

ANNUAL REPORT
2016
รายงานประจำปี 2559



บริษัท ไทยรุ่งยูเนี่ยนคาร์ จำกัด (มหาชน)
Thai Rung Union Car Public Company Limited



THAIRUNG

ปวงข้าพระพุทธเจ้า ขอโน้มเกล้าโน้มกระหม่อม
รำลึกในพระมหากรุณาธิคุณอันหาที่สุดมิได้
ข้าพระพุทธเจ้า บริษัท ไทยรุ่งยูเนี่ยนคาร์ จำกัด (มหาชน)



THAIRUNG

ทรงพระเจริญยิ่งยืนนาน

ด้วยเกล้าด้วยกระหม่อมขอพระเจ้า

บริษัท ไทยรุ่งยูเนี่ยนคาร์ จำกัด (มหาชน)

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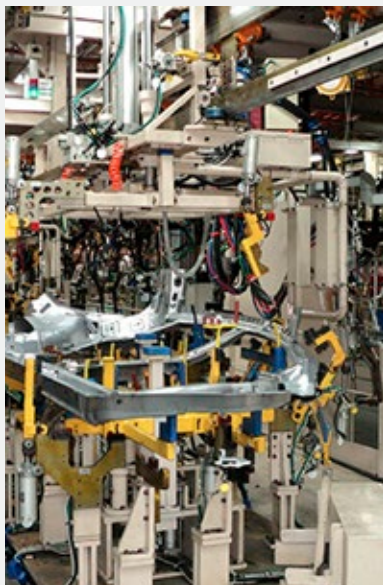
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Company Background



Thai Rung Union Car Plc has long been established as a maker of auto body parts and a vehicle assembler. Originally founded as a limited partnership under the name Thai Engineering in 1967 by Mr. Vichien Phaoenchoke, its business success eventually led to its becoming a listed company on the Stock Exchange of Thailand in 1994 under the current name, Thai Rung Union Car Public Company Limited.

For 50 years Thai Rung Union Car Plc, a Thai-owned company, has been a fully integrated and highly flexible operator in the automotive industry, quickly meeting customer demands that range from product design and development, through die and jig production and manufacture of metal and plastic auto parts and seats, to contract painting and assembly and the production of modified multi-purpose and special purpose vehicles, all based on the skills and capabilities of its Thai workforce and using advanced technology.



At present, adapting its strategy in line with the continuous improvement of the Thai automotive industry, the Company focuses mainly on OEM parts, contract assembly and painting, and on expanding its market for parts and bodies to various regions around the world, as well as seeking alliances to expand its existing business and develop new ones. Furthermore the Company has boosted its potential, both by continuously developing production processes and by applying innovative technology to the production process in order to increase efficiency, reduce costs and increase future profits, as well as developing human resources to cater to the coming into force of the AEC and any other international trade and investment.

The Company is confident that, thanks to its all-round production capabilities and flexibility in responding quickly to customer requirements, as well as its close relationships with customers at home and abroad, it will benefit from the many opportunities that lie ahead in the automotive industry. We are thus confident that the Company's results will grow sustainably along with the Thai automotive industry.





Vision

To be at the pinnacle of the Thai auto industry, developing, designing and producing a comprehensive range of products; with our own brand, to build optimum customer satisfaction through world-class quality and service.

Mission

1. To be a leader in the design, development and production of innovative automotive products: multi-purpose and specialty vehicles, parts, dies, jigs and accessories.
2. To maximise customer satisfaction by providing world-class quality, price, delivery and service.
3. To focus on continuous improvement in product and service quality through the efficient use of flexible, speedy production and management processes and up-to-date engineering technology.
4. To build own brand image and loyalty.
5. To establish and expand marketing and sales networks at home and abroad.
6. To pay close attention to the development and welfare of our human resources, so as to enable them to compete at world level and to be happy and proud to work for the organisation.
7. Continuously to enhance the stability of the organisation by making profits and providing fair remuneration for shareholders, business partners and employees.
8. To ensure that products, production and work processes all take due account of our responsibilities towards environment, community and society through principles of good corporate governance.

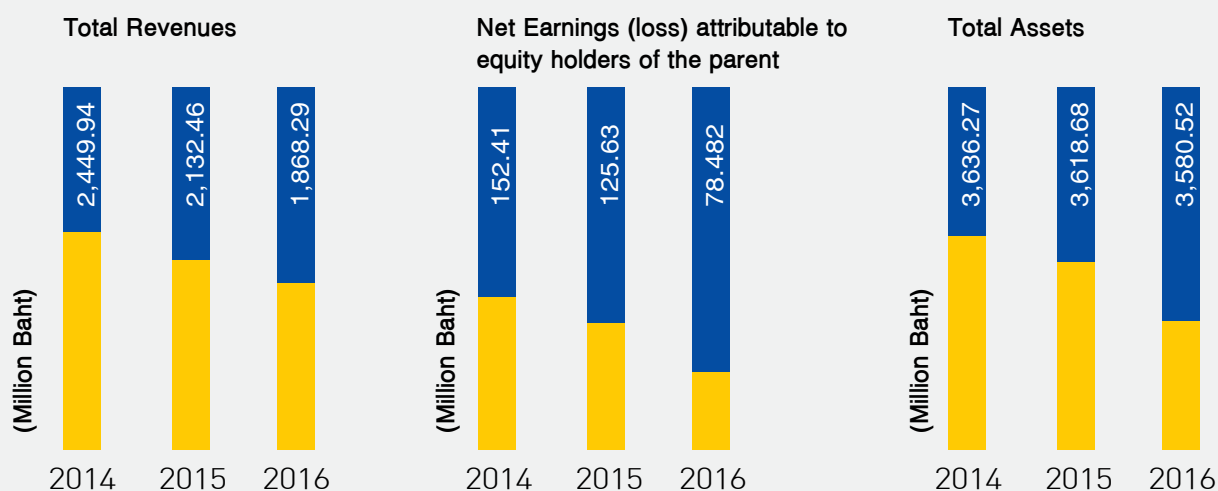


Summary Financial Information

(Unit : Million Baht)

Consolidated, as at 31 st December	2016	2015	2014
Operating Performance			
Sales and Service Income	1,782.99	2,042.39	2,255.10
Total Revenues	1,868.29	2,132.46	2,449.94
Total Expenses	1,784.69	1,995.57	2,271.71
Earnings (loss) before financing cost and income tax	83.60	136.89	178.23
Net Earnings (loss) attributable to equity holders of the parent	78.48	125.63	152.41
Financial Position			
Current Assets	1,054.94	983.11	1,065.42
Total Assets	3,580.52	3,618.68	3,636.27
Total Liabilities	348.80	371.71	424.82
Shareholders' Equity	3,231.71	3,246.97	3,211.45
Per Share Data (Unit: Baht)			
Earnings (loss) per Share (EPS)	0.13	0.21	0.26
Dividend per Share *	0.09	0.15	0.15
Book Value per Share	5.33	5.33	5.26
Financial Ratios			
Gross margin (%)	15.27%	16.27%	12.05%
Net Earnings margin (%)	4.20%	5.89%	6.22%
Return on Equity (ROE) (%)	2.49%	4.01%	4.95%
Return on Asset (ROA) (%)	2.32%	3.77%	4.91%
Current ratio (Times)	3.63	3.17	2.98
Debt to Equity ratio (Times)	0.11	0.12	0.14

Remark * Payment of the dividend payment is subject to approval by the 2017 Annual General Shareholders' Meeting.



Message from the Chairman



Pranee Phaenchoke
Chairman

Thailand's total vehicle production in 2016 was 1.94 million units, up by 2% on the previous year. Of this total, 1.19 million units were exported, down by 1%, while domestic sales, at 0.77 million units, were down by 4% on the previous year as a result of lower purchasing power due to the general economic situation and falling prices for agricultural products. For 2017, The Federation of Thai Industries expects the Thai automotive industry to produce 2 million units, 3% more than in 2016, in line with the improvement in the global and domestic economy as a result of government stimulus measures, the liquidity injected into the system and improved prices for agricultural products. In any case the Thai automotive industry will continue to stand out as the main production base in ASEAN.

As for the results of the Thai Rung group of companies in 2016, total consolidated revenues were Bt.1,868 million, down by 12% on the previous year, and net income was Bt.78 million, down by 38% on the previous year due to a decline in the volume of die making, parts making and contract assembly work, as various car manufacturers postponed new model launches, and the Company's sales of multi-purpose vehicles were also down slightly compared with the previous year. The

Company continued to focus on cost control and efficient management, including risk diversification, having established joint ventures in 2014 to expand its business into segments such as excavators, construction equipment, agricultural machinery and body building for various kinds of trucks, such as dump-trucks, cargo vans, trailers and concrete mixer trucks, which will increase the Company's share in profits of joint ventures. The Company is always open to discussions with investors who are interested in investing jointly with the Thai Rung group to expand into various areas related to its current business, including research and development of new high added value products and the development of the latest technology with which to produce top quality parts using new, lightweight but tougher and safer materials such as high tensile steel and composites, in line with future trends in the Thai automotive industry.

The Company strives to carry on its activities in accordance with policies of good corporate governance, attaching importance to its responsibilities towards society, community, the environment and all stakeholder groups in accordance

with principles of corporate social responsibility, conducting its business in an ethical manner so as to ensure the Company's sustainable success. The Company's corporate governance was assessed as "very good" by the Thai Institute of Directors (IOD), and in March 2017 the Company received confirmation from the council of its membership of Thailand's Private Sector Collective Action Coalition against Corruption. Shareholders may therefore rest assured that the Company conducts its business transparently, fairly and ethically and on the basis of combating all forms of corruption

On behalf of the Company's Board of Directors, I should like to thank our customers, our shareholders, the various organisations and departments both governmental and private, our business partners and also our executives and employees for their constant support, which is a driving force. All the Directors and I will strive wholeheartedly to lead the Company constantly forward and develop and expand its business in a sustainable manner.



Board of Directors



1

Dr. Pranee Phaoenchoke
Chairman of the Board of Directors &
President



2

Mr. Pricha Attavipach
Independent Director, Deputy Chairman,
Chairman, Audit & Corporate Governance
Committee Chairman, Nomination &
Remuneration Committee



3

Mr. Sompong Phaoenchoke
Director & Managing Director



4

Ms. Kaewjai Phaoenchoke
Director



5

Mr. Wuttichai Phaoenchoke
Director



6

Mr. Somkiat Nimrawee

Independent Director Member,
Audit & Corporate Governance
Committee Member, Nomination &
Remuneration Committee
Member, Risk Management Committee



7

Mr. Suvait Theeravachirakul

Independent Director Member, Audit &
Corporate Governance Committee
Member, Risk Management
Committee



8

Mr. Damri Tunshevavong

Independent Director
Member, Nomination & Remuneration
Committee



9

Mr. Thavorn Chalassthien

Independent Director
Member, Risk Management
Committee



Profiles of Directors of the Company

Dr. Pranee Phaoenchoke

Chairman of the Board of Directors & President

Age (years) : 78



Academic qualifications:

- Honorary doctorate in Business Administration, American Coastline University, U.S.A.
- Honorary doctorate in Industrial Engineering, Ramkhamhaeng University
- Honorary Master's Degree in Commerce and Accountancy Thammasart University

IOD'S Courses : :

- none -

Working Experience :

Number of posts occupied in listed companies

- 1993 - Present Chairman of the Board of Directors & President Thai Rung Union Car Plc.

Number of posts occupied in unlisted companies

- 1960 - Present Director & Chairman Chaicharoenkij Motors Co., Ltd.
- 1987 - Present Director & Chairman Thai V.P. Corporation Co., Ltd.
- 1989 - Present Director & Chairman Thai Rung Tools and Dies Co., Ltd.
- 1991 - Present Director & Chairman Thai V.P. Auto Service Co., Ltd.
- 1992 - Present Director & Chairman Thai Ultimate Car Co., Ltd.
- 1992 - Present Director & Chairman V.P. Auto Enterprise Co., Ltd.
- 1993 - Present Director & Chairman Sinthoranee Property Co., Ltd.
- 1994 - Present Director & Chairman Isuzu Chaicharoenkij Motors Co., Ltd.
- 2001 - Present Director & Chairman Thai Auto Pressparts Co., Ltd.
- 2004 - Present Director & Chairman Biz Motor Co., Ltd.
- 2004 - Present Director & Chairman Lexus Auto City Co., Ltd.
- 2006 - Present Director & Chairman V.P.K. Auto Co., Ltd.
- 2007 - Present Director Delta-Thairung Co., Ltd.
- 2013 - Present Director Asia Wealth Securities Co., Ltd.
- 2013 - Present Director Asia Wealth Holding Co., Ltd.
- 2014 - Present Director Trex Thairung Co., Ltd.

Number of posts occupied in other institutions - none -

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : 119,839,725 shares (20.28%)

at 17 Mar. 2017 : 119,839,725 shares (20.28%)

Mr. Pricha Attavipach

Independent Director, Deputy Chairman,
Chairman, Audit & Corporate Governance Committee
Chairman, Nomination & Remuneration Committee

Age (years) : 79



Academic qualifications:

- Bachelor's Degree in industrial engineering Chulalongkorn University
- Master's Degree (MS) in engineering (Industrial Engineering & Management) Oklahoma State University, USA.
- National Defence College of Thailand, Class of 1989

IOD'S Courses :

- Director Certification Program 39/2004 : IOD
- Finance for Non-Finance Directors 8/2004 : IOD
- Director Accreditation Program 107/2014 : IOD

Working Experience :

Number of posts occupied in listed companies

- 2004 - Present Independent Director, Deputy Chairman, Chairman, Audit & Corporate Governance Chairman, Nomination & Remuneration Committee Thai Rung Union Car Plc.
- 1999 - Present Director and Audit Committee Siam Cement Plc.
- 2008 - Present Chairman Thai Sugar Terminal Plc
- Present Chairman T.S. Flour Mill Plc
- Present Chairman Kaset Thai International Sugar Corporation Plc

Number of posts occupied in unlisted companies

- 2000 - Present Chairman Ruamkijjaungthong Warehouse Co., Ltd.
- 2000 - Present Chairman Pan-Paper 1992 Co., Ltd.
- 2004 - Present Chairman Ekaratpattana Co., Ltd.
- Present Chairman T.S.G. Assets Co., Ltd.
- Present Chairman T.S. Oil Industry Co., Ltd.
- Present Chairman Thai Identity Sugar Factory Co., Ltd.
- Present Chairman Ruamphol Enterprise Nakorn Sawan Co., Ltd.
- 1993 - Present Director H.C. Starck (Thailand) Co., Ltd.
- 2008 - Present Director Siam P.P. International Co., Ltd.

