	9,080,054.00	11,492,372.00
Long-term benefits	552,185.66	200,077.50	472,154.66	200,077.50
Total	13,631,337.66	11,692,449.50	9,552,208.66	11,692,449.50

Directors' remuneration

Directors' remuneration represents benefits paid to the director of the Company in accordance with Section 90 of the Public Company Limited Act, exclusive of salaries and related benefit payable to directors who hold executive positions.

For the years ended December 31, 2016 and 2015, the Group paid directors' remuneration in the amount of Baht 2.22 million and Baht 2.01 million, respectively.

Transfer of business

During the year 2016, the Company transferred coal business segment to TCC Energy Co., Ltd. by transferring personnel of the mentioned segment and also inventories. In addition, the returns on land, building and equipment and other related expense were charged in the form of management fee income.

Inventories had been transferred at cost, however, such transfer was not considered as sale transaction.

Management fee income is the actual cost incurred plus margin. However, the management fee income was presented in the statement of comprehensive income under the account "other income" at the netted amount of management fee income and the actual cost incurred.

Nature of relationship

Name	Country	Relation	Type of relation
Theco Sales Co., Ltd.	Thailand	Subsidiary	Direct holding
Thai Capital Corporation (Guangzhou) Co., Ltd.	People's Republic of China	Subsidiary	Direct holding
P.T. Thai Capital Indo Mining Co., Ltd.	Republic of Indonesia	Subsidiary	Direct holding
TCC Energy Co., Ltd.	Thailand	Subsidiary	Direct holding
TCC Asset Management Co., Ltd.	Thailand	Subsidiary	Direct holding
NYC-Thai BD Co., Ltd.	Thailand	Subsidiary	Direct holding
Far East Knitting & Spining Co., Ltd.	Thailand	Related company	Management and/or shareholders are family
You and I Group Co., Ltd.	Thailand	Related company	Management and/or shareholders are family

Bases of measurement for intercompany revenues and expenses

	Pricing policies
Purchase and sale of goods	Stipulate in the agreement
Management fee income	The actual cost incurred plus margin 3%
Interest income	Referred to the commercial bank's interest rate
Administrative expenses	Stipulate in the agreement

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	627,402.47	1,574,031.30	145,087.63	1,397,665.56
Cash at banks	134,252,920.52	68,980,898.42	25,745,024.55	57,139,170.75
Total	134,880,322.99	70,554,929.72	25,890,112.18	58,536,836.31

6. CURRENT INVESTMENTS

Current investments as at December 31, 2016 and 2015 consisted of:

	Consolidated and separate financial statements	
	2016	2015
Fixed deposits	-	19,994.23
Trading securities	124,851,535.45	426,645,531.60
Total	124,851,535.45	426,665,525.83

Trading securities as at December 31, 2016 and 2015 consisted of:

	Consolidated and separate financial statements					
	2016			2015		
	Cost	Fair value	Unrealized gain	Cost	Fair value	Unrealized gain
Investment units	122,584,864.04	124,851,535.45	2,266,671.41	423,186,112.77	426,645,531.60	3,459,418.83

Movements of trading securities for the year ended December 31, 2016 were as follows:

	Consolidated financial statements	Separate financial statements
Current investments at the beginning of year	426,645,531.60	426,645,531.60
Purchases during the year	1,075,460,879.88	912,460,879.88
Sales during the year	(1,385,907,604.26)	(1,222,471,635.62)
Gain on sales and revaluation of investments	8,652,728.23	8,216,759.59
Current investments at the end of year	124,851,535.45	124,851,535.45

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables	295,921,814.28	182,201,570.30	63,758,546.90	197,706,009.41
Less: Allowance for doubtful accounts	(17,956,008.04)	(17,487,891.48)	(33,312,509.97)	(32,992,330.59)
Trade receivables - net	277,965,806.24	164,713,678.82	30,446,036.93	164,713,678.82
Other receivables				
Receivables from transfer of goods to the subsidiary	-	-	58,268,909.16	-
Receivables from sale of investment	51,943,000.00	-	51,943,000.00	-
Accrued income	1,250,706.05	1,483,229.01	2,546,706.05	2,755,229.01
Advance payment	364,800.00	638,803.84	18,000.00	638,803.84
Prepaid expenses	18,099,739.74	1,015,107.59	1,184,532.34	1,015,107.59
Others	1,206,766.96	1,298,316.74	15,595,422.06	1,666,440.91
Total	72,865,012.75	4,435,457.18	129,556,569.61	6,075,581.35
Less: Allowance for doubtful accounts	(1,307,840.15)	(1,307,840.15)	(2,939,501.66)	(2,939,501.66)
Other receivables - net	71,557,172.60	3,127,617.03	126,617,067.95	3,136,079.69
Trade and other receivables - net	349,522,978.84	167,841,295.85	157,063,104.88	167,849,758.51

Movements of allowance for doubtful accounts for the years ended December 31, 2016 and 2015 were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Beginning balance	18,795,731.63	64,785,612.82	35,931,832.25	81,310,051.93
Add (less) Doubtful accounts (revesal)	468,116.56	(1,469,016.06)	320,179.38	(857,354.55)
Less Bad debt	-	(44,520,865.13)	-	(44,520,865.13)
Ending balance	19,263,848.19	18,795,731.63	36,252,011.63	35,931,832.25