Number of posts occupied in other institutions

- Present Chairman Khunying Phancheun Reunsiri Foundation
- Present Chairman Ajarn Lai-arj Phamarapa Foundation
- 2001 - Present Specialist Senior Engineering Council of Engineers, Industrial Engineer
- 2002 - Present Law Councillor Ministry of Labour
- 2004 - Present Academic Director of the Safety and Health Vocational Management System
The Engineering Institute of Thailand
- 1999 - Present Chairman of the Council Chao Phraya University

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : 502,000 shares (0.085%)

at 17 Mar. 2017 : 772,000 shares (0.131%)

Number of Shares: Increase (decrease) during the year : 270,000

Mr.Sompong Phaoenchoke

Director & Managing Director

Age (years) : 56



Academic qualifications:

- Master's degree in Industrial Engineering, Keio University, Japan
- National Defence College Class of 2006
- Capital Market Academy No.8
- National Defence College (class of 2010) Course in high level security management and administration
- Thailand Energy Academy (TEA) Certificate in Top Executives in the Energy Education Program (TEA7)

IOD'S Courses :

- Director Certification Program 26/2003 : IOD

Working Experience :

Number of posts occupied in listed companies

- 1993 - Present Director & Managing Director Chairman, Risk Management Committee Thai Rung Union Car Plc.
- 2013 - Present Independent Director & Audit Committee The Brooker Group Plc.

Number of posts occupied in unlisted companies

- 2014 - Present Director & Chairman Kyowa Thairung Co.,Ltd.
- 1987 - Present Director & Vice Chairman Thai V.P. Corporation Co., Ltd.
- 1992 - Present Director & Vice Chairman Thai Ultimate Car Co., Ltd.
- 1992 - Present Director & Vice Chairman V.P. Auto Enterprise Co., Ltd.
- 1994 - Present Director & Vice Chairman Isuzu Chaicharoenkij Motors Co., Ltd.
- 2004 - Present Director & Vice Chairman Biz Motor Co., Ltd.
- 2004 - Present Director & Vice Chairman Lexus Auto City Co., Ltd.
- 2007 - Present Director & Vice Chairman Delta Thairung Co., Ltd.
- 2014 - Present Director & Vice Chairman Trex Thairung Co.,Ltd.
- 1989 - Present Director & Managing Director Thai Rung Tools and Dies Co., Ltd.
- 1991 - Present Director & Managing Director Thai V.P. Auto Service Co., Ltd.
- 2001 - Present Director & Managing Director Thai Auto Pressparts Co., Ltd.
- 1986 - Present Director Chaicharoenkij Motors Co., Ltd.
- 1996 - Present Director Sinthoranee Property Co., Ltd.
- 2004 - Present Director Thai Auto Conversion Co., Ltd.

Number of posts occupied in other institutions

- Present Director Thai Automotive Industry Association
- Present Director Thai Auto-parts Manufacturers Association
- Present Director Thammasat University Commerce and Accountancy Alumni (T.C.A.A.)
- Present Vice President Thai Automobile Dealers Association
- Present Director Juristic Person Saranchol Pattaya Condominium

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : Direct held 62,232,825 shares (10.53%)

Indirect held by Mrs. Keawkaow Phaoenchoke (wife) 2,700,000 shares (0.46%)

Total 64,932,825 shares (10.99%)

at 17 Mar. 2017 : Direct held 62,232,825 shares (10.53%)

Indirect held by Mrs. Keawkaow Phaoenchoke (wife) 2,700,000 shares (0.46%)

Total 64,932,825 shares (10.99%)

Ms. Kaewjai Phaoenchoke

Director

Age (years) : 52



Academic qualifications:

- Bachelor Degree in Financial Administration University of New England Australia
- Executive Program “Owner/President Management Program” No.42 Harvard Business School, USA
- Winning with Strategy : YPO (Thailand)
- Secret of Effective Business : YPO (Thailand)
- Cambridge-Thammasat Executive Education Education Program “Leadership” No.1, University of Cambridge, England
- Positive Psychology : YPO (Thailand)
- Strategic Human Resource Management No.3 Thammasat University
- The Boss Executive Educational Program No. 38 Management and Psychology
- National Defence College Class of 2013

IOD’S Courses :

- Director Certification Program 29/2003 : IOD
- Corporate Governance for Capital Market Intermediaries (CGI) 10/2015

Working Experience :

Number of posts occupied in listed companies

- 2000 - Present Director & Executive Board Thai Rung Union Car Plc.

Number of posts occupied in unlisted companies

- 1993 - Present Director & Chief Executive Officer Thai V.P. Corporation Co., Ltd.
- 1994 - Present Director & Chief Executive Officer Isuzu Chaicharoenkij Motors Co., Ltd.
- 1996 - Present Director & Chief Executive Officer V.P. Auto Enterprise Co., Ltd.
- 2004 - Present Director & Chief Executive Officer Biz Motor Co., Ltd.
- 2004 - Present Director & Chief Executive Officer Lexus Auto City Co., Ltd.
- 2006 - Present Director & Chief Executive Officer V.P.K. Auto Co., Ltd.
- 2007-Present Director & Chief Executive Officer Biz Resource Co., Ltd
- 1988 - Present Director Chaicharoenkij Motors Co., Ltd.
- 1991 - Present Director Thai V.P. Auto Service Co., Ltd.
- 1991 - Present Director Thai Rung Tools and Dies Co., Ltd.
- 1992 - Present Director Thai Ultimate Car Co., Ltd.
- 1993 - Present Director Sinthoranee Property Co., Ltd.
- 2001 - Present Director Thai Auto Pressparts Co., Ltd.
- 2013 - Present Director Asia Wealth Securities Co.,Ltd.
- 2013 - Present Director Asia Wealth Holding Co.Ltd.
- 2014 - Present Director Trex Thairung Co.,Ltd.

Number of posts occupied in other institutions

- Present Advisory Board Thai Car Rental Association
- Present Chairman The Thai Chamber of Commerces Code of conducts

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : 98,253,765 shares (16.63%)

at 17 Mar. 2017 : 98,253,765 shares (16.63%)

Mr. Wuttichai Phaoenchoke

Director

Age (years) : 47



Academic qualifications:

- Master's degree in Automotive Engineering, Coventry University, U.K.

IOD'S Courses :

- none -

Working Experience :

Number of posts occupied in listed companies

- 1996 - Present Director Thai Rung Union Car Plc.

Number of posts occupied in unlisted companies

- 1994 - Present Director & Managing Director Isuzu Chaicharoenkij Motors Co., Ltd.
- 2002 - Present Director & Managing Director Sinthoranee Property Co., Ltd.
- 2002 - Present Director & Managing Director Chaicharoenkij Motors Co., Ltd.
- 2004 - Present Director & Managing Director Biz Motor Co., Ltd.
- 2003 - Present Director & Deputy Managing Director Thai V.P. Auto Service Co., Ltd.
- 1997 - Present Director Thai Ultimate Car Co., Ltd.
- 2001 - Present Director Thai Auto Pressparts Co., Ltd.
- 2002 - Present Director Thai V.P. Corporation Co., Ltd.
- 2002 - Present Director Thai Rung Tools and Dies Co., Ltd.
- 2002 - Present Director V.P. Auto Enterprise Co., Ltd.
- 2007 - Present Director Biz Resource Co., Ltd.
- 2014 - Present Director Kyowa Thairung Co., Ltd.

Number of posts occupied in other institutions - none -

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : 96,528,225 shares (16.34%)

at 17 Mar. 2017 : 96,528,225 shares (16.34%)

Mr. Somkiat Nimrawee

Independent Director Member, Audit & Corporate
Governance Committee Member, Nomination &
Remuneration Committee Member,
Risk Management Committee
Age (years) : 65



Academic qualifications :

- Bachelor's degree in Finance & Accounting, Thammasart University

IOD'S Courses :

- Director Accreditation Program 10/2004 : IOD

Working Experience :

Number of posts occupied in listed companies

- 1993 - Present Independent Director Member, Risk Management Committee Member, Audit & Corporate Governance Committee Member, Nomination & Remuneration Committee Thai Rung Union Car Plc.

Number of posts occupied in unlisted companies

- 2006 - Present Managing Director Dan-Thai Engineering Co., Ltd.

Number of posts occupied in other institutions -none -

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : 96,000 shares (0.02%)

at 17 Mar. 2017 : 96,000 shares (0.02%)

Mr. Suvait Theeravachirakul

Independent Director

Member, Audit & Corporate Governance Committee

Member, Risk Management Committee

Age (years) : 57



Academic qualifications :

- Bachelor's degree in Business Administration, Accounting, Ramkhamhaeng University
- Master's degree in MBA, Wagner College, New York NY, U.S.A.
- Capital Market Academy No.10
- Anti-Corruption Strategic Management course for Senior Executives, Class 5 Sanya Dharmasakti Anti-Corruption Institute

IOD'S Courses :

- Director Certification Program 9/2001 : IOD
- Audit Committee Program 15/2006 : IOD
- Successful Formulation & Execution of Strategy (SFE) 2010 : IOD

Working Experience :

Number of posts occupied in listed companies

- 2005 - Present Independent Director, Member, Risk Management Committee Member, Audit & Corporate Governance Committee Thai Rung Union Car Plc.
- 2002 - Present Director and CEO President & Member, Executive Committee MBK Plc.
- 2007 - Present Independent Director & Member, Audit Committee IFS Capital (Thailand) Plc.
- 2009 - Present Vice Chairman of the Executive Committee Patum Rice Mill and Granary Plc.
- 2000 - Present Member of the Executive Committee Royal Orchid Hotel (Thailand) Plc.

Number of posts occupied in unlisted companies

- 1994 - Present Director Vachirachat Co.,Ltd.
- Present Chairman of the Board of Directors and Director The subsidiaries and associates of MBK Plc. total 70 companies

Number of posts occupied in other institutions -none -

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : 18,014 shares (0.003%)

at 17 Mar. 2017 : 18,014 shares (0.003%)

Mr. Damri Tunshevavong

Independent Director

Member, Nomination & Remuneration Committee

Age (years) : 63



Academic qualifications :

- Becheor's degree in electrical engineering, Chulalongkorn University
- Advanced Management Program Harvard University, USA.
- Capital Market Academy (class of 2009)

IOD'S Courses :

- Director Certification Program 106/2008 : IOD
- Audit Committee Program 24/2008 : IOD
- Role of the Chairman Program 22/2009 : IOD
- Role of Compensation Committee 10/2010 : IOD

Working Experience :

Number of posts occupied in listed companies

- 2012 - Present Independent Director Member, Nomination & Remuneration Committee Thai Rung Union Car Plc.
- Present Independent Director Thai Airways International Plc.
- Present Advisor to the President & CEO Siam Cement Group Plc.

Number of posts occupied in unlisted companies -none -

Number of posts occupied in other institutions

- Present Director Iron and Steel Institute of Thailand

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : -

at 17 Mar. 2017 : -

Mr.Thavorn Chalassthien

Independent Director

Member, Risk Management Committee

Age (years) : 64



Academic qualifications :

- Bachelor of Industrial Technology (Mechanical Technology) Rajamangala University of Technology Krungthep

IOD'S Courses :

- none -

Working Experience :

Number of posts occupied in listed companies

- 2013 - Present Independent Director & Member, Risk Management Committee Thai Rung Union Car Plc.

Number of posts occupied in unlisted companies

- Present Senior Advisor, Administrative Division Denso (Thailand) Co.Ltd.

Number of posts occupied in other institutions

- Present Vice President The Federation of Thai Industrie
- Present Honorary Chairman Auto-Part Industry Club, The Federation of Thai Industrie
- Present Vice President Thai Automotive Industry Association
- Present Vice President Thai Auto-parts Manufacturers Association
- Present Vice President Organizational Performance Management Technology Promotion Association (Thai-Japan)
- Present Chairman The Strategy and Labour Development Subcommittee, Automotive and Parts Industrial, Ministry of Labour
- Present Qualified member Thai-Nichi Institute of Technology
- Present Qualified member Thailand Professional Qualification Institute (Public Organization)
- Present Qualified member Office of the Vocational Education Commission, Ministry of Education
- Present Executive Director Thai - German Institute
- Present Director The Association of QC Headquarters of Thailand
- Present Director Academic Honorary, Rajamangala University of Technology, Bangkok
- Present Director Academic Honorary, Rajamangala University of Technology, Thanya Buri
- Present Director Mould Industrial Development, Ministry of Industry
- Present Director Department of Skill Development, Ministry of Labour
- Present Director Pathumwan Institute of Technology
- Present Advisor Automotive Engineers Thailand
- Present Advisor Thai - Nichi Institute of Technology

Number of posts occupied in businesses that compete with or are related to that of the Company -none -

Illegal Record -none -

Number of shares held TRU by directors

at 10 Mar. 2016 : -

at 17 Mar. 2017 : -

General Information



General Information

Listed Company	Thai Rung Union Car Public Company Limited Companies Register Number 0107536001435	
Registered share capital	Bt. 619,846,931 divided into 619,846,931 ordinary shares of Bt.1 each.	
Paid-up share capital	Bt. 590,846,931	
Business Activities	<ul style="list-style-type: none"> - Product design, research and development - Manufacture of dies and jigs - Manufacture of automotive parts and seats - Contract vehicle painting and assembly, vehicle modification 	
Address	304 Macharoen Road, Nong Khang Phlu, Nong Khaem, Bangkok 10160 Tel: 0-2431-0071-2, 0-2431-0065, 0-2420-0076 Fax: 0-2812-0844, 0-2814-5030, 0-2420-3664	
Website	http://www.thairung.co.th	
Securities Registration	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel: 0-2009-9000 Fax: 0-2009-9991	
Auditors	Mr Atipong Atipongsakul Mr Vichai Ruchitanont Mr Sathien Vongsnan Ms Kulthida Pasurakul ANS Audit Co Ltd 100/72, 22 nd Floor, 100/2 Vongvanij Building B, Rama 9 Road, Huaykwang Bangkok 10310 Tel: 0-2645-0109 Fax: 0-2645-0110	CPA No. 3500 or CPA No. 4054 or CPA No. 3495 or CPA No. 5946

Group Structure of Thai Rung Union Car Public Company Limited and subsidiaries as at 31 December 2016



General Information on Subsidiaries and Joint Venture Companies

Subsidiary Companies

• Thai Rung Tools and Dies Co., Ltd.

Registered share capital	Bt.27,000,000 issued and fully paid up, divided into 270,000 ordinary shares of Bt.100 each
Business Activities	Manufacture of dies and jigs.
Address	304/1 Macharoen Road, Nong Khang Phlu, Nong Khaem, Bangkok 10160 Tel: 0-2431-0071-2, 0-2431-0065, 0-2420-0076 Fax: 0-2814-5030, 0-2420-3664

• Thai Auto Pressparts Co., Ltd.

Registered share capital	Bt.400,000,000 issued and fully paid up, divided into 4,000,000 ordinary shares of Bt.100 each
Business Activities	Manufacture of automotive body parts
Address	Amata City Industrial Estate 7/122 Moo 4, National Highway 331, Tambol Marpyarngphorn, Amphoe Pluak Daeng, Rayong 21140 Tel: (038) 956-156, 956-239-42 Fax: (038) 956-169

• **Thai V.P. Auto Service Co., Ltd.**

Registered share capital	Bt.25,000,000 issued and fully paid up, divided into 250,000 ordinary shares of Bt.100 each
Business Activities	Sale of spare parts and accessories, after-sales service centre, installation of LPG and CNG vehicle conversion units.
Address	151 Macharoen Rd., Nong Khang Phlu, Nong Khaem, Bangkok 10160 Tel: 0-2420-6708, 0-2420-4823, 0-2812-1445-6 Fax: 0-2420-1601
Website	www.trservice.in.th

• **Thai Ultimate Car Co., Ltd.**

Registered share capital	Bt.25,000,000 issued and fully paid up, divided into 25,000 ordinary shares of Bt.1,000 each
Business Activities	Providing automotive, consulting and general administrative and organisational services
Address	304/1 Macharoen Road, Nong Khang Phlu, Nong Khaem, Bangkok 10160 Tel: 0-2431-0071-2, 0-2431-0065, 0-2420-0076 Fax: 0-2812-1992

Joint Venture Companies

• **Thai Auto Conversion Co., Ltd.**

Registered share capital	Bt.74,500,000 issued and fully paid up, divided into 74,500 ordinary shares of Bt.1,000 each
Business Activities	Product development and fitting of special accessories for special purpose vehicles.
Address	159, Moo 16, Thaeparak Road, Tambol Bang Sao Thong, Amphoe Bang Sao Thong, Samut Prakarn Province 10540 Tel: 0-2313-1371-8 Fax: 0-2313-1380

• **Delta Thairung Co., Ltd.**

Registered share capital	Bt.300,000,000 issued and fully paid up, divided into 3,000,000 ordinary shares of Bt.100 each
Business Activities	Manufacture of auto seats and parts and other equipment for vehicles
Address	Amata City Industrial Estate 7/150 Moo 4, Tambol Marpyarngphorn, Amphoe Pluak Daeng, Rayong 21140 Tel: (038) 650-398-400 Fax: (038) 650-400

• **Trex Thairung Co., Ltd.**

Registered share capital	Bt.550,000,000 issued and fully paid up, divided into 5,500,000 ordinary shares of Bt.100 each
Business Activities	Manufacture of various kinds of trucks body, such as dump-trucks, cargo vans, trailers, concrete mixer trucks and refrigerated trucks, etc. and after-sale service
Head office	10/73 Sukhumvit Soi 13, Khlong Toei Nuea, Wattana, Bangkok 10110 Tel: 0-2168-7644 Fax: 0-2168-7645
Factory	Amata City Industrial Estate 7/462-463 Moo 6, National Highway 331, Tambol Marpyarngphorn, Amphoe Pluak Daeng, Rayong 21140 Tel: (038) 020-250-3 Fax: (038) 020-254
Website	www.trextr.com

• **Kyowa Thairung Co., Ltd.**

Registered share capital	Bt.20,000,000 issued and fully paid up, divided into 200,000 ordinary shares of Bt.100 each
Business Activities	Manufacture of cabins and parts for industrial machinery, excavators, construction equipment, agricultural machinery and tractors, etc.
Address	304 Macharoen Road, Nong Khand Phlu, Nong Khaem, Bangkok 10160 Tel: 0-2431-0071-2, 0-2431-0065, 0-2420-0076 Fax: 0-2812-0844, 0-2814-5030, 0-2420-3664

- **General Business Overview of the Company, its Subsidiaries and Joint Ventures**

Thai Rung Union Car Public Co Ltd is in the motor vehicle industry. Its main business activities are product design, research and development, manufacture of tools, dies and jigs, manufacture of metal and plastic parts, contract vehicle painting and assembly and modification of vehicles, including multi-purpose vehicles and special purpose vehicles such as TR Transformer, Military Utility Vehicle 4 (MUV4) and rapid response rescue vehicles.

The Company has six subsidiary and joint venture companies, which are engaged in related or supporting businesses and which enable the group to provide a full range of services as well as spreading the business risks. Details are as follows.

- **Thai Rung Union Car Plc.** has three business units as follows;
 - Product design, research and development and contract research, design and modification of various types of vehicles for domestic and overseas customers.
 - Pressed metal and plastic parts and seats for car, truck and motorcycle manufactures, parts for construction tools, industrial and agricultural machinery, or other businesses beyond the auto industry such as electronic components, as well as for use in its own internal production processes.
 - Paint work and contract assembly for automobile customers, the industrial and agricultural machinery sectors, and modification of vehicles for multi-purpose vehicles and special purpose vehicles such as TR Transformer, Military Utility Vehicle 4 (MUV4) and rapid response rescue vehicles.
- **Thai Rung Tools and Dies Co Ltd (TRT)** makes dies and jigs. It has received BOI promotional privileges for investments.
- **Thai Auto Pressparts Co Ltd (TAP)** started business in June 2002 at its factory at Amata City Industrial Estate, Amphoe Pluak Daeng, Rayong Province, thus considerably expanding the group's parts production capacity. Thai Auto Pressparts, which has been granted BOI promotional privileges for its investments, supplies automotive parts to the customer group formed by auto and motorcycle

manufacturers in the Eastern Seaboard and surrounding areas, and also caters to the export market. In 2012 it expanded a new factory.

- **Thai V.P. Auto Service Co Ltd (TVS)** provides after-sales service for Thai Rung's multi-purpose vehicles. In 2012, The Company started paint work to cater to the growth in customer demand.
- **Thai Ultimate Car Co Ltd (TUC)** a subsidiary of TVS which it acquired in 2001. Its current activity consists of providing automotive consulting and general administrative and organisational services.
- **Thai Auto Conversion Co Ltd (TAC)** is a joint venture with the Toyota Motor Group for product development and fitting of accessories for special purpose vehicles.
- **Delta Thairung Co Ltd (DTC)** is a joint venture with Delta Kogyo of Japan, newly established in 2007 to manufacture auto seats and parts and other equipment for vehicles. Its factory is at Amata City Industrial Estate, Amphoe Pluak Daeng, Rayong Province.
- **Kyowa Thairung Co Ltd (KTR)** is a joint venture with Kyowa Sangyo of Japan, newly established in 2014 to manufacture of cabins and parts for industrial machinery, excavators, construction equipment, agricultural machinery and tractors, etc.
- **Trex Thairung Co Ltd (TTR)** is a joint venture with 3 partners, Nippon Trex and Kyokuto Kaihatsu Kogyo of Japan and Mitsiam International Co. Ltd., newly established in 2014 to manufacture various kinds of trucks body, such as dump-trucks, cargo vans, trailers, concrete mixer trucks and refrigerated trucks, etc. and after-sale service. Its factory is at Amata City Industrial Estate, Amphoe Pluak Daeng, Rayong Province. The factory was officially opened on 21 October 2015.

The Company's group policy is for each subsidiary to strive to operate profitably in its own right and to be self-sufficient in its particular activities within the overall policy of the parent.

3.1 Breakdown of Total Revenues, Thai Rung Union Car Plc and Subsidiaries, 2014-2016

Unit: Million Bt.

Sales and service	Performed by	% of shares held	2016		2015		2014	
			Million Bt	%	Million Bt	%	Million Bt	%
Revenue from the production of vehicle manufacturing equipment	TRU, TAP, TRT	91, 94	1,112.63	59	1,222.03	57	1,445.47	59
Revenue from vehicle assembly and other vehicle-related contract work	TRU		486.28	26	606.63	29	675.95	28
Revenue from sales of vehicles and from service centres	TRU, TVS, TUC	94, 99.53*	181.98	10	208.67	10	127.43	5
Other sales & service income			2.10	0	5.06	0	6.25	0
Total revenue from Sales & service			1,782.99	95	2,042.39	96	2,255.10	92
Other income			85.30	5	90.07	4	194.84	8
Total Revenues			1,868.29	100	2,132.46	100	2,449.94	100

* TRU holds 94% of the shares in TVS, which in turn holds 99.53% of the shares in TUC.

- Industry trends and future competitive situation

The amended vehicle excise tax structure that came into force on 1 January 2016 aims to support production of vehicles with lower Co2 emissions, which is also in line with world market demand. This will encourage the automotive industry to develop more energy-saving and environmentally friendly products such as electric, hybrid or other clean-energy vehicles. Perhaps this could even become Thailand's new champion product. Apart from this, the opening of the AEC free trade area in 2016 will lead to increased opportunities for exports, especially to neighbouring countries such as Burma, Laos, Vietnam and Cambodia, By 2025 Thailand should be producing at least 3.5 million units a year.

Gradual changes in future world trends will have an effect on demand for auto parts too, with increasing demand for high-tech and innovative parts in particular, such as those made of tougher but at the same time lighter materials, and digital processes will play an ever more important part in the automotive industry. Any players who do not adapt to changes in the market will be face with very tough competition.

The Company's management strategy in 2017 will continue to focus on our Special purpose vehicle, OEM, contract assembly and painting and vehicle modification, as well as expanding parts making for agricultural machinery. The Company will also continue to seek alliances to expand its existing business and develop new ones, as in 2014 when it successfully set up two new joint venture companies with Japanese partners, to expand its business into various kinds of trucks, such as dump-trucks, cargo vans, trailers, concrete mixer trucks and refrigerated trucks, and to diversify into industrial machinery, excavators, construction equipment, agricultural machinery and tractors, etc., for sale both in Thailand and in export markets. In both cases the market looks set to continue growing in the future given the continuing high demand for trucks and the opening up of the ASEAN Economic Community (AEC) free market in 2016 which will lead to further growth in transport requirements in the region and a greater role being played by trucks in the automotive industry. Furthermore the Company has boosted its potential, both by increasing production capacity and by improving efficiency by investing in new machines and introducing innovative technology to the production process, as well as developing human resources to cater to any foreign trade and investment.

Apart from this the Company is also committed to contributing to taking care of the environment, as shown by its ISO 9001, ISO/TS 16949 and ISO 14001 certification, and to manufacturing in accordance with customers' needs, in a timely manner, keeping its costs within targets and using appropriate technology in the design and production processes, by means of efficient management, and raising the level of knowledge and capability of employees at all levels in order to keep in step with changes in the outside world, while at the same time ensuring a good working environment, safety at work, respect for the environment and social responsibility. In terms of corporate governance, the Company conducts its business at the level of its Board of Directors, its management and employees in line with the corporate governance guidelines of the SET.

Risk Factors

The Company attaches importance to applying the principles of risk management as a tool in managing the organisation to world standards. A Risk Management Committee is responsible for overseeing and controlling compliance with risk management policies and rules, monitoring any significant risks that arise and establishing a risk management plan which is continuously aligned with the Company's strategic and business plans, examples being:

- the revision of practical manuals to keep them up to date and thus able to support improvement drives throughout the organisation
- the establishment and review of clear roles, duties and responsibilities of executives and employees
- and continuous performance evaluation aimed at incentivizing employees and boosting efficiency
- all of which are aimed at building confidence in the Company's risk management systems as being adequate and appropriate for the conduct of the organisation's business and the achievement of its objectives.

In 2016 the Company succeeded in increasing the efficiency with which it controlled the risks associated with possible effects of both atmospheric and noise pollution, investing installing systems to protect against paint dust and odour in accordance with international standards. The Company has obtained, and maintains, ISO 14001 quality certification, which involves regular checks by a government-approved company on the various kinds of pollution associated with the production process. The Company also has a system of checks, improvements, repairs and maintenance for its machinery and production systems at regular intervals. Accordingly the Company is confident that the production systems in the paint dip and paint shop facilities are efficient and will not cause environmental problems.

1. Business Risks

1.1 Multi-purpose vehicles

- The Company has competitors in the form of several major brand owners who already produce multi-purpose vehicles, and new entrants attracted into the market by the high value of the station wagon type segment, with this type of vehicle continuing to be popular among consumers.
- The implementation of free trade under AFTA brings import duty down to zero, increasing opportunities for foreign brands to establish themselves in the Thai market, which would increase competition, especially with the implementation of free trade under the AEC in 2016.

In order to spread the risk and mitigate any effect that might arise from the various risk factors in the multi-purpose vehicle business the Company has established guidelines as follows:

- The Company focuses on the area of multi-purpose vehicle research and development, striving for modern features and quality in line with its target customer groups' needs. The Company has also conducted studies on developing a business for various kinds of special purpose vehicles such as TR Transformers, Military

Utility Vehicle 4 (MUV4), rapid emergency vehicles in order to expand its market and its target customer groups, taking advantage of its flexibility in terms of adapting its production processes.

- The Company opened two showrooms of its own, on Phetkasem Road and Vibhavadi Road, held events and road shows in various provinces and accelerated the appointment of new dealers in the North, North-east, East and South of Thailand to present its products and increase sales opportunities. Apart from this emphasis was also given to sales to government departments.
- The Company put additional measures in place throughout the organisation to reduce costs and save on expenses, both in the factory and in sales and support areas, so as to streamline costs so as to be able to compete and survive the economic crisis.

1.2 Auto Parts and Contract Assembly

The implementation of free trade under AFTA brings import duty down to zero and thus increases manufacturers' options in terms of importing parts instead of having them made in Thailand. Thai auto parts makers are faced with tougher competition on price and quality, from both domestic and foreign producers.

In order to spread the risk and mitigate any effect that might arise from the various risk factors in the parts making and contract assembly business the Company has established guidelines as follows:

- The Company continues to foster its relationships with its long-standing major customers, whilst at the same time seeking new customers from other sectors such as premium level motorcycles, which is a niche market with high added value, parts for construction tools, industrial and agricultural machinery, or other businesses beyond the auto industry such as electronic components, and also to broaden the customer base to other countries such as China, India and Australia so as to spread the risks in terms of sources of work. It also arranges programmes of marketing activities aimed at enhancing customer relations in general throughout the year, as well as establishing new target customer groups every year.
- We provide a one stop service for plastic parts, painting, contract assembly and modification work from research and design through to finished parts.
- The Company is always on the look-out for possible foreign business alliances with a view to increasing its know-how in the areas of production technology and more efficient machinery so as to prepare for the future, and to joint investment and expanding into additional related businesses, its policy being to seek work with high added value.

1.3 Dies and Jigs

In 2016 the volume of die and jig making work slightly decreased from the lower new models, however, to reduce the uncertainty of the future, the Company accelerated its search for business from overseas, from automakers

moving their production bases to Thailand, and from new customers such as makers of construction, industrial or agricultural machinery and big trucks.