As at December 31, 2016 and 2015, the Group had outstanding balances of trade receivables aged by number of months as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current	58,567,576.87	66,105,036.39	-	66,105,036.39
Overdue				
Not over 3 months	184,535,830.69	88,981,013.58	-	88,981,013.58
Over 3 months up to 6 months	8,964,264.36	9,519,659.43	5,684,115.38	9,519,659.43
Over 6 months up to 12 months	4,062,737.56	107,969.42	18,283,026.72	107,969.42
Over 12 months	39,791,404.80	17,487,891.48	39,791,404.80	32,992,330.59
Total	<u>295,921,814.28</u>	<u>182,201,570.30</u>	<u>63,758,546.90</u>	<u>197,706,009.41</u>

8. INVENTORIES

Inventories as at December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Coal	81,988,442.74	93,780,246.19	-	93,780,246.19
Ice cream	5,626,663.54	-	-	-
Total	87,615,106.28	93,780,246.19	-	93,780,246.19
Less: Allowance for devaluation				
of inventories	(8,503,080.47)	(8,503,080.47)	-	(8,503,080.47)
Inventories - net	<u>79,112,025.81</u>	<u>85,277,165.72</u>	<u>-</u>	<u>85,277,165.72</u>

For the years ended December 31, 2016 movements of allowance for devaluation of inventories in separate financial statements were as follows:

	Baht
Beginning balance	8,503,080.47
Less: Reversal of loss from devaluation of inventories	<u>(8,503,080.47)</u>
Ending balance	<u>-</u>

During the year 2016, the Company transferred the coal business segment to TCC Energy Co., Ltd. ("Subsidiary") (see note 4) and transfer stock at cost to the subsidiary.

9. RESTRICTED INVESTMENTS

Restricted investments as at December 31, 2016 and 2015 consisted of:

Baht

	Consolidated and separate financial statements		Note	Collateral / Commitments
	2016	2015		
Fixed deposits	66,295,216.11	135,000,150.00	16	Credit lines for bank overdrafts and short-term loans from financial institutions
Government bonds	840,000.00	840,000.00		Letters of guarantee for electricity
Total	<u>67,135,216.11</u>	<u>135,840,150.00</u>		

10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, 2016 and 2015 consisted of:

Subsidiaries	Baht									
	Holding (%)		Paid-up share capital		Cost		Allowance for impairment		Net	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Theco Sales Co., Ltd.	99.99	99.99	10,000,000.00	10,000,000.00	9,999,300.00	9,999,300.00	(9,999,300.00)	(9,999,300.00)	-	-
Thai Capital Corporation										
(Guangzhou) Co., Ltd.	100.00	100.00	2,440,178.40	2,440,178.40	2,440,178.40	2,440,178.40	(2,440,178.40)	(2,252,448.22)	-	187,730.18
P.T. Thai Capital Indo										
Mining Co., Ltd.	99.83	99.83	30,162,915.02	30,162,915.02	30,110,129.92	30,110,129.92	(5,960,507.39)	(6,071,123.74)	24,149,622.53	24,039,006.18
TCC Energy Co., Ltd.	100.00	-	150,000,000.00	-	150,000,000.00	-	-	-	150,000,000.00	-
TCC Asset Management Co., Ltd.	100.00	-	25,000,000.00	-	25,000,000.00	-	-	-	25,000,000.00	-
NYC-Thai BD Co., Ltd.	100.00	-	20,000,000.00	-	38,930,884.78	-	-	-	38,930,884.78	-
Total					<u>256,480,493.10</u>	<u>42,549,608.32</u>	<u>(18,399,985.79)</u>	<u>(18,322,871.96)</u>	<u>238,080,507.31</u>	<u>24,226,736.36</u>

Movements of allowance for impairment of investments in subsidiaries for the years ended December 31, 2016 and 2015 were as follows:

	<i>Baht</i>	
	2016	2015
Beginning balance	18,322,871.96	19,172,501.01
Add (Less): Loss on impairment (reversal)	77,113.83	(849,629.05)
Ending balance	18,399,985.79	18,322,871.96

The Company provided an allowance for impairment of investments in subsidiaries based on the net book value in the financial statements of such subsidiaries.

The Board of Directors' Meeting held on February 18, 2016 passed a resolution approving incorporated subsidiaries as follows:

- "TCC Energy Co., Ltd." ("Subsidiary") with the authorized share capital in the amount of Baht 300 million, divided into 30 million ordinary shares with the par value of Baht 10 each, which the Company's shareholding is 100 percent. The Subsidiary's called-up share capital of Baht 5 each, totaling in the amount of Baht 150 million.
- "TCC Management Co., Ltd" ("Subsidiary") with the authorized share capital in the amount of Baht 25 million, divided into 2.50 million ordinary shares with the par value of Baht 10 each, which the Company's shareholding is 100 percent.

The establishment of these companies was registered with the Ministry of Commerce on March 28, 2016.

At the Board of Directors' Meeting held May 24, 2016, the resolutions were passed as follows:

- The resolution to purchased ordinary shares of "NYC-Thai BD Co., Ltd." ("Subsidiary") of 400,000 shares, with the par value of Baht 10 each, at the price of Baht 57.33 each totaling in the amount of Baht 22.93 million from existing shareholders, which made the Company's shareholding approximately 100 percent in its paid-up share capital and repayment of the loan from Ex-director of subsidiary in the amount of Baht 10.89 million (see note 4).
- The resolution to invest in increasing of ordinary shares of subsidiary in the amount of Baht 16 million (see note 19).