In order to spread the risk and mitigate any effect that might arise from the various risk factors in the die and jig making business the Company has established guidelines as follows:

- The Company has carried out investments to improve the efficiency of the production process so as to meet the many and varied customer requirements and at the same time to improve chances of winning the big size of die that have the high value added and less competitor.
- The Company has a project to increase automation of the production process so as to lessen the impact of shortages of skilled labour, and has also arranged training courses aimed at enhancing personnel capability.
- To build dies and jigs on a tier-two basis for tier-one suppliers overseas, e.g. Europe, America, who need to outsource work to countries with lower production costs.
- To provide a one stop service for research, design, modification, right through to dies, jigs and other production equipment.
- Boost level of die and jig design and production for turn-key projects through alliance with foreign partner so as to be able to enter more overseas tenders
- Build up a network of business allies in Thailand so as to cater to the volume of new projects coming on stream, increase production capacity and be able to take on turn-key projects overseas

Nevertheless in order to spread the risks in all three business units, the Company also strives to diversify its business, both to reduce the risk of business concentration and to broaden the revenue base. Examples are:

- The Company is a leader in the design and development of flat deck cargo boxes for pick-up trucks, which it sells to a number of truck makers for distribution in the domestic market and overseas. Expanding the business of product design and development to various automakers at home and abroad. Apart from this, the Company under process to develop flat deck cargo boxes for small and medium truck.
- In 2014, the Company increased its investment in other sectors by setting up two new joint venture companies, to expand its business into various kinds of trucks, such as dump-trucks, cargo vans, trailers, concrete mixer trucks and refrigerated trucks, and to diversify into industrial machinery, excavators, construction equipment, agricultural machinery and tractors, etc.

2. Financial Risks

2.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is

limited to the carrying amounts of receivables, loans, and other receivables as stated in the Statement of financial position.

2.2 Interest rate risk

The Group's exposures to interest rate risk relate primarily to their cash at banks, current investments and short-term loans. However, since most of the Group's financial assets and liabilities have been repaid within one year, the interest rate risk is expected to be minimal.

3. Legal risk

This concerns the risk of being sued for damages by consumers under product liability legislation as result of unsafe or poor quality products made by the Company

The Company takes this risk seriously and has accordingly announced a policy on product safety, establishing a working committee and assigning it the duty and responsibility of ensuring compliance with the law, arranging training for management and employees on the law and making compliance mandatory for all employees.

For the law as it relates to automotive industrial factories a special unit will be responsible for ensuring strict compliance with the law.

4. Safety, environmental and community risks

The Company attaches importance to its human resources and stakeholders, striving to manage its business in such a way as to reduce all kinds of risks that affect people's quality of life, as well as fulfilling its responsibilities towards society and building good relations with its neighbouring community, through the following measures:

- Annual review of safety and environmental policies and quarterly activity meetings to inform supervisors of monitoring results
- Stress on employee awareness of and attention to safety and environmental issues, all employees being obliged to follow the CCCF (Completely Check, Completely Find Out) procedure and the ISO14001 environmental management standard, as well as other activities such as "White Factory" "Drive Safely", "Don't Drink and Drive" and "Give up Alcohol for Lent".
- Annual scholarship awards to children of employees who achieve a certain standard. The Company also supports society by donating money, supporting various departments and the local community, for example donating medical equipment to hospitals, granting scholarships to pupils of various schools, arranging volunteer programmes in support of underprivileged communities in various parts of the country, volunteer traffic activities, anti-drugs campaigns, cooperation with government departments, etc.

Shareholders and Management

• Shareholders

Major Shareholders as at 17 March 2017, last date on which the share register was closed.

No.	Name	Shares	% of total shares
1.	Dr Pranee Phaoenchoke	119,839,725	20.28%
2.	Ms Kaewjai Phaoenchoke	98,253,765	16.63%
3.	Mr Wuttichai Phaoenchoke	96,528,225	16.34%
4.	Mr Sompong Phaoenchoke*	64,932,825	10.99%
5.	CITIBANK NOMINEES SINGAPORE PTE LTD-S.A PBG CLIENTS SG	27,926,310	4.73%
6.	Mr Pattanasorn Phaoenchoke	15,878,240	2.69%
7.	Mr Wongwaris Phaoenchoke	15,700,100	2.66%
8.	Mr Korrawut Phaoenchoke	14,200,000	2.40%
9.	EFG BANK AG	14,200,000	2.40%
10.	Tisco Securities Co Ltd	10,800,000	1.83%
TOTAL		478,259,190	80.94%

Note * Mr Sompong Phaoenchoke holds 62,232,825 shares, his wife Mrs Kaewkao Phaoenchoke holds 2,700,000 shares.

• Management

1. Management Structure

1.1 Structure of Company's Board of Directors

The Company has the following five boards and committees: Board of Directors, Audit and Corporate Governance Committee, Executive Committee, Risk Management Committee and Nomination and Remuneration Committee, each committee having the powers and duties as follows:

1) Powers and Duties of the Board of Directors

1. To carry out its duties in accordance with the Company's laws, objectives and regulations, including resolutions of shareholders' meetings, in accordance with the law, with integrity, ethically, prudently and with due regard to the Company's best interests.

2. To arrange for a shareholders' meeting to be held at least once a year, to report to shareholders on the Company's performance and to seek shareholders' approval for matters which exceed the authority or duties of the board of directors.
3. To hold a meeting of the Board of Directors at least once every three months.
4. To take all necessary steps to ensure that financial and other information provided to shareholders is at all times correct, complete and transparent.
5. To ensure that the Company has efficient internal control and audit systems in place.
6. To consider and make decisions on important matters such as policies, business plans, administrative powers, large investment projects, related party transactions, acquisitions or disposals of assets of the listed company as covered by the regulations of the Stock Exchange of Thailand, and any other matters stipulated by law.
7. To ensure that the Company's business dealings are carried out in an ethical manner.
8. The Board of Directors may delegate its powers and duties to one or more Directors or to other individual(s) as it sees fit, authorizing such person or persons to act on its behalf with whatever powers and duties it may choose to assign.
9. The Board of Directors has the power to appoint and to change authorised signatories empowered legally to bind the Company on its behalf.
10. To consider the payment of interim dividends to shareholders.
11. To establish the Company's policies and working guidelines and to monitor administrative departments' efficient and effective implementation of such policies with a view to maximizing growth and economic value for shareholders.
12. To give advice to the Managing Director on administration and on decisions likely to have important consequences for the Company.
13. To avoid conflicts of interest amongst Company stakeholders.

The scope of the powers and duties mentioned shall **not extend** to:

1. Matters subject by law to a resolution of a shareholders' meeting, such as capital decrease or increase or amendments to the Company's Memorandum or Articles of Association.
2. The authorisation of any related party transaction or acquisition or disposal of listed Company's assets, which require approval by a meeting of shareholders in accordance with the regulations of the Stock Exchange of Thailand.
3. The authorisation of any transaction in which a Director is an interested party or has a conflict of interest, which requires approval by a meeting of shareholders.

Role and duties of the Chairman

1. To call Board Meetings and establish the agenda together with the Managing Director
2. To chair Board Meetings and ensure that they are conducted in accordance with the agenda, the Company's Articles of Associations and the law, giving all directors enough time and encouraging them to take part in the debates and express their views freely while exercising due discretion as regards any interest parties.
3. To exercise the casting vote in the event of a tied vote
4. To chair shareholders' meetings, ensuring that they are conducted in accordance with the agenda, the Company's Articles of Association and the law, that shareholders are given appropriate and equal time and opportunity to express their views, and that questions are answered appropriately and transparently.

2) Powers and duties of the Audit and Corporate Governance Committee

1. To ensure that the Company's financial reporting is accurate and adequate.
2. To ensure that the Company's internal control and audit systems are appropriate, efficient and to assess the independence of the internal audit department and to give its approval to the appointment or dismissal of the head of the department.
3. To ensure that the Company acts in accordance with the rules of the SEC and the SET and all laws applying to its business.
4. To consider, select, review and propose independent persons for appointment as the Company's auditors and to propose their remuneration, as well as attending meetings with the auditors without the presence of management at least once a year.
5. To consider related party transactions and transactions likely to give rise to conflicts of interest so as to ensure that they are carried out in accordance with the law and the rules of the SET and are fitting and proper and of the greatest possible benefit to the Company.
6. To draw up a report of the Audit and Corporate Governance Committee for publication in the Company's Annual Report, said report to be signed by the Chairman of the Committee.
7. To propose and review the Company's and group companies' policies on principles of corporate governance and corporate social responsibility to the Board of Directors of the Company for adoption as the basis of its corporate governance.
8. To ensure that the Company acts in accordance with the Company's principles of corporate governance and SEC and SET rules.

9. To keep the Company's corporate governance and CSR policies under constant review.
10. To promote the dissemination of the Company's corporate governance, CSR and sustainable development culture throughout all levels of the organization so as to ensure that it is universally understood and implemented.
11. To evaluate the Company's performance against the principles of corporate governance and CSR it has established.
12. To hold quarterly meetings to monitor the Company's results in the area of corporate governance and make recommendations for improvements.
13. To perform such other tasks as may be assigned by the Company's Board of Directors and accepted by the Committee.

3) Powers and Duties of the Executive Committee

1. To control and take care of the general conduct of the Company's business and perform duties assigned to it by the Company's Board of Directors in order to achieve the Company's objectives.
2. To direct and monitor the successful implementation of policies and working plans assigned by the Company's Board of Directors to the various administrative departments.
3. To examine, consider and authorise important and urgent business within the scope of its powers and duties and monetary limitation determined by the Company's Board of Directors but in any case not exceeding Bt.400m.
4. To establish financial policies and supervise and monitor the administration of all financial work, including all business conducted with financial institutions, with a view to optimising efficiency.
5. To consider and authorise transactions within the Company's scope of business.
6. To perform such other duties as may be assigned by the Company's Board of Directors.

The scope of the powers and duties mentioned shall **not extend** to the authorisation of any transaction in which the executive board or an individual is an interested party or involving a conflict of interest on the part of the executive board or an individual, nor any related party transaction nor the acquisition or disposal of listed Company's assets, in accordance with the regulations of the Stock Exchange of Thailand

4) Powers and duties of the Risk Management Committee

1. To establish a policy and framework for managing the Company's overall risk situation, covering the various risks that might affect the Company's results and reputation.
2. To establish strategies which are in accordance with the Company's overall risk management policy and which enable risks to be gauged, monitored, taken care of and kept at appropriate levels, including the setting up of advance warning systems.
3. To review the adequacy and effectiveness of risk management policies and systems and monitor adherence to those policies on an ongoing basis so as to enhance the prudence, security and efficiency of the Company's overall risk management.
4. The Risk Management Committee has the power to establish and define the roles of sub-committees and working committees for managing the various kinds of risk as it sees fit, and all such committees shall report directly to the Risk Management Committee.
5. The Committee is empowered to call for documents and information and to require individuals to provide facts for consideration so as to be able to achieve its objectives.
6. To communicate with the Audit Committee in order to ensure that risk management systems are in line with internal controls and in accordance with policies and strategies that have been established.
7. To report to the Board on risks and risk management.

5) Powers and duties of the Nomination and Remuneration Committee

1. To select persons with characteristics appropriate to the position of Company Director using transparent criteria and considering any names put forward by shareholders for nomination to the Board of Directors.
2. To select persons with characteristics appropriate to the position of Chairman of the Executive Committee and Managing Director in the event of their being a vacancy, for nomination to the Board of Directors for their consideration, and to prepare a succession plan for senior executive positions.
3. To set policies, methodology and criteria for establishing Directors' remuneration fairly and in consonance with the Company's results and with each individual's performance.
4. To consider, review and present proposals for establishing Directors' remuneration.
5. To present reports and proposals of the Nomination and Remuneration Committee to meetings of the Company's Board of Directors for their consideration.
6. To perform such other duties as the Company's Board of Directors may from time to time assign to it.

1.2 List of names of Company Directors

1) Board of Directors

As at 31 December 2016 all nine positions on the Board of Directors were occupied as follows.

Name	Position
1. Dr. Pranee Phaoenchoke	Chairman of the Board
2. Mr. Pricha Attavipach	Independent Director and Deputy Chairman of the Board
3. Mr. Sompong Phaoenchoke	Director
4. Ms. Kaewjai Phaoenchoke	Director
5. Mr. Wuttichai Phaoenchoke	Director
6. Mr. Somkiat Nimrawee	Independent Director
7. Mr. Suvait Theeravachirakul	Independent Director
8. Mr. Damri Tunshevavong	Independent Director
9. Mr. Thavorn Chalassthien*	Independent Director

Mr. Sakchai Komgris Company Secretary and Secretary to the Board of Directors

Quorum for Board Meetings

1. A quorum for a meeting of the Board of Directors is constituted by not less than half the total number of Board of Directors.
2. Resolutions are passed by a simple majority of votes by Directors present, each Director having one vote.
3. At each Annual General Meeting of the Company at least one third of the Directors, or if the number of Directors is not divisible by three then the nearest number to one third, must retire, the longest serving Directors retiring first. Directors retiring by rotation may be re-appointed for a further term of office.

2) Audit and Corporate Governance Committee

As at 31 December 2016 the Company's Audit and Corporate Governance Committee was composed of three independent directors as follows:

Name	Position
1. Mr. Pricha Attavipach	Chairman of the Audit and Corporate Governance Committee
2. Mr. Suvait Theeravachirakul ^{/1}	Member of the Audit and Corporate Governance Committee
3. Mr. Somkiat Nimravee	Member of the Audit and Corporate Governance Committee

Mr. Siripong Phosuk Secretary to the Audit and Corporate Governance Committee

Note^{/1} Mr. Suvait Theeravachirakul has knowledge and experience in auditing the financial statements of the company.

Members of the Audit and Corporate Governance Committee serve for a term of two years. A quorum for a meeting of the Committee is constituted by not less than half the total number of Committee Members. Resolutions are carried by the affirmative votes of not less than half the total number of Members present.

3) Executive Committee

As at 31 December 2016 the Company's Executive Committee consisted of four Directors, as follows:

Name	Position
1. Dr. Pranee Phaoenchoke	President
2. Mr. Sompong Phaoenchoke	Managing Director
3. Ms. Kaewjai Phaoenchoke	Member of Executive Committee
4. Mr. Wuttichai Phaoenchoke	Member of Executive Committee
Mr. Sakchai Komgris	Secretary to the Executive Committee

Directors on the Executive Committee serve for a term of three years. A quorum for a meeting of the Executive Committees is constituted by not less than half the total number of Directors. Resolutions are carried by the affirmative votes of not less than half the total number of Directors present.