The details of the net assets of the NYC-Thai BD Co., Ltd. at the acquisition date were summarized as follows:

	<i>Baht</i>
Cash and cash equivalents	1,951,922.33
Trade and other receivables	1,623,861.56
Inventories	5,793,118.99
Other current assets	64,777.11
Equipment	7,082,348.11
Intangible assets	171,010.73
Deferred tax assets	259,002.02
Other non-current assets	1,761,330.98
Trade and other payables	(1,013,955.44)
Other short-term loan	(10,891,378.95)
Income tax payable	(434,524.64)
Other non-current liabilities	(1,058,698.90)
Net assets	5,308,813.90
Shareholding ratio (percent)	100.00
Net assets	5,308,813.90
Goodwill	17,622,070.78
Purchasing price of Subsidiary	22,930,884.68
Less Cash and cash equivalents of Subsidiary	(1,951,922.33)
Net cash used in acquisition of Subsidiary	20,978,962.35

11. OTHER LONG-TERM LOAN

Other long-term loan as at December 31, 2016 consisted of:

	<i>Baht</i>
	Consolidated and separate financial statements
Other long-term loan	2,242,909.41
Less: Current portion	(2,211,514.45)
Other long-term loan	31,394.96

The Company had long-term loan to a company amount of Baht 4 million. The period of repayment of the loan within 24 months, with interest at the rate of 15 percent per annum, and unsecured.

12. INVESTMENT PROPERTY

Movements of Investment property for the year ended December 31, 2016 were as follows:

	Separate financial statements		
	Land	Buildings	Total
Cost			
At January 1, 2016	-	-	-
Additions / transfer in -			
Property, plant and equipment (see note 13)	27,091,616.00	100,306,380.30	127,397,996.30
Disposals / transfer out	-	-	-
At December 31, 2016	27,091,616.00	100,306,380.30	127,397,996.30
Accumulated depreciation			
At January 1, 2016	-	-	-
Additions / transfer in -			
Property, plant and equipment (see note 13)	-	35,661,870.12	35,661,870.12
Depreciation	-	2,467,413.02	2,467,413.02
Disposals / transfer out	-	-	-
At December 31, 2016	-	38,129,283.14	38,129,283.14
Net book value			
At December 31, 2016	27,091,616.00	62,177,097.16	89,268,713.16

Million Baht
Separate
financial statements

Depreciation for the years ended December 31, 2016
were included in administrative expenses

2.47

As at December, 2016, land including existing construction and to be constructed in the future were mortgaged as collateral for bank overdraft and short-term loans from financial institutions (see note 16).

13. PROPERTY, PLANT AND EQUIPMENT

Movements of Property, plant and equipment for the years ended December 31, 2016 and 2015 were as follows:

Baht

	Consolidated financial statements						Total
	Land and land improvements	Buildings and buildings improvements	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment under installation	
Cost							
At January 1, 2015	27,091,616.00	100,306,380.30	38,076,047.88	10,378,544.92	7,850,230.48	3,394,550.00	187,097,369.58
Purchases / transfer in	-	-	15,000.00	392,934.90	665,420.56	1,462,750.00	2,536,105.46
Transfer / adjust	-	-	3,538,374.95	1,317,125.05	-	(4,855,500.00)	-
Disposals / transfer out	-	-	-	-	(712,106.18)	(1,800.00)	(713,906.18)
Exchange differences	-	-	-	7,694.92	-	-	7,694.92
At December 31, 2015	27,091,616.00	100,306,380.30	41,629,422.83	12,096,299.79	7,803,544.86	-	188,927,263.78
Increase from purchase of subsidiaries	-	6,365,746.59	1,779.60	2,757,552.59	560,747.67	-	9,685,826.45
Purchases / transfer in	-	1,718,785.06	-	3,547,004.48	3,820,233.65	-	9,086,023.19
Disposals / transfer out	-	-	(1,779.60)	(6,030.00)	-	-	(7,809.60)
Exchange differences	-	-	-	(13,446.00)	-	-	(13,446.00)
At December 31, 2016	27,091,616.00	108,390,911.95	41,629,422.83	18,381,380.86	12,184,526.18	-	207,677,857.82

Consolidated financial statements

	Land and land improvements	Buildings and buildings improvements	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment under installation	Total
Accumulated depreciation							
At January 1, 2015	-	28,270,489.60	23,989,474.49	8,211,181.46	3,232,268.09	-	63,703,413.64
Depreciation	-	4,950,787.23	3,676,576.65	1,148,256.36	386,982.36	-	10,162,602.60
Transfer / adjust	-	-	2,103,043.38	(2,103,043.38)	-	-	-
Disposals / transfer out	-	-	-	-	(509,807.47)	-	(509,807.47)
Exchange differences	-	-	-	2,308.84	-	-	2,308.84
At December 31, 2015	-	33,221,276.83	29,769,094.52	7,258,703.28	3,109,442.98	-	73,358,517.61
Increase from purchase of subsidiaries	-	1,653,007.44	582.47	808,448.52	141,439.91	-	2,603,478.34
Depreciation	-	5,730,107.21	3,761,256.24	1,726,181.08	621,992.14	-	11,839,536.67
Disposals / transfer out	-	-	-	(6,029.00)	-	-	(6,029.00)
Exchange differences	-	-	-	(8,090.51)	-	-	(8,090.51)
At December 31, 2016	-	40,604,391.48	33,530,933.23	9,779,213.37	3,872,875.03	-	87,787,413.11
Net book value							
At December 31, 2015	27,091,616.00	67,085,103.47	11,860,328.31	4,837,596.51	4,694,101.88	-	115,568,746.17
At December 31, 2016	27,091,616.00	67,786,520.47	8,098,489.60	8,602,167.49	8,311,651.15	-	119,890,444.71

	Separate financial statements						Total
	Land and land improvements	Buildings and buildings improvements	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment under installation	
Cost							
At January 1, 2015	27,091,616.00	100,306,380.30	38,076,047.88	10,183,833.58	7,850,230.48	3,394,550.00	186,902,658.24
Purchases / transfer in	-	-	15,000.00	392,934.90	665,420.56	1,462,750.00	2,536,105.46
Transfer / adjust	-	-	3,538,374.95	1,317,125.05	-	(4,855,500.00)	-
Disposals / transfer out	-	-	-	-	(712,106.18)	(1,800.00)	(713,906.18)
At December 31, 2015	27,091,616.00	100,306,380.30	41,629,422.83	11,893,893.53	7,803,544.86	-	188,724,857.52
Purchases / transfer in	-	-	-	537,393.06	3,103,224.30	-	3,640,617.36
Transfer / adjust	-	-	-	-	-	-	-
Transfer out - investment property (see note 12)	(27,091,616.00)	(100,306,380.30)	-	-	-	-	(127,397,996.30)
Disposals / transfer out	-	-	-	(6,030.00)	-	-	(6,030.00)
At December 31, 2016	-	-	41,629,422.83	12,425,256.59	10,906,769.16	-	64,961,448.58

	Separate financial statements						Total
	Land and land improvements	Buildings and buildings improvements	Machinery and factory equipment	Furniture and office equipment	Vehicles	Machinery and equipment under installation	
Accumulated depreciation							
At January 1, 2015	-	28,270,489.60	23,989,474.49	8,153,042.47	3,232,268.09	-	63,645,274.65
Depreciation	-	4,950,787.23	3,676,576.65	1,108,626.14	386,982.36	-	10,122,972.38
Transfer / adjust	-	-	2,103,043.38	(2,103,043.38)	-	-	-
Disposals / transfer out	-	-	-	-	(509,807.47)	-	(509,807.47)
At December 31, 2015	-	33,221,276.83	29,769,094.52	7,158,625.23	3,109,442.98	-	73,258,439.56
Depreciation	-	2,440,593.29	3,761,838.71	1,292,285.98	532,844.61	-	8,027,562.59
Transfer / adjust	-	-	-	-	-	-	-
Transfer out - investment property (see note 12)	-	(35,661,870.12)	-	-	-	-	(35,661,870.12)
Disposals / transfer out	-	-	-	(6,029.00)	-	-	(6,029.00)
At December 31, 2016	-	-	33,530,933.23	8,444,882.21	3,642,287.59	-	45,618,103.03
Net book value							
At December 31, 2015	27,091,616.00	67,085,103.47	11,860,328.31	4,735,268.30	4,694,101.88	-	115,466,417.96
At December 31, 2016	-	-	8,098,489.60	3,980,374.38	7,264,481.57	-	19,343,345.55

	<i>Millions Baht</i>			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Depreciation for the years ended December 31, were included in				
- Cost of services	6.34	8.91	6.34	8.91
- Administrative expenses	5.50	1.25	1.69	1.21
Total	11.84	10.16	8.03	10.12
As at December 31,				
The gross carrying amount of buildings and equipment fully depreciated that still in use	26.30	26.16	26.30	26.16

During the year 2016, the Company transferred coal business segment to TCC Energy Co., Ltd. (see note 4). The Company transferred land and plant to investment property in the separate financial statements (see note 12).

As at December 31, 2015, land including existing construction and to be constructed in the future were mortgaged as collateral for bank overdraft and short-term loans from financial institutions (see note 16).

As at December 31, 2016			
	Parties	Period	The rate of lease per month (Millions Baht)
Property lease agreement (lessee)			
The Company	Other company	3 years	0.08
The Company	Other company	Until termination contract	0.10

14. INTANGIBLE ASSET

Movements of Intangible asset for the years ended December 31, 2016 and 2015 were as follows:

Baht

	Consolidated financial statements		
	Software	Software under development	Total
Cost			
At January 1, 2015	3,018,915.00	5,100,000.00	8,118,915.00
Additions / transfer in	-	3,135,000.00	3,135,000.00
Transfer / adjust	8,175,000.00	(8,175,000.00)	-
Disposals / transfer out	-	-	-
At December 31, 2015	11,193,915.00	60,000.00	11,253,915.00
Increase from purchase of subsidiaries	236,464.67	-	236,464.67
Additions / transfer in	2,017,100.00	1,281,000.00	3,298,100.00
Transfer / adjust	-	(1,341,000.00)	(1,341,000.00)
Disposals / transfer out	-	-	-
At December 31, 2016	13,447,479.67	-	13,447,479.67
Accumulated amortization			
At January 1, 2015	2,310,737.67	-	2,310,737.67
Amortization	441,486.29	-	441,486.29
Disposals / transfer out	-	-	-
At December 31, 2015	2,752,223.96	-	2,752,223.96
Increase from purchase of subsidiaries	65,453.94	-	65,453.94
Amortization	1,211,957.27	-	1,211,957.27
Disposals / transfer out	-	-	-
At December 31, 2016	4,029,635.17	-	4,029,635.17
Net book value			
At December 31, 2015	8,441,691.04	60,000.00	8,501,691.04
At December 31, 2016	9,417,844.50	-	9,417,844.50