4) Risk Management Committee

As at 31 December 2016 the Company's Risk Management Committee was composed of six members, as follows:

Name	Position
1. Mr. Sompong Phaoenchoke	Chairman of the Risk Management Committee
2. Mr. Somkiat Nimrawee	Member of the Risk Management Committee
3. Mr. Suvait Theeravachirakul	Member of the Risk Management Committee
4. Mr. Thavorn Chalassthien	Member of the Risk Management Committee
5. Mr. Sakchai Komgris	Member of the Risk Management Committee
6. Mr. Phakkawat Suwanmajo	Member of and Secretary to the Risk Management Committee

Members of the Risk Management Committee serve terms of two years. A quorum for a meeting of the Risk Management Committee is constituted by not less than half the total number of Members. Resolutions are carried by the affirmative votes of not less than half the total number of Members present.

5) Nomination and Remuneration Committee

As at 31 December 2016 the Company's Nomination and Remuneration Committee was composed of three independent directors as follows:

Name	Position
Mr. Pricha Attavipach	Chairman of the Nomination and Remuneration Committee
Mr. Damri Tanshevavong	Member of the Nomination and Remuneration Committee
Mr. Somkiat Nimrawee	Member of the Nomination and Remuneration Committee
Mr. Sakchai Komgris	Secretary to the Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee serve terms of two years. A quorum for a meeting of the Remuneration Management Committee is constituted by not less than half the total number of Members. Resolutions are carried by the affirmative votes of not less than half the total number of Members present.

Directors' signing powers

Directors' signatory powers to bind the Company as recorded in the Company's registry. At present such powers are as follows:

Any one of the following Directors, acting alone, may bind the Company with his or her signature and the Company seal:

Dr. Pranee Phaoenchoke
Mr. Sompong Phaoenchoke
Ms. Kaewjai Phaoenchoke
Mr. Wuttichai Phaoenchoke

1.3 Criteria for Appointment of Independent Directors

The selection process for Independent Directors can be seen in the heading concerning criteria for selection of Directors and Administrators. Independent Directors must have qualities in accordance with the Company's definition of Independent Director which in turn is in accordance with that of the SEC, as follows.

Characteristics and definition of *independent director* of Thai Rung Union Car Plc

1. Does not hold more than 1% of the total number of voting shares in the parent Company, or of any of its subsidiaries or joint venture companies or in any entity likely to give rise to a conflict of interest, shares held by related persons to be included in the calculation in accordance with directive 258 of the Securities Act.

2. Does not take part in administering the work, is not a contractor or an employee or consultant in receipt of a regular salary and is not in a position to exert control over the Company, its subsidiaries, joint ventures or fellow-subsiidiaries or on any entity likely to give rise to a conflict of interest (at present, and in the two years prior to his appointment.)

3. Does not have business dealings with the Company:

3.1 Is not an auditor of the Company.

3.2 Does not provide other professional services to the Company such as legal or financial consultancy or appraisal worth more than Bt.2m per year.

3.3 Does not have habitual related party transactions by way of rent or lease, whether as lessor or lessee, of real estate, or concerning assets/services or the receipt or provision of financial assistance with a value exceeding Bt.20m or 3% of NTA, whichever is the lower, including transactions carried out in the one year prior to the carrying out of any given transaction.

He must not have business relations as defined in 3.1 to 3.3 above at present, nor in the two years prior to his appointment except where there is necessary and proper reason and in any case not continuously or constantly. An Independent Director or Audit Committee Member may have relations that go beyond those stipulated while performing his office, but only after obtaining the unanimous prior approval of the Company's Board of Directors and subject to the relationship being disclosed per Form 56-1, in the Annual Report and in the letter of invitation to the Shareholders' Meeting in the event that the Shareholders' Meeting is to be asked to renew the term of office of the Independent Director or Audit Committee Member concerned.

4. Is not related by blood or marriage to (i.e. is not the father, mother, spouse, sibling or child of or the spouse of a child of an Administrator, major shareholder or other person in a position of authority or candidate as Administrator or person in a position of authority of the Company or any of its subsidiaries.

5. Has not been appointed to represent a Director or major shareholder or other shareholder that is a related party to a major shareholder.

6. Does not have any other characteristic limiting his independence.

7. An Independent Director having the characteristics set out in points 1 to 6 above may be given powers by the Board of Directors to decide on matters involving the Company, its subsidiaries, its joint ventures or fellow-subsiidiaries or entities likely to have a conflict of interest on a collective decision basis

1.4 Number of Board Meetings held and individual Directors' attendance record

The following table shows a summary of the number of meetings held in 2016 – Board meetings, meetings of Board Committees and Meetings of Shareholders - and individual Directors' attendance record.

Meetings attended / Meetings held

Name	Company Board of Directors	Executive Committee	Audit & Corporate Governance Committee	Nomination & Remuneration Committee	Risk Management Committee	Attendance at Shareholders' Meetings
1. Dr. Pranee Phaoenchoke	5/5	2/2	-	-	-	2/2
2. Mr. Pricha Attavipach	5/5	-	4/4	2/2	-	2/2
3. Mr. Sompong Phaoenchoke	5/5	2/2	-	-	4/4	2/2
4. Ms. Kaewjai Phaoenchoke	4/5	2/2	-	-	-	1/2
5. Mr. Wuttichai Phaoenchoke	5/5	2/2	-	-	-	2/2
6. Mr. Somkiat Nimrawee	5/5	-	4/4	2/2	4/4	2/2
7. Mr. Suvait Theeravachirakul	5/5	-	4/4	-	4/4	1/2
8. Mr. Damri Tunshevavong	4/5	-	-	2/2	-	1/2
9. Mr. Thavorn Chalassthien	3/5	-	-	-	1/4	1/2
10. Mr. Sakchai Komgris (Secretary)	5/5	2/2	-	2/2	4/4	2/2
11. Mr. Phakkawat Suwanmajo (Secretary)	-	-	-	-	4/4	-

1.5 Company Administrators

As at 31 December 2016 The Company's Administrators as per the SEC definition were as follows:

Name	Position
1. Dr. Pranee Phaoenchoke	President
2. Mr. Sompong Phaoenchoke	Managing Director
3. Mr. Young Choel Kim	Senior Deputy Managing Director
4. Mr. Wuttichai Phaoenchoke	Assistant Managing Director, Research & Development
5. Mr Sakchai Komgris	Assistant Managing Director, Administration, Legal office director and Company Secretary
6. Mr. Lim Wee Ern	Assistant Managing Director, Export sales department
7. Mr. Phakkawat Suwanmajo	Deputy General Manager, Business line (Top management of Accounting & Finance Dept.)

Managing Director's Powers and Duties

1. To control and oversee the pursuance of the Company's business in general and to perform duties assigned by the Company's Board of Directors or Executive Committee, ensuring that objectives are met.
2. To follow up and monitor the implementation of policies and working plans, ensuring that the administrative departments concerned duly perform the various tasks assigned them by the Company's Board of Directors or Executive Committee, with the desired results.
3. To consider and, if appropriate, approve important and urgent transactions within the scope of his powers and duties and such monetary limits as the Company's Board of Directors may establish, up to a maximum of Bt.200 million.
4. To control and oversee financial administration, including dealings with financial institutions, ensuring that it is in accordance with financial policies and as efficient as possible in accordance with assignments from the Company's Board of Directors or Executive Committee.
5. To consider and, if appropriate, approve business transactions within the Company's authorised areas of business.
6. To perform such other duties as may be assigned by the Company's Board of Directors or Executive Committee.

The scope of the powers and duties mentioned shall **not extend** to the authorisation of any transaction in which the Managing Director or an individual with a possible conflict of interest is an interested party or where there is a conflict of interest regarding the benefits of a related party transaction, or the acquisition or disposal of the listed Company's assets, in accordance with the regulations of the Stock Exchange of Thailand.

1.6 Business dealings or professional services between Independent Directors and the Company

During the year 2016 no Independent Director had any business relations with or provided professional services to the Company, its subsidiaries or joint ventures or juristic persons with possible conflicts of interest for a value exceeding that stipulated in the SEC's recent announcement regarding application for and granting of authorisation to offer new shares for sale.

2. Nomination of Directors and Administrators

The Company appointed a Nomination and Remuneration Committee on 13 August 2009, assigning additional powers and duties relating to nomination to the members of the existing Remuneration Committee (details of scope of powers and duties of the Committee can be seen under the heading “Structure of Company Boards and Committees”).)

In the process for selecting individuals to be appointed as Directors includes, Independent Director and Company Administrators consideration of a number of characteristics including skills, experience and capability, especially in areas that are of the greatest benefit to the Company, and integrity. In fairness to shareholders Independent Directors must have qualities in accordance with the Company’s definition of Independent Director which in turn is in accordance with that of the SEC (details of the Company’s definition of Independent Director can be seen under the heading concerning “Criteria for Appointment of Independent Directors”) each individual should be able to dedicate the necessary time to attending board meetings on a regular basis, and thus no individual should hold directorships of several listed companies at same time. Finally the individual must not possess any of the qualities or characteristics prohibited by the Listed Companies Act.

The Company has extended the opportunity to shareholders to put forward suitable names to be considered for nomination as Directors of the Company in advance, in accordance with criteria laid down by the Company and published through the SET and the Company’s website, for the Nomination and Remuneration Committee to first consider the qualities of those put forward as possible Directors or Independent Directors of the Company, prior to submitting selected names to the Company’s Board of Directors, which in turn proposes appointments to the General Meeting of Shareholders. Approval is by simple majority of votes of those shareholders present or duly represented at the meeting and in possession of voting rights, as follows:

1. Each share confers the right to one vote.
2. Each shareholder who votes must use all his votes as per (1) above for a single individual or for a number of individuals together, but may not allocate votes individually.
3. The individuals receiving the highest number of votes will be selected in descending order for appointment as Directors of the Company depending on the number of Directors to be appointed on each occasion. In the event that two candidates receive the same number of votes and that appointing them both would lead to exceeding the required number of Directors, the Chairman of the meeting shall exercise a casting vote.

3. Directors' and Senior Managers' Remuneration

The Company has established an appropriate and fair remuneration policy for Directors and Senior Managers. The Nomination and Remuneration Committee has the duty of reviewing and considering the appropriateness of remuneration to the scope of duties and responsibilities of each director and the Company's financial situation, its comparability with remuneration in other companies in the same sector with comparable sized revenues, the economic situation, growth in the Company's revenues and profits and the current number of Company directors.

3.1 Monetary remuneration

(a) Board of Directors

Total remuneration received by all nine Directors from the Company in their capacity as Directors by way of Directors' stipends and meeting fees in 2016 a total of Bt. 3,925,000. Details are as follows:

Director's Name	2016 (Baht)	2015 (Baht)
1. Dr. Pranee Phaoenchoke	520,000	600,000
2. Mr. Pricha Attavipach	655,000	695,000
3. Mr. Sompong Phaoenchoke	440,000	538,000
4. Ms. Kaewjai Phaoenchoke	400,000	492,000
5. Mr. Wuttichai Phaoenchoke	400,000	450,000
6. Mr. Somkiat Nimrawee	395,000	425,000
7. Mr. Suvait Theeravachirakul	380,000	370,000
8. Mr. Damri Tunshevavong	395,000	390,000
9. Mr. Thavorn Chalassthien	340,000	410,000
Total	3,925,000	4,370,000

(b) Administrators (excluding Directors)

	2016		2015	
	Number of persons	Total Amount (Baht)	Number of persons	Total Amount (Baht)
Salaries*	5	13,389,360	5	13,351,260
Annual remuneration*	5	954,711	5	1,468,772
Living Allowances	5	606,168	5	599,940
Company Secretary's position allowance	1	84,000	1	84,000
Total		15,034,239		15,503,972

Notes The monthly and annual remuneration of the President and the Managing Director have been considered by the Nomination and Remuneration Committee and approved by the Company's Board of Directors.

3.2 Non-monetary remuneration

(a) Directors

- Offer for sale of options to buy ordinary shares (stock options) to Directors and employees of the Company and its subsidiaries (TRU-ESOP 2015)

The AGM of 28 April 2015 approved the offer for sale of 29,000,000 options to buy ordinary shares (stock options) to Directors and employees of the Company and its subsidiaries (TRU-ESOP 2015), to foster a sense of ownership amongst Directors and employees, to provide remuneration and to act as an incentive, a way of looking after the Company's human resources, and an aid to retaining capable and efficient employees and maximising their long term contribution to the Company.

Allocation criteria and methods were as follows. The Nomination and Remuneration Committee gave initial consideration to the matter and made a proposal to the Board of Directors for the allocation of ESOP warrants to individual directors, for onward submission to the meeting of shareholders for approval. Each stock option is exchangeable against one common share of the Company and has an exercise price of Bt5.00. The project runs for five years. Nine Directors of the Company were allocated stock options representing 72.41% of the whole ESOP.

(b) Executives

- Company car
- Offer for sale of options to buy ordinary shares (stock options) to Directors and employees of the Company and its subsidiaries (TRU-ESOP 2015)

The AGM of 28 April 2015 approved the offer for sale of 29,000,000 options to buy ordinary shares (stock options) to Directors and employees of the Company and its subsidiaries (TRU-ESOP 2015), to foster a sense of ownership amongst Directors and employees, to provide remuneration and to act as an incentive, a way of looking after the Company's human resources, and an aid to retaining capable and efficient employees and maximising their long term contribution to the Company.

Allocation criteria and methods were as follows. The Nomination and Remuneration Committee gave initial consideration to the matter and made a proposal to the Board of Directors for the allocation of ESOP warrants to individual executives, for onward submission to the meeting of shareholders for approval. Each stock option is exchangeable against one common share of the Company and has an exercise price of Bt5.00. The project runs for five years. As at 31 December 2016, nineteen executives of the Company were allocated stock options representing 22.76% of the whole ESOP.

■ **Dividend Policy of Company and Subsidiaries**

(a) **Payment of dividends by the Company to Shareholders**

TRU's dividend policy is to pay a dividend each year of approximately 40% of its consolidated net earnings of the previous year, subject to TRU and its affiliates' cash flow and investment plans, and other future considerations as to necessity and appropriateness.

Record of dividend payments to shareholders

Unit: Baht

Year	2012	2013	2014	2015	2016*
EPS	1.13	0.72	0.26	0.21	0.13
Dividend per share	0.60	0.40	0.15	0.15	0.09
Dividend payout ratio (%)	53.15	55.68	58.15	70.55	67.74

Note: *The dividend for 2016 is subject to approval by the Annual General Meeting of Shareholders

(b) Payment of dividends by Subsidiaries to the Company

Subsidiary companies Thai Rung Tools and Dies Co. Ltd., Thai V.P. Auto Service Co. Ltd., Thai Auto Pressparts Co. Ltd., and Thai Ultimate Car Co. Ltd. consider their policy year by year in light of their investment requirements and other circumstances as appropriate.

■ **Auditors' Remuneration**

a) Audit fees

Audit fees paid to ANS Audit Co Ltd by the Company and its subsidiaries in 2016 were as follows, with comparative figures for 2015.