	Separate financial statements		
	Software under		Total
	Software	development	
Cost			
At January 1, 2015	3,018,915.00	5,100,000.00	8,118,915.00
Additions / transfer in	-	3,135,000.00	3,135,000.00
Transfer / adjust	8,175,000.00	(8,175,000.00)	-
Disposals / transfer out	-	-	-
At December 31, 2015	11,193,915.00	60,000.00	11,253,915.00
Additions / transfer in	1,341,000.00	1,281,000.00	2,622,000.00
Transfer / adjust	-	(1,341,000.00)	(1,341,000.00)
Disposals / transfer out	-	-	-
At December 31, 2016	12,534,915.00	-	12,534,915.00
Accumulated amortization			
At January 1, 2015	2,310,737.67	-	2,310,737.67
Amortization	441,486.29	-	441,486.29
Disposals / transfer out	-	-	-
At December 31, 2015	2,752,223.96	-	2,752,223.96
Amortization	1,161,569.46	-	1,161,569.46
Disposals / transfer out	-	-	-
At December 31, 2016	3,913,793.42	-	3,913,793.42
Net book value			
At December 31, 2015	8,441,691.04	60,000.00	8,501,691.04
At December 31, 2016	8,621,121.58	-	8,621,121.58

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Amortization for the years ended December 31, were included in administrative expenses	1.21	0.44	1.16	0.44

15. DEFERRED TAX

Deferred tax as at December 31, 2016 and 2015 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets	5,703,245.94	5,752,029.19	3,591,483.22	5,752,029.19

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

	<i>Baht</i>					
	Consolidated financial statements					
	January 1, 2015	Profit (loss)	Other comprehensive loss	December 31, 2015	Profit	December 31, 2016
Deferred tax assets						
Trade and other receivables	3,876,328.10	(378,749.80)	-	3,497,578.30	93,623.32	3,591,201.62
Inventories	1,700,616.09	-	-	1,700,616.09	-	1,700,616.09
Provisions	450,607.54	120,903.10	(17,675.84)	553,834.80	104,025.85	411,428.24
Tax loss carry forward	926,139.39	(926,139.39)	-	-	-	-
Total	6,953,691.12	(1,183,986.09)	(17,675.84)	5,752,029.19	197,649.17	5,703,245.95

Separate financial statements

	January 1, 2015	Profit (loss)	Other comprehensive loss	December 31, 2015	Profit (loss)	Other comprehensive loss	December 31, 2016
Deferred tax assets							
Trade and other receivables	3,876,328.10	(378,749.80)	-	3,497,578.30	64,035.88	-	3,561,614.18
Inventories	1,700,616.09	-	-	1,700,616.09	(1,700,616.09)	-	-
Provisions	450,607.54	120,903.10	(17,675.84)	553,834.80	(277,533.34)	(246,432.41)	29,869.05
Tax loss carry forward	926,139.39	(926,139.39)	-	-	-	-	-
Total	<u>6,953,691.12</u>	<u>(1,183,986.09)</u>	<u>(17,675.84)</u>	<u>5,752,029.19</u>	<u>(1,914,113.55)</u>	<u>(246,432.41)</u>	<u>3,591,483.23</u>

16. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, 2016 and 2015 consisted of:

Lender	Type of credit	Credit lines (Millions Baht)		Referred interest rate
		2016	2015	
Bank	Bank overdrafts	5.00	10.00	MOR
Bank	Promissory notes / Trust receipt / Letter of credit / Other short -term loans	400.00	595.00	MLR

The Company had credit lines for forward exchange contracts in the amount of USD 10 million.

Cash at bank (see note 9) and land including existing construction and to be constructed in the future (see notes 12 and 13) were pledged as collateral for bank overdrafts and short-term loans from financial institutions.

17. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2016 and 2015 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables	31,309,332.75	45,636,521.42	-	45,636,521.42
Accrued expenses	12,707,516.84	9,072,169.33	2,577,852.39	8,836,555.27
Others	5,744,374.04	2,606,065.06	18,203,854.60	17,021,990.80
Total	18,451,890.88	11,678,234.39	20,781,706.99	25,858,546.07
Grand total	49,761,223.63	57,314,755.81	20,781,706.99	71,495,067.49

18. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations as at December 31, 2016 and 2015 consisted of:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Post-employment benefit plan				
Present value of obligations	2,057,141.30	2,769,174.03	149,345.34	2,769,174.03
Employee benefit obligations	2,057,141.30	2,769,174.03	149,345.34	2,769,174.03

Movements of the present value of employee benefit obligations for the years ended December 31, 2016 and 2015 were as follows:

	<i>Baht</i>			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Post-employment benefit plan				
Employee benefit obligations as at January 1,	2,769,174.30	2,253,037.71	2,769,174.03	2,253,037.71
Included in profit or loss:				
Current service cost	469,869.03	514,394.00	266,817.34	514,394.00
Interest cost	50,260.00	90,121.52	26,484.00	90,121.52
Employees transferred to subsidiaries	-	-	(1,680,968.00)	-
Included in other comprehensive income (loss):				
Defined benefit plan actuarial gain	(1,232,162.03)	(88,379.20)	(1,232,162.03)	(88,379.20)
Benefits paid during the year	-	-	-	-
Employee benefit obligations as at December 31,	<u>2,057,141.30</u>	<u>2,769,174.03</u>	<u>149,345.34</u>	<u>2,769,174.03</u>

The Group made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table in year 2008.

Principal actuarial assumptions in the consolidated and separate financial statement as at December 31, 2016 and 2015 (expressed as weighted averages) as follows:

	<i>Percent</i>
Discount rate	4
Salary increase rate	5
Turnover rate	1.5

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at December 31, 2016 are summarised below:

	<i>Baht</i>	
	Increase	Decrease
Discount rate (1% Movement)	(285,287.00)	344,747.00
Salary increase rate (1% Movement)	333,199.00	(281,890.00)
Turnover rate (1% Movement)	(310,462.00)	170,034.00

19. SHARE CAPITAL AND DIVIDEND PAYMENT

The Company

The Ordinary General Meeting of shareholders held on March 30, 2016, the resolutions were passed as follows:

1. Dividend payment at the rate of Baht 0.08 per share in the totalling amount of Baht 102.35 million.
2. The reduction of registered share capital from Baht 881,486,633.50 to Baht 880,758,554.50 by eliminating the unissued shares of 1,456,158 shares, with the par value of Baht 0.50 each.
3. The increase of registered share capital from Baht 880,758,554.50 to Baht 905,146,410.50 by issuing new ordinary shares of 48,775,712 shares, with the par value of Baht 0.50 each to reserve for the right adjustment of the dividend payment and allot new ordinary shares as follows:
 - The allotment of new ordinary shares, not over 7,470,310 shares with the par value of Baht 0.50 each to reserve for the right adjustment of the holders of the third warrants (TCC-W3).
 - The allotment of new ordinary shares, not over 41,305,402 shares with the par value of Baht 0.50 each to reserve for the right adjustment of the holders of the fourth warrants (TCC-W4).

The Company had already registered the decrease and increase of its registered share capital with the Ministry of Commerce on April 20, 2016 and April 25, 2016, respectively.

Subsidiary

The Extraordinary General Meeting of Shareholders of NYC-Thai BD Co., Ltd. (“Subsidiary”) held on June 13, 2016, a special resolution was passed to increase registered capital from Baht 4 million to Baht 20 million by issuing new 1.60 million ordinary shares at the par value of Baht 10 each.

The subsidiary had already registered the increase of its share capital with the Ministry of Commerce on June 20, 2016.

20. WARRANTS

The detail of warrants were summarized as follow:

The second warrants to be exercised to the new ordinary share (TCC-W2)

Type of warrant	: The Warrant to be exercised to the new ordinary share of Thai Capital Corporation Public Company Limited No.2 (“the second warrants” or “TCC-W2”)
Category	: Registered and transferable
The offering price	: Baht 0.00
Terms of the warrant	: 7 years from the date of issuance and offering
Issuing and offering date	: May 4, 2011
Exercise ratio	: 1 warrant per 1.26874 ordinary shares (right adjusted)
Exercise price	: Baht 0.788 per share

Exercise period	: The last business day of March, June, September and December each year until the date of expiration of the warrants.
The last exercise date	: May 3, 2018
Expiration date	: May 3, 2018

The third warrants to be exercised to the new ordinary share (TCC-W3)

Type of warrant	: The Warrant to be exercised to the new ordinary share of Thai Capital Corporation Public Company Limited No.3 (“the third warrants” or “TCC-W3”)
Category	: Registered and transferable
The offering price	: Baht 0.00
Terms of the warrant	: 10 years from the date of issuance and offering
Issuing and offering date	: April 2, 2012
Exercise ratio	: 1 warrant per 1.23886 ordinary shares (right adjusted)
Exercise price	: Baht 0.807 per share
Exercise period	: The last business day of March, June, September and December each year until the date of expiration of the warrants.
The last exercise date	: April 1, 2022
Expiration date	: April 1, 2022

The fourth warrants to be exercised to the new ordinary share (TCC-W4)

Type of warrant	: The Warrant to be exercised to the new ordinary share of Thai Capital Corporation Public Company Limited No.4 (“the fourth warrants” or “TCC-W4”)
Category	: Registered and transferable
The offering price	: Baht 0.00
Terms of the warrant	: 10 years from the date of issuance and offering
Issuing and offering date	: May 15, 2013
Exercise ratio	: 1 warrant per 1.10801 ordinary share
Exercise price	: Baht 0.903 per share
Exercise period	: The last business day of March, June, September and December each year until the date of expiration of the warrants.
The last exercise date	: May 14, 2023
Expiration date	: May 14, 2023

Changes of the warrants during the year were as follows:

				<i>Unit</i>
	Outstanding	Exercised during	Expired during	Outstanding
Type of warrants	December 31, 2015	the year	the year	December 31, 2016
TCC-W2	4,815,540	-	-	4,815,540
TCC-W3	92,202,364	-	-	92,202,364
TCC-W4	369,354,367	(15,625)	-	369,338,742
	<u>466,372,271</u>	<u>(15,625)</u>	<u>-</u>	<u>466,356,646</u>

In March 2016, the holders of the fourth warrants (TCC-W4) have exercised their warrants to be ordinary shares amounting to Baht 0.02 million. Later, the Company issued ordinary shares to the warrant holders and registered its share capital with the Ministry of Commerce on April 12, 2016.