Baht		
Company	2016	2015
Thai Rung Union Car Plc.	1,300,000	1,157,000
Thai V.P. Auto Service Co Ltd	252,000	239,500
Thai Rung Tools and Dies Co Ltd	295,000	281,000
Thai Auto Pressparts Co Ltd	474,000	451,500
Thai Ultimate Car Co Ltd	238,000	227,000
Total	2,559,000	2,356,000

b) Non-audit fees

Non-audit fees paid to ANS Audit Co Ltd by the Company and its subsidiaries in 2016 were as follows, with comparative figures for 2015.

Baht			
Item	Payer	2016	2015
Other service charges *	Company	216,799	359,799
Other service charges *	Subsidiaries	309,748	372,748
Special service fees in accordance with BOI instructions	Thai Auto Pressparts Co Ltd	55,000	55,000
	Thai Rung Tools and Dies Co Ltd	50,000	47,000
Total		631,547	834,547

Notes Other service charges such as travelling, accommodation, telephone and photocopying expenses, cost of binding for Financial Statements, files, etc., invoiced as incurred.

Related Party Transactions

(1) Related Party Transaction with entities having a possible conflict of interest

Transactions during the past year with parties having possible conflicts of interest

(Baht millions)

Related company	Main type of Business	Thai Rung Group Counterparty	Related Party Transactions 2016	Balance sheet item
Isuzu Chaicharoenkij Motor Co Ltd.	Isuzu dealer	TRU, TVS, TUC, TAP	Sales and services income 16.57	Trade debtors 5.15
	Sale of spare parts		Repair vehicle, spare parts and services 3.76	Trade creditors 0.08
	After-sales service		Utility charges 0.58	Other creditors 0.18
V.P. Auto Enterprise Co. Ltd.	Ford dealer	TVS, TUC	Repair vehicle, spare parts and services 7.46	Trade debtors 0.00
	Sale of spare parts		Services income 0.03	Trade creditors 0.62
	After-sales service			
Thai V.P. Corporation Co. Ltd.	Vehicle rental	TRU, TRT, TAP, TVS, TUC	Vehicle rental 4.91	Trade debtors 0.33
			Repair vehicle, spare parts and services 0.85	Other debtors 0.70
			Sales and services income 0.35	Trade creditors 0.16
			Income from rental of land and showroom 1.20	Other creditors 0.45
			Income from utility charges 0.82	
			Interests income 1.97	
Thai V.P. Corporation Co. Ltd.	Vehicle rental	TRU, TAP, TVS	Short-term loans as at 31/12/2015 30	Short-term loan 80
			Increase during the year 125	
			Decrease during the year 75	
			As at 31/12/2016 80	
Phothiphoom Co. Ltd.	Property	TUC	Land rental 0.30	Other creditors -
Sinthoranee Property Co. Ltd.	Property	TRU	Purchase of Land 7.58	Other creditors -
Lexus Auto City Co. Ltd.	Lexus dealer	TRU, TUC	Income from rental of land and showroom 2.69	Other debtors 0.32
			Repair vehicle, spare parts and services 0.18	Other creditors 0.01

Note

Thai Rung Tools and Dies Co. Ltd.	TRT	Thai V.P. Auto Service Co. Ltd.	TVS
Thai Auto Pressparts Co. Ltd.	TAP	Thai Ultimate Car Co. Ltd.	TUC

Nature of relationships

1. TRT, TVS and TAP are subsidiaries of TRU, in which the Phaoenchoke group hold directorships and are the major shareholders.
2. TUC is a subsidiary of TVS, which holds 99.53% of the shares, the Phaoenchoke group holding the remaining 0.47%.
3. The above listed companies having possible conflicts of interest are related companies in which members of the Phaoenchoke group are both directors and major shareholders as follows

Related Companies	Shares held by			Directorship held in Related Companies			
	Phaoenchoke Group	Thairung Auto Group	Thairung Partners group	Dr.Pranee	Mr.Sompong	Ms.Kaewjai	Mr.Wuttichai
Isuzu Chaicharoenkij Motor Co Ltd	36.3635%	63.6365%	-	C	D	D	D,MD
V.P. Auto Enterprise Co Ltd	0.0007%	99.9993%		C	D	D,MD	D
Thai V.P. Corporation Co Ltd	15.3099%	-	84.6901%	C	D	D,MD	D
Sinthoranee Property Co Ltd	100%	-	-	C	D	D	D,MD
Phothiphoom Co Ltd	100%	-	-	C	D	D	D,MD
Lexus Auto City Co Ltd	3.3338%	96.6662%	-	C	D	D,MD	D
Thairung Auto Group Co Ltd	0.0003%	-	99.9997%	C	D	D	D
Thairung Partners Group Co Ltd	100%	-	-	C	D	D	D

Note

1. "Phaoenchoke Group" consist of Dr.Pranee Phaoenchoke, Mr.Sompong Phaoenchoke, Ms.Kaewjai Phaoenchoke and Mr.Wuttichai Phaoenchoke.
2. C = Chairman of the Board D = Director MD = Managing Director or CEO

(2) Necessity and Propriety of Related Party Transactions

1. Buying and selling accessories and spare parts and providing and receiving vehicle repair services are all normal business transactions of the Company, performed at cost plus a profit margin.
2. The leasing of land and office and showroom space together with utilities is at prices stipulated in mutual contracts, which are in line with actual or estimated market prices.
3. Vehicles rented from a related company are for use in the business. Rates and terms are similar to those applied to unrelated parties.
4. Financial assistance to related parties, since it provides TRU and/or its subsidiaries with a better return on its funds than the deposit or market rate (interest rate based on cost of fund +1%), thus improving the efficiency of its cash management, while at the same time secured by the personal guarantees of directors of the borrowing companies, whose financial standings is solid. To be reviewed annually.

The above Related Party Transactions were considered with regard to their necessity, appropriateness and overall benefit to the Company and its shareholders. Most of them were normal business transactions or were in support of such normal business transactions, and they were conducted on normal commercial terms, without giving rise to any profit diversion, and were conducted at arm's-length prices and on similar terms to those applied to non-related parties. The non-executive Directors' opinion does not differ in any respect from the relevant resolutions of the Board of Directors.

(3) Policy and approach with regard to future Related Party Transactions

As regards any future Related Party Transactions the Company will act in accordance with all relevant laws, and with all relevant orders, proclamations and regulations of the Stock Exchange of Thailand, including regulations regarding the disclosure of information on Related Party Transactions and on the acquisition or disposal of significant assets by the Company or its subsidiaries. The Company's Board of Directors has established guidelines for the consideration of related party transactions and of acquisitions and disposals of Company assets as follows.

- In the event that, the size of the transaction having been calculated in accordance with Stock Exchange of Thailand criteria it transpires that the transaction requires approval by the Company's Board of Directors, then the transaction must be submitted to the Board of Directors for their consideration. In the event that the Audit Committee disagrees, the proposal can nevertheless be placed before the Board and an appropriate record made in the minutes.
- In the event that, the size of the transaction having been calculated in accordance with Stock Exchange of Thailand criteria, it transpires that the transaction requires approval by a meeting of shareholders, then the transaction must first be submitted to the Audit Committee for consideration and, if approved, onward submission to the Board of Directors who in turn will, if approved, propose it to a meeting of shareholders.

Principles of corporate governance are guidelines for doing business and administering organisations, which are becoming more and more widely known and accepted. In accordance with these principles, the Board of Directors has a very important role to play in running the organisation, by focusing on responsibilities towards all parties with which it has dealings, both inside and outside the organisation, and by emphasising the importance of ethical dealings, transparency, efficiency, adequate disclosure of information that can be examined, the protection of shareholders' rights and attention to their remuneration, and responsibilities towards society and the nation. The Company is very well aware of the importance of these guidelines and adheres to them strictly, so as to inspire confidence in shareholders and everyone with whom it has dealings and to form a solid base for the growth of the business.

The Company is committed to applying the principles of corporate governance on an ongoing basis to the running of the Company's business. Thanks to this the Company was assessed as 'Excellent' for the eighth year running in the 2016 joint SEC-TIA (Thai Investors Association) 'AGM check-list' and 'Very Good' in 2016 by the Thai Institute of Directors' 'Corporate Governance Report of Thai Listed Companies.' The Company's policy is to continue improving the standard of corporate governance.

In 2016 the Company's Board of Directors decided to review the corporate governance policy, and drew up a new, written Guide to Corporate Governance and Code of Conduct which was distributed to the Company's directors, executives and employees with instructions that it be strictly complied with. From now on the Board of Directors will conduct an annual review of the corporate governance policy.

In 2014 the Company announced its intention of joining Thailand's Private Sector Collective Action Coalition against Corruption, and in March 2017 the Company received confirmation from the council of its membership of Thailand's Private Sector Collective Action Coalition against Corruption. Shareholders may therefore rest assured that the Company conducts its business transparently, fairly and ethically and on the basis of combating all forms of corruption.

1. Shareholders' Rights

The policy laid down by the Board of Directors is to support, promote, facilitate and equitably safeguard all shareholders' basic rights, including the right to receive adequate and timely information from the Company in appropriate form to help them with their decisions, the right to attend shareholders' meetings and to vote on proposed resolutions on important policy changes, the appointment and removal of Directors, the appointment of auditors and the establishment of their remuneration, appropriation of the Company's profits, equitable treatment in case of share buybacks, authorisation of significant transactions affecting the direction of the Company's business operations, amendments to the Company's Memorandum or Articles of

Association, capital increases and decreases and the authorisation of special transactions, the right to propose agenda items in advance, to propose individuals for appointment as Directors and freely to express their opinions in shareholders' meetings, each shareholder having the same number of votes as the number of shares held, there being no shares conferring special rights and no shareholders with rights over and above the basic rights referred to above. The Company has a policy of accommodating shareholders and attending to their convenience, as per the following examples.

- 1.1 The Company's Board of Directors has determined that an Annual General Meeting of Shareholders be held each year within four months of the close of business of the previous accounting year, and that the Company inform not less than 14 days in advance of each shareholder's meeting, the Company issues a call notice in both Thai and English stating the time, date, place and agenda of the meeting and providing relevant information together with the Directors' opinion on each agenda item so as to give shareholders sufficient opportunity to study the information in advance of the meeting. The call notice is also posted on the Company's website at least 30 days in advance, so any additions to the agenda can be made well in advance, avoiding last-minute changes.
- 1.2 The Company gives shareholders the opportunity of querying information relating to agenda items or of submitting questions to the Company not less than 14 days in advance of the meeting by e-mail (omd_ir@thairung.co.th) or fax (02-812-0844), to promote shareholders' opportunities to express their opinions to the Company.
- 1.3 The Company endeavours to make it as convenient as possible for shareholders to exercise their rights at shareholders' meetings, arranging meetings on business days at the Company's head office in Bangkok which is conveniently located and well connected. It has adopted the barcode system to speed up the processes of registering attendants and counting votes and prepares revenue stamps for shareholders' use in granting proxies for their greater convenience.
- 1.4 The Company hands out voting cards for each agenda item and uses a barcode system to count the votes. Before the meeting starts, all rules and procedures governing the meeting are announced and clearly explained, including the method used to count shareholders' votes on each agenda item. For proposed appointments of Directors there is a card for each individual candidate, allowing shareholders to vote on each individual separately. Information on individuals to be proposed for appointment as Directors is disclosed in the letter of invitation to the shareholders' meeting, the information comprising name, photograph, age, academic record and Directors' training courses, work experience and shareholding in the Company, for shareholders to study before reaching a decision. All the cards are collected and retained as verifiable evidence and the vote counting is overseen by an external legal consultant or volunteer shareholders acting as scrutineer.
- 1.5 Throughout the meeting shareholders are welcome to express their opinions and to ask questions, all of which are answered. Complete and accurate minutes are taken of each meeting, which is also recorded

on video and published on the Company's website so that shareholders unable to attend the meeting can view it subsequently.

- 1.6 The Company's Board of Directors attaches great importance to shareholders' meetings, and all Directors endeavour to attend all such meetings, particularly the Chairman of the Board of Directors and the Chairmen of the various committees, so as to facilitate questions and answers on matters relating to each.
- 1.7 After each meeting the Company reports the resolutions passed, together with clear details of the voting on each agenda item, to the SET and on its website on the following business day and sends a full report of the meeting to the SET within 14 business days, also publishing this report on its website for shareholders to examine.

2. Equitable Treatment of Shareholders

The policy of the Company's Board of Directors is to treat all shareholders equally and fairly so as to safeguard their basic rights.

2.1 Details of treatment of shareholders

- 2.1.1 The Company accommodates shareholders who are unable to attend in person by allowing them to appoint another person as proxy or to appoint one of the Company's independent directors to act as proxy by sending the proxy form to the Company in advance of the meeting. The Company's Board of Directors accommodates shareholders who are unable to attend meetings in person, enabling them to vote by proxy. The Company also makes available the name of at least one independent Director whom shareholders have the option of appointing as their proxy, and provides as part of the letter of invitation to the meeting, information on each one, comprising name, age, address, positions held, academic record, work experience, shareholding in the Company and whether the Director is an interested party with regard to any particular agenda items. The Company makes available a form of proxy which enables shareholders to give instructions on how votes are to be cast on each item; however shareholders are free to use any form that complies with the criteria published by the Department of Business Development of the Ministry of Commerce.
 - 2.1.2 The Company has established criteria and procedures for extending the opportunity to minority shareholders to put forward names of suitable individuals to be considered for nomination as Directors of the Company and to propose agenda items for ordinary general meetings of shareholders in advance, in the period from October to December each year, in accordance with the criteria laid down by the Company and published through the SET Community Portal (SCP) and the Company's website.
- ### **2.2 Control of internal information**
- 2.2.1 The Company is acutely aware of the importance of safeguarding the confidentiality of internal information and therefore has strict policies guarding against the use by Directors and employees of

internal information for their personal benefit. Important internal information is disclosed only to individuals directly concerned, such as auditors or legal counsel. The Company releases information to shareholders only as and when appropriate. The Board of Directors has resolved that Directors and executives of the Company and the Manager of the Accounting & Finance Department, together with their spouses, parents, children and siblings, must refrain from buying or selling securities from at least five working days before the Company discloses its financial statements to the stock exchange.

2.2.2 The Company has established that Directors and executives who are obliged by law to report their shareholdings must send copies of these reports to the Company Secretary within three business days each time there is a change in their shareholding, and has further determined that changes in shareholdings of Directors and executives be reported every quarter to the Board of Directors.