In June and September 2015, the holders of the second warrants (TCC-W2) exercised their warrants to be ordinary shares amounting to Baht 63.50 million. Later, the Company issued ordinary shares to the warrant holders and registered its share capital with the Ministry of Commerce on July 7, 2015 and October 5, 2015

21. SHARE PREMIUM

According to the Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

22. LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered share capital. The statutory reserve could not be used for dividend payment.

23. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Changes in inventories	6,165,139.91	50,849,137.50	93,780,246.19	50,849,137.50
Purchase of goods	876,793,788.87	938,545,908.24	296,396,185.26	938,545,908.24
Cost of importing	8,683,484.21	3,534,513.31	1,985,710.29	3,534,513.31
Salaries, wages and other related benefits	47,821,957.01	33,000,451.63	21,550,463.42	32,120,983.09
Depreciation and amortization	13,051,493.94	10,604,088.89	11,656,545.07	10,564,458.67
Commission and sales promotion expenses	9,681,865.13	15,216,326.56	3,288,853.35	15,216,326.56
Other rental and service expenses	11,133,186.22	8,640,273.23	4,231,350.65	8,291,524.05
Consulting and service expenses	28,769,434.91	7,312,499.23	13,390,856.09	8,924,028.83
Transportation expenses	55,589,178.36	61,154,772.90	28,523,534.12	61,154,772.90
Loss from impairment of assets and written-off assets (reversal)	(40,844.51)	208,832.96	36,269.32	(640,796.09)
Doubtful accounts (reversal)	468,116.56	(1,469,016.06)	320,179.38	(857,354.55)

24. PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The Fund is contributed to by both the employees and the Company. The Fund is managed by TISCO Asset Management Company Limited and will be paid to the employees upon termination in accordance with the rules of the Fund. In the year 2016, the Company contributed in the amount of Baht 0.28 million (2015: Baht 0.39 million).

25. INCOME TAX

Tax expense for the years ended December 31, 2016 and 2015 consisted of:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current tax expense				
Current year	6,773,599.22	6,299,072.85	2,273,319.37	6,299,072.85
Deferred tax expense				
Movements in temporary differences	(197,649.17)	1,183,986.09	1,914,113.55	1,183,986.09
Tax expense	6,575,950.05	7,483,058.94	4,187,432.92	7,483,058.94

Income tax recognised in other comprehensive income for the year ended December 31, 2016 and 2015 as follows:

Baht

	Consolidated and separate financial statement	
	2016	2015
Employee benefit obligations	246,432.41	17,675.84

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Tax rate (%)	Baht	Tax rate (%)	Baht
Profit before income tax		15,000,400.99		28,064,429.34
Income tax using the corporate tax rate	20	3,000,080.20	20	5,612,885.87
Revenues treated as exemption for tax purposes		(1,488,142.73)		(171,470.91)
Expenses not deductible for tax purposes		2,998,579.94		1,942,667.31
Addition expenses deductible for tax purposes		(65,300.00)		(66,204.33)
Loss carry forward		-		(1,085,326.14)
Effects of elimination entries on consolidation		2,328,381.81		66,521.05
Current tax	22	6,773,599.22	22	6,299,072.85
Movement in temporary differences		(197,649.17)		1,183,986.09
Tax expense	27	6,575,950.05	27	7,483,058.94

	Separate financial statements			
	2016		2015	
	Tax rate (%)	Baht	Tax rate (%)	Baht
Profit before income tax		17,256,087.58		27,601,114.29
Income tax using the corporate tax rate	20	3,451,217.52	20	5,520,222.86
Revenues treated as exemption for tax purposes		(1,488,142.73)		(171,470.91)
Expenses not deductible for tax purposes		378,464.58		1,942,664.61
Addition expenses deductible for tax purposes		(68,220.00)		(66,204.33)
Loss carry forward		-		(926,139.38)
Current tax	13	2,273,319.37	23	6,299,072.85
Movement in temporary differences		1,914,113.55		1,183,986.09
Tax expense	24	4,187,432.92	27	7,483,058.94

The Company and its subsidiary in Thailand

Income tax reduction

The Revenue Code Amendment Act (No. 42) B.E. 2559 dated March 3, 2016, grants a reduction of the corporate income tax rate from 30% to 20% of net profit for accounting periods beginning on or after January 1, 2016, which will be effective on March 5, 2016, onwards.

Royal Decree No. 577 B.E. 2557 dated November 3, 2014 extends the reduction to 20% on net profit for the accounting period which begins on or after January 1, 2015, but not later than December 31, 2015.

Foreign Subsidiaries

Thai Capital Corporation (Guangzhou) Co., Ltd.

Current income tax is calculated based on statutory income tax of the People's Republic of China at the rate of 25%. There was no tax effect in other comprehensive income.

P.T. Thai Capital Indo Mining Co., Ltd.

Current income tax is calculated based on statutory income tax of the Republic of Indonesia at the rate of 25%. There was no tax effect in other comprehensive income.

26. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Group operates the business related to sale of coal. Therefore, management considers that the Group operates in a single line of business. The Group operates in both domestic and foreign. However, for the years ended December 31, 2016 and 2015, the Group has only revenues from domestic.