2.3 Prevention of Conflicts of Interest

2.3.1 The Company's Board of Directors requires the top four Directors and senior executives counting from the Chairman to submit a Form for Reporting Interests of Directors and Executives, reporting to the company any interests of their own or of related persons that relate to their administration or management of the business of the Company or its subsidiaries, pursuant to Section 89/14 of the Securities and Exchange Act of 2008 and Announcement Thor Jor 2/2009. The report must be submitted whenever there is a change in circumstances, and in any case annually as at 1 July, the information to be sent each time to the Company Secretary with copies of the report to the Chairman of the Board and to the Chairman of the Audit and Corporate Governance Committee to provide assurance that Directors and senior executives are performing their duties with due care and integrity (fiduciary duties), taking decisions without being interested parties, whether directly or indirectly, and discharging their duties in the best interests of the Company and its shareholders.

2.3.2 As regards any future Related Party Transactions the Company will act in accordance with all relevant laws, and with all relevant orders, proclamations and regulations of the Stock Exchange of Thailand, including regulations regarding the disclosure of information on Related Party Transactions and on the acquisition or disposal of significant assets by the Company as follows:

- In the event that, the size of the transaction having been calculated in accordance with Stock Exchange of Thailand criteria, it transpires that the transaction requires approval by the Board of Directors, the transaction must be submitted to the Board of Directors for consideration. In the event that the Audit Committee disagrees, the proposal can nevertheless be placed before the Board and an appropriate record made in the minutes.
- In the event that, the size of the transaction having been calculated in accordance with Stock Exchange of Thailand criteria, it transpires that the transaction requires approval by a meeting of shareholders, then the transaction must first be submitted to the Audit and Corporate

Governance Committee for consideration and, if approved, onward submission to the Board of Directors, which in turn will, if approved, propose it to a meeting of shareholders.

2.3.3 In meetings of the Board of Directors or of shareholders, any Director, senior executive or shareholder who is an interested party in any agenda item must disclose to the meeting information on his or her own interest and that of related persons, and will not be entitled to vote on that particular agenda item, so that the meeting can consider transactions that might involve conflicts of interest and reach decisions in the overall best interests of the Company.

3. Stakeholders

The Board of Directors attaches importance to dealing with all its stakeholders, such as shareholders, employees, customers, suppliers, creditors, competitors, joint venture partners, the community, society and the environment, with sincerity, honesty and impartiality. The Board of Directors has produced and issued to all Directors, executives and employees a written Code of Conduct to which they must adhere in performing their duties in accordance with the Company's mission, as follows.

3.1 Policy and guidelines for dealings with stakeholders

- **Shareholders:** the Company attaches great importance to its shareholders, and carries on its business with sincerity, integrity and fairness, treating all shareholders equitably, for the greater benefit of all concerned.
- **Employees:** the Company firmly believes that its employees constitute the organisation's most valuable resource, and is therefore determined to recruit and look after good people with know-how, capability and integrity, and also focuses on developing individuals' potential to help employees advance, while providing them with appropriate and fair remuneration and various welfare benefits aimed at promoting a cooperative work atmosphere in which initiative and creativity can thrive to the benefit of the organisation. Apart from this it also attaches importance to treating its employees and contractors fairly and to their health and safety and appropriate working environment.
- **Customers:** The Company is devoted to and responsible to its customers, supplying them with quality standard goods and respecting their confidentiality, earning and building on their trust, which is an important factor in the success of the Company's business, treating them courteously and with humility and constantly seeking ways to meet their expectations, boosting efficiency and thus customer satisfaction.
- **Trading partners/creditors:** the Company deals equitably and fairly with its suppliers and creditors on the basis of mutually beneficial arrangements in the Company's best interests. It has systems in place for selecting suppliers and contractors providing assurance that its dealings with suppliers will be in accordance with agreements or commercial conditions and that its financial borrowings,

repayments and guarantee transactions are all in accordance with terms and conditions agreed with creditors.

- **Commercial competitors:** the Company operates within a framework of fair competition, does not seek to obtain confidential information of competitors by unfair or inappropriate means or to harm competitors' reputations by making baseless accusations.
- **Joint venture partners:** the Company respects the rights of its joint venture partners, deals with them fairly in all respects and cooperates fully with a view to ensuring that the joint venture achieves its objectives.
- **Community, society and environment:** the Company's policy is to conduct its business in accordance with principles of corporate social responsibility (CSR), aiming to build good relations based on mutual acceptance and trust, taking account of its possible effects on all stakeholder groups, attaching importance to activities in support of society and conscientiously taking care of the community in which it operates, while at the same time cultivating an attitude and corporate culture such that its employees play an active part in implementing its corporate social responsibility policy.

3.2 The Company strives to combat corruption and to raise employees' awareness and ensure that they all perform their duties transparently and with integrity. The Company has established a policy and guidelines on measures to protect against corruption in the form of giving or accepting gifts or any other benefits as an inducement to do anything dishonest, unlawful or against the Company's interests. The Company issued an announcement and held a meeting in which it required all directors, executives and employees to comply strictly with the policy, and on 29 September 2016 the Company invited 57 of its trading partners to a meeting about this policy: 63 people attended.

3.3 The Company has made arrangements for channels of communication to enable it to receive opinions and suggestions from all stakeholder groups, with a view to improving and developing its products, services and organisation, making it stable and able to compete successfully in the long term. Stakeholders can report any cases of corruption, unlawful actions or acts in breach of the Company's codes or policies or other matters direct to the Audit and Corporate Governance Committee or Company secretary as follows:

1) Audit and Corporate Governance Committee

E-mail Address: auditcommittee@thairung.co.th

Post: Chairman of the Audit and Corporate Governance Committee,
Thai Rung Union Car Plc,
304 Ma Charoen Road, Khwaeng Nongkhangphloo,
Khet Nong Khaem, Bangkok 10160

2) Company Secretary (Assistant Managing Director, Khun Sakchai Komgris)

E-mail Address: sakchai@thairung.co.th

Tel. 02-420-0076 ext. 104, 251, 333

Post: Company Secretary,
Thai Rung Union Car Plc
304 Ma Charoen Road, Khwaeng Nongkhangphloo,
Khet Nong Khaem, Bangkok 10160

3) The Company's website: www.thairung.co.th "Contact the Company"

Details of methods and channels for reporting can be found in section 2 "Whistleblower Policy: fair treatment and protection of employees or stakeholders who report cases of corruption or unlawful actions" of the Company's Code of Conduct. In 2016 there were no reports of corruption or unlawful actions.

- 3.4 The Company has a policy and mechanisms to protect the anonymity of informants and complainants, who indeed do not even have to reveal their names to the Company if they do not wish to do so, and the Company keeps the information confidential. Informants can thus feel confident that there will be no repercussions from their actions. The Company charges the Audit and Corporate Governance Committee with investigating the information or complaint and reporting direct to the Board for appropriate action to be decided on.

Details of the procedure when such reports or complaints are received and measures for protecting whistleblowers can be found in section 2 "Whistleblower Policy: fair treatment and protection of employees or stakeholders who report cases of corruption or unlawful actions" of the Company's Code of Conduct.

- 3.5 The Company attaches importance to playing a useful role as regards the community, society and religion, for example through financial or material donations in support of various charitable organisations, granting scholarships every year to children of the Company's employees and pupils of schools located near the Company, supporting the Buddhist religious clubs in the Company, arranging important religious activities in the Company on an ongoing basis throughout the year.
- 3.6 The Company pays close attention to the health and safety of all its employees concerning its policies on safety and health at work and the work environment, for all employees to cooperate in strict observance.
- 3.7 The Company attaches great importance to its employees, who constitute one of its most important resources. It has a policy of looking after its employees consistently, and has arranged to provide various appropriate welfare benefits such as buses to transport workers to and from the factory, a canteen, uniforms, accident insurance, annual health checks, a clinic and a library. as well as short- and long-term remuneration, and to enable them to save and provide for their retirement the Company has

established a provident fund and arranges both reserve funds and contributions, with benefits paid to employees.

- 3.8 The Company has made arrangements for channels of communication to enable it to receive opinions and suggestions from its employees. One example is the employee suggestion scheme, in which each employee has a target of 12 suggestions per year, and suggestions go straight from the suggestion box to the Managing Director.

4. Disclosure and Transparency

The Company's policy is to conduct its business in a transparent and verifiable manner and to disclose complete, accurate and timely financial and non-financial information on the business, its results and future prospects in both English and Thai to all interested parties through easily accessible and reliable channels

- 4.1 The Company has set up a 'Share Register and Investor Relations Department' within the Office of the Managing Director. The duties of this department are to disclose correct, complete, transparent information, whether financial or of a general nature, and it is also responsible for communicating with outside parties such as shareholders, institutional and other investors, analysts and relevant government departments in a fair and equitable manner. Investors can request further information about the Company by contacting:

Share Register & Investor Relations Department, Office of the Managing Director

Tel: 0-2420-0076 ext. 321 or 359,

Fax: 0-2812-0844

e-mail: naiyana@thairung.co.th or omd_ir@thairung.co.th

or by visiting the Company's website: <http://www.thairung.co.th>

- 4.2 The Company discloses information in accordance with the criteria established using the Stock Exchange of Thailand's SET Community Portal (SCP) system, by way of Form 56-1 for the disclosure of annual information, as well as submitting its Annual Report and disclosing important information in both Thai and English on the SET Community Portal (SCP) and on the Company's website.
- 4.3 The Board of Directors discloses the roles and duties of the Board and of the various Board Committees and the number of times the Board and each committee met during the year and individual attendance records, including shareholder's meetings, in Form 56-1 for annual information and in the Company's Annual Report. (For details please refer to Structure of Company's Board of Directors and Number of Board Meetings held and individual Directors' attendance record)
- 4.4 In accordance with Section 89/14 of the Securities and Exchange Act and SEC Announcement Thor Jor 2/2009 which came into force on 1 July 2009, the Company requires its Directors and top four executives of the Company starting with the President to report to the Company any interests of their own or of related persons that relate to their administration or management of the business of the Company or its subsidiaries in every times that have changed information and at least once a year, on 1

July of every year, so that the Company shall have the necessary information for proceeding in accordance with rules regarding related party transactions where conflicts of interest might arise to the detriment of the Company and its subsidiaries.

5. Responsibilities of the Board of Directors

The Company's Board of Directors is well aware of the important role it plays in controlling and monitoring business for the greatest possible good of the Company, its answerability to shareholders for the consequences of its actions in carrying out its duties and the importance of its operating independently of management.

5.1 Structure and Organisation of the Board of Directors

5.1.1 The Board is composed of a number of Directors appropriate to the size of its business, but in any case not fewer than five, of whom at least one third, and in any case not fewer than three, must be independent Directors. Directors are appointed and removed by the General Meeting of Shareholders. The term of office is three years, and there is no limit on the number of terms of office a Director may serve. At present, the Board of Directors of the Company consists of nine persons consist of five independent directors or 56% of total Board member

5.1.2 Directors' Characteristics: Directors must be knowledgeable, capable and ready to perform their duties, and must have the following characteristics:

- 1) must not be subject to any of the prohibitions deriving from the Public Limited Companies Act or regulations of the Securities and Exchange Commission
- 2) must have knowledge, expertise and working experience appropriate to the Company
- 3) must be able to devote sufficient time to the Company, especially for important decisions
- 4) must be of undoubted integrity and possess such other qualities as the Company may deem appropriate

5.1.3 Characteristics of independent Directors: independent Directors must conform to the Company's definition of independent Director which is as established by the SEC. (details as per heading re criteria for appointment of Independent Directors). Every independent director must be appropriately qualified in a branch of professional activity that is relevant to the conduct of the Company's business and in line with its business strategy.

5.1.4 Diversity of Directors (Board skill Matrix): the Board of Directors has established a policy of diversity for the Directors of the Company. Directors must come from a variety of professional backgrounds with different qualifications needed for the effective governance of the Company. They must have knowledge, capabilities and experience, and both hard and soft skills that contribute to administering the Company's business efficiently. In selecting new directors consideration will be given to such

necessary skills as may be lacking in the Board of Directors and are in line with the Company's business strategy, and use will also be made of the "Director Pool" database from the membership directory of the Thai Institute of Directors (IOD).

5.1.5 The President cannot be the same person as the Managing Director. The Board of Directors has clearly defined the President and Managing Director's powers and duties so that no single person has unlimited power. (For details please see re Company Administrators) This arrangement makes for better checks and balances and control.

5.1.6 The Board of Directors has appointed a Company Secretary to perform the duties of setting up and maintaining a register of Directors, arranging letters calling Board meetings, minutes of Board meetings, letters of invitation to and minutes of shareholders' meetings and to keep records of Directors' and executives' interests and perform such other duties as may be established by securities legislation. The Company Secretary must be a person whom the Board find suitable, with the necessary legal knowledge and competence and the ability to conduct corporate secretarial matters in accordance with the law, Articles of Association and other relevant regulations and to take responsibility for taking care of corporate governance matters.

5.2 Role, Duties and Responsibilities of the Board of Directors

5.2.1 The Board of Directors' powers, duties and responsibilities involve deliberating on, approving and acting on various matters. Details can be found in Form 56-1 and in the section headed "Management Structure" of the Annual Report.

5.2.2 The Board of Directors plays a part in establishing the Company's vision, mission and business strategies and reviewing them at least once every year, and also in ensuring independently that management proceeds in accordance with work plans efficiently and effectively for the overall benefit of the Company and its shareholders. In addition the Board establishes internal control systems and an effective internal audit, and constantly monitors them through meetings of the Audit and Corporate Governance Committee and Board meetings.

5.2.3 The Board of Directors has established written corporate governance policies and a Code of Ethics, and it reviews these policies and monitors compliance with them constantly.

5.2.4 The Board of Directors has established guidelines for the careful consideration of transactions involving possible conflicts of interest for the Company and its shareholders, whereby anyone having an interest in any agenda item must disclose such interest to the meeting, and foregoes the right to take part in deciding on that item.

5.2.5 The Company's Board of Directors attaches considerable importance to risk control and management systems, and has accordingly established a Risk Management Committee to establish duties and

policies and a framework for managing the Company's overall risk situation, covering the various risks that might affect the Company's results and reputation, as well as establishing an internal audit department to ensure that basic working practices and important financial transactions are conducted in accordance with established guidelines and in an efficient manner. In order to make sure that the internal audit department can perform properly and independently, the Board has instructed it to report direct to the Audit and Corporate Governance Committee.

5.3 Board Committees

5.3.1 The Board of Directors has established four Committees: the Audit and Corporate Governance Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee, to assist in studying details and screening depending on the requirements of the situation and to share the Board's burden of duties and help it to give clearer consideration to the various matters coming before it in accordance with principles of good corporate governance. For a list of names of Directors, their powers and duties and other information on each Committee, please refer to the details on the structure of the Board of Directors and the heading List of Names of Directors in Form 56-1 and the Company's Annual Report.