The Group operates the two business primarily include sale of coal and steel and sale of ice cream. The Group's business segment information and reconciliation of reportable segment profit or loss for the years ended December 31, 2016 and 2015 was as follows:

	Sale of coal and steel		Sale of ice cream		Total	
	2016	2015	2016	2015	2016	2015
Revenue from sales	1,058,681,159.57	1,160,150,310.23	13,594,469.76	-	1,072,275,629.33	1,160,150,310.23
Cost of sales	(913,494,414.61)	(1,014,654,777.89)	(5,753,013.21)	-	(919,247,427.82)	(1,014,654,777.89)
Gross profit	145,186,744.96	145,495,532.34	7,841,456.55	-	153,028,201.51	145,495,532.34
Other income					18,617,321.09	12,209,886.19
Selling expenses					(95,793,908.31)	(89,328,993.33)
Administrative expenses					(60,830,010.79)	(40,311,995.86)
Finance costs					(21,202.51)	-
Profit before income tax					15,000,400.99	28,064,429.34
Tax expense					(6,575,950.05)	(7,483,058.94)
Profit for the year					8,424,450.94	20,581,370.40

Information about major customers

For the year ended December 31, 2016, the Group has revenue from a major customer in the amount of Baht 309.87 million from sale of coal segment. (2015: a major customer in the amount of Baht 417.81 million).

Significant assets and liabilities as at December 31, 2016 and 2015 consisted of:

	<i>Thousands Baht</i>					
	Sale of coal and steel		Sale of ice cream		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Cash and cash equivalents	132,412	70,555	2,468	-	134,880	70,555
Current investments	124,852	426,666	-	-	124,852	426,666
Trade and other receivables	348,408	167,841	1,115	-	349,523	167,841
Inventories	73,485	85,277	5,627	-	79,112	85,277
Restricted investments	67,135	135,840	-	-	67,135	135,840
Property, plant and equipment	108,675	115,569	11,215	-	119,890	115,569
Goodwill	-	-	17,622	-	17,622	-
Intangible assets	8,621	8,502	797	-	9,418	8,502
Deferred tax assets	5,703	5,752	-	-	5,703	5,752
Liabilities						
Trade and other payables	47,515	57,314	2,246	-	49,761	57,314

27. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2016, the Group had commitments and contingent liabilities as follows:

The Company

27.1 Commitments for payment under agreement as follows:

- 27.1.1 The office rental and service agreement in the amount of Baht 0.25 million per month.
- 27.1.2 The advisory agreement with other parties in the amount of Baht 0.05 million per month, and with related party in amount of USD 5,000 per month.
- 27.1.3 The service agreement in the amount of Baht 0.05 million per month.

Subsidiaries

27.2 Commitments for payment under agreement as follows:

- 27.2.1 The office rental and services agreement in the amount of Baht 0.03 million and Rupiah 13 million per month.
- 27.2.2 The rental and services agreement in the amount of Baht 0.68 million per month.
- 27.2.3 The service agreement in the amount of Baht 0.16 million per month.

27.2.4 The rental and warehousing services agreement at the rate are calculated from the quantity of storage.

27.2.5 The royalty agreement at the price as stipulated in the agreement.

28. DISCLOSURE OF FINANCIAL INSTRUMENTS

28.1 Capital Management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

28.2 Accounting policies

The details of significant accounting policies and methods used for classification of financial assets and financial liabilities including valuation, basis of recognition of income and expenses are disclosed in note 3.

28.3 Financial risk management policies

The Group is exposed to fluctuations in interest rates and foreign exchange rates in the market and the risks from default of the agreements by counterparties. The Group had risk management policies as follows:

28.3.1 Interest rate risk

Interest rate risk is the fluctuation of the market interest rate in the future that will affect the Group's operations and cash flows. The Group has interest rate risk from cash and deposits at banks, the financial assets fluctuate based on the market rate. In addition, the Group has not engaged in any hedging contracts related to interest rates.

28.3.2 Foreign currency risk

The Group's exchange rate risk primarily involves the purchases and sales of goods in foreign currencies. As at December 31, 2016 and 2015, the Group had assets and liabilities in foreign currencies as follows:

	<i>Millions</i>							
	Consolidated financial statements				Separate financial statements			
	2016		2015		2016		2015	
Currencies	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
US Dollars	0.88	-	0.22	-	0.03	0.23	0.06	0.17
Rupiah	1.33	-	1.48	-	1.33	2.92	1.48	2.92
Renminbi	-	-	-	-	-	0.04	-	0.04
HK dollar	5.93	-	-	-	2.22	-	-	-

28.3.3 Credit risk – trade receivables

The Group has a policy to hedge credit risk from trade receivables by forming a conservative credit policy and by determining the receipt from the sales of goods and service. Therefore, the Group expects that the loss from the collection of those trade receivables should not exceed the allowance for doubtful accounts.

28.4 Fair value

Most of the financial assets are cash and cash equivalent, current investments, trade and other receivables. Most of the financial liabilities are trade and other payables. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

29. FAIR VALUE HIERARCHY

As at December 31, 2016, the Group had the following financial assets that were measured at fair value separately presenting fair value hierarchy as follows:

	<i>Baht</i>			
	Consolidated and separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in investment units	-	124,851,535.45	-	124,851,535.45

Valuation techniques and inputs to Level 2 valuation

The fair value of investments in investment units that are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund managers.

During the year, there were no transfers within the fair value hierarchy.



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