5.3.2 The Chairman of The Board cannot be the chairman or a member of a Board Committee, and a majority of the members of each Committee must be Independent Directors. The chairmen of the Audit and Corporate Governance Committee and the Nomination and Remuneration Committee must also be Independent Directors in the interests of transparency and to ensure that they can perform their duties independently.

5.4 Board Meetings

5.4.1 The Company's Board of Directors establishes a schedule of Board meetings in advance for each year. Meetings take place at least once a quarter, with additional special meetings being held as and when necessary, so that in any case there are at least six meetings in total during the year. The Company informs all Directors in advance of the schedule of meetings referred to above so as to enable them to plan their time and make themselves available for the meetings. Directors attach great importance to Board meetings and endeavour always to attend. In 2016 the Board met five times. The overall attendance rate for the year was 91%. Letters of invitation are sent at least seven days in advance clearly setting out the agenda and the Office of the Managing Director sends the Board papers for Directors to study not less than five days before each meeting. Each Director is free to suggest topics for the agenda, and to request additional information from the Managing Director or the Company Secretary.

5.4.2 At meetings of the Company's Board of Directors, the Chairman of the Board ensures that sufficient time is made available for Directors to discuss important problems thoroughly together, and the Managing Director always invites senior executives to attend Board meetings in order to provide

additional detailed information to the extent that it is directly relevant to problems. One of the items on the agenda at all regular quarterly meetings of the Board is the following up of outstanding issues. Directors can express their opinions openly and freely. A written record is made of each meeting and, once the minutes have been approved by the Board, they are kept available for Directors and other concerned parties to examine.

5.5 Board self-assessment

The Board of Directors has resolved that there should be an annual assessment of the overall performance of the Board and the Board committees, and has assigned the Nomination and Remuneration Committee to perform the annual assessment of the CEO's performance. The assessment is of the Board's overall performance, using the form provided by the Listed Companies Supervision Development Centre of the Stock Exchange of Thailand. The Company has designated the Office of the Managing Director to coordinate and summarise the assessment statistically, comparing it with that of the previous year, and the Company Secretary to report the findings to the Board of Directors, after which the Board confers and seeks ways to improve its performance and efficiency. The result of the evaluation in 2015 as follows:

5.5.1 The assessment of the Board's overall performance,

Average 3.64 out of a maximum of 4 points, or 91%, considered "very good", which is divided into six sections as follows:

1. Structure and characteristics of the board	Average score 3.70
2. Roles and responsibilities of the board	Average score 3.52
3. Board meetings	Average score 3.65
4. The board's performance of duties	Average score 3.76
5. Relationship with management	Average score 3.87
6. Self-development of directors and development of executives	Average score 3.52

5.5.2 Committee self-assessment

Average score 3.65 out of a maximum of 4, or 91.25%, considered "very good", which is divided into five sections as follows:

1. Appropriateness of structure and characteristics of the committee for efficient operation	Average score 3.78
2. Efficiency of committee meetings	Average score 3.65
3. Role and duties of the Audit and Corporate Governance Committee	Average score 3.97
4. Role and duties of the Risk Management Committee	Average score 3.35
5. Role and duties of the Executive Committee	Average score 3.25

5.5.3 Assessment of CEO

Average 3.95 points out of 4, or 98.75%, considered “very good”, which is divided into ten sections as follows:

1. Leadership	Average score 4.00
2. Strategy formulation	Average score 3.83
3. Strategy execution	Average score 3.83
4. Financial planning/Performance	Average score 3.94
5. Relationships with the Board	Average score 4.00
6. External Relations	Average score 4.00
7. Human Resources Management/Relations	Average score 4.00
8. Succession plan	Average score 4.00
9. Product/Service Knowledge	Average score 4.00
10. Personal Qualities	Average score 4.00

5.6 Directors’ Remuneration

The Company has established a Nomination and Remuneration Committee, which is chaired by an Independent Director and is charged with setting policies, methodology and criteria for establishing the remuneration of Directors, the Chairman and the Managing Director fairly, transparently, in consonance with the Company’s results and each individual’s performance, in line with industry norms, and sufficient to reward Directors having the desired characteristics. Directors’ remuneration is subject to approval by a meeting of shareholders of the Company and to disclosure in the Company’s Annual Report and in Form 56-1 as required by the SEC. (For details please refer to Directors’ and Administrators’ Remuneration.)

5.7 Development of Directors and executives

5.7.1 The policy of the Company’s Board of Directors is to facilitate and support training and study for Directors by way of regular attendance of various courses run by the Institute of Directors (IOD). At present 67% of Directors have attended these courses. Details are as follows.

Name	Course
1. Mr. Sompong Phaoenchoke	Director Certification Programme 26/2003
2. Ms. Kaewjai Phaoenchoke	Director Certification Programme 29/2003 Corporate Governance for Capital Market Intermediaries 10/2015
3. Mr. Somkiat Nimrawee	Director Accreditation Programme 10/2004
4. Mr. Pricha Attavipach	Director Certification Programme 39/2004 Finance for Non-Finance Directors 8/2004 Director Accreditation Programme 107/2014

5. Mr. Suvait Theeravachirakul	Director Certification Programme 9/2001 Audit Committee Programme 15/2006
6. Mr Damri Tunshevavong	Director Certification Programme 106/2008 Audit Committee Programme 24/2008 Role of the Chairman Programme 22/2009 Role of Compensation Committee 10/2010

5.7.2 The Company arranges induction programmes for new Directors. The Managing Director introduces the nature of the Company's business and its basic orientation and the role, duties and responsibilities of the Directors, the reporting of Directors' shareholdings to the Company and the SET and the annual declaration of Directors' interest to the Company, Director' remuneration, meetings of the various Board Committees for the year and the setting of the AGM, and encourages Directors to go on training courses, at the Company's expense, to improve their knowledge and understanding in performing their duties in line with principles of good corporate governance.

5.7.3 With regard to the preparation of a plan for developing and testing the work of the Managing Director and top level Administrators, now under process by management team after finished they will propose to the Nomination and Remuneration Committee for consider this matter on due course.

5.8 Nomination of Directors

The Nomination and Remuneration Committee is responsible for proposing suitably qualified candidates from a variety of professional backgrounds for the position of Director. Such candidates must have knowledge, capabilities and experience, and both hard and soft skills that contribute to administering the Company's business efficiently, as well as leadership qualities, breadth and depth of vision and a proven track record of integrity and transparency, and be able to devote sufficient time to the Company. Account is also taken of any knowledge or skill that might be lacking on the Board so as to ensure that it can formulate its strategies and policies and operate effectively in accordance with them, and of whether such skills are in line with the Company's business strategy. Use will also be made of the "Director Pool" database from the membership directory of the Thai Institute of Directors (IOD).

Control of internal information

The Company is acutely aware of the importance of safeguarding the confidentiality of internal information and therefore has strict policies guarding against the use by Directors and employees of internal information for their personal benefit. Important internal information is revealed only to individuals directly concerned, such as auditors or legal counsel. The Company releases information to shareholders only as and when appropriate.

The Board of Directors has resolved that Directors and Administrators of the Company and the Manager of Accounting & Finance Department, together with their spouses, parents, children and siblings, must refrain from buying or selling securities from at least five working days before the Company discloses its financial statements to the stock exchange.

The Company has also informed them of their obligation to report their shareholdings in the Company and those of their spouses and of any children who are still minors, including the reporting of any changes in their shareholdings to the SEC and the SET in accordance with article 59, subject to penalties for non-compliance as per article 275 of the Securities and Stock Exchange Act 1992, and has assigned the Share Register and Investor Relations Department to inform them in advance of the periods during which they should refrain from trading in securities each quarter. The Company has set out the basic principles of control of internal information in the form of an article in the Company's code of business ethics, to ensure that all employees adhere to them.

The Board of Directors has resolved that Directors and Administrators who are obliged by law to report their shareholdings must submit these reports to the Company's secretary within three days, each time, and further determined that shareholdings of Directors and Administrators be reported every quarter to the Board of Directors. Additionally, the Company's Board of Directors requires Directors and senior executives to submit a Form for Reporting Interests of Directors and Executives, reporting to the company any interests of their own or of related persons that relate to their administration or management of the business of the Company or its subsidiaries, pursuant to Section 89/14 of the Securities and Exchange Act of 2008 and SEC Announcement Thor Jor 2/2009. The report must be submitted whenever there is a change in circumstances and in any case annually as at 1 July, the information to be sent each time to the Company Secretary with copies of the report to the Chairman and to the Chairman of the Audit and Corporate Governance Committee to provide assurance that Directors and senior executives are performing their duties with due care and integrity (fiduciary duties) and taking decisions without being interested parties, whether directly or indirectly and discharging their duties in the best interests of the Company and its shareholder

From board meetings during 2016 which were attended by all members of the audit and corporate governance committee, the company's board of directors and the audit and corporate governance committee are of the opinion that the company's internal control systems are adequate and appropriate. The following is a summary.

Organisational control and environmental measures

The company has clear business objectives with ongoing assessment of results, and has adapted its organisational structure to bring it into line with the growing volumes of business so as to support management and enable it to work efficiently.

Additionally, the company has established a policy and working plan focused on product quality and price and fair service to customers. It has written procedures that serve as guidelines aimed at producing ordered work according to standards, and there are mechanisms for inspecting and monitoring working practices in the fields of finance and purchasing, administration generally, production and marketing in order to provide assurance that working practices are in accordance with established policies and that there are no practices likely to damage the company's reputation or interests.

Risk management

The company attaches importance to managing risks that can affect its business, and has a risk committee to oversee and assess risk factors and possible sources of risk as well as analysing the consequences of such risks and alerting administrators or operatives and together establishing measures and guidelines to protect against such risks, monitoring compliance with such measures so as to keep risks at acceptable levels.

Management control activities

The company has established the scope and powers and duties and monetary limits in writing for each level of the administrative departments. There is clear division and separation of duties, approvals, recording of transactions and safeguarding of assets.

Business dealings with major shareholders, directors, administrators or related parties are duly authorised, being considered by independent directors who are not interested parties, and monitored for compliance with terms and conditions. Investments in subsidiaries or joint ventures are monitored and overseen on an ongoing basis.

With regard to the operation of the various departments, audits by the internal audit department have found that operations in general are in accordance with the rules and working systems established, with no instances of illegal or irregular conduct being detected.

Information and communication measure

For each regular board meeting the company prepares documentary information of various kinds to support the agenda items so as to enable the directors to have sufficient information on which to base their decisions. Resolutions are summarised and adequately recorded in minutes which are available for inspection at all times.

Recording of accounting entries is in accordance with generally accepted principles and supporting documentation is gathered together in categories and properly stored for the legally established periods. There is also a procedure for fully following up on improvements recommended by the company's duly authorised auditors in their reports.

Monitoring system

The company arranges regular quarterly board meetings, with special ad hoc meetings of senior executives on an ongoing basis to consider and follow up on management's work to ensure that it is in line with objectives or, if it is not, to establish corrective guidelines.

As for internal control, a plan is established for the examination of working practices to ensure that they are consistently in accordance with the company's rules and regulations and a report on any significant deficiencies is submitted to the audit & corporate governance committee and the board of directors at a meeting which is arranged to coincide with the quarterly board meeting, for them to decide on any corrective and follow-up measures. Any event of misconduct or illegal act is reported immediately to the board of directors.

Report of the Audit and Corporate Governance Committee

In 2016, The Audit and Corporate Governance Committee carried out its duties as assigned by the Company's Board of Directors and in accordance with the Committee's Regulations, notably examination of the Company's financial statements, its corporate governance, its risk assessment and management systems and internal control and audit systems and anti-corruption measures, as well as proposing the appointment of auditors for 2016.

The Committee met four times during 2016, all its members being present on each occasion. The main activities can be summarised as follows:

1. Examination of financial reporting systems

Having examined the Company's consolidated quarterly and annual financial statements for 2016, which were drawn up in accordance with financial reporting standards, focusing on the most important items as well as non-recurring items, and having received assurances from the auditors, the head of the accounting department and senior management that they had been prepared in accordance with the provisions of the law and with financial reporting standards and regarding the adequacy of information disclosed in the notes thereto, the Audit and Corporate Governance Committee approved said financial statements.

Apart from this, the Committee also met with the Company's auditors, without the presence of company officers, to confer independently on major points relating to the preparation of the financial statements and the disclosure of information in accordance with financial reporting standards and so as to be of benefit to users of the financial statements, and on any questionable conduct. In 2016 the auditors made no material observations and detected no questionable conduct that might be expected to have a material effect on the preparation, reliability, transparency or auditability of the Company's financial statements or the consolidated financial statements of the group.

2. Examination of the Company's corporate governance

The Committee was able to confirm that the Company's management and employees conducted its business in strict compliance with ethical principles and principles of good corporate governance, and the Board of Directors consistently promoted employee awareness of the importance ethical practices at every level.

Additionally, it confirmed that the Company complied strictly with the regulations of the SEC and the SET and with applicable legislation, particularly as regards related party transactions or transactions likely to involve a conflict of interest, Directors' related party transactions and timely and accurate reporting to the SET.

3. Examination of the Company's risk assessment and management systems

The Committee examined the Company's risk assessment and management systems, considering both internal and external risk factors, probability, impact and measures for controlling risks at acceptable levels.

Major risks in 2016 were paint-related atmospheric pollution and odour arising from the production process, factory waste water quality and waste water disposal, any of which three risks could bring business to a halt. However, management had assessed these risks in advance, and managed them by taking preventive measures to cope with any situation that might arise, including the establishment of a plan to improve the production process and the setting up of a working team to control these risks and report on a regular quarterly basis to the Risk Management Committee.

4. Examination of the Company's internal control and internal audit systems

The Committee examined the Internal Audit Department's quarterly evaluation reports on the Company's internal control systems, which it found to be appropriate to the Company's business, without detecting any significant omissions or defects likely to affect the Company's financial statements.

As regards internal audit, the Committee examined the activities of the internal audit department by reference to the approved annual working plan and found that it had attained its objectives and key performance indicators, and also examined the appropriateness of the organisational structure and adequacy of manpower of the internal control and audit functions, finding them in accordance with internal auditing standards, and confirming that the internal audit department attaches appropriate importance to developing its human and physical resources to international professional internal auditing standards.

The Company has also established that there should be an annual evaluation and review of the adequacy of the internal control system by the Audit and Corporate Governance Committee, which has delegated the internal audit department to gather and summarise the information on the evaluation and report to the Board of Directors for it to debate and seek ways to improve the internal control system and make it more efficient. The result of the evaluation in 2016 was classified as "good" (86%)

5. Examination of the Company's anti-corruption procedures

The Committee examined the quarterly inspection reports on corruption and the measures and guidelines in place to prevent corruption in the various working systems so as to ensure that they were in accordance with risk assessment standards and the latest investigative systems and constantly appropriate to the Company's business situation at any given time. In 2016 the Company had no reports or material instances of corruption.

Apart from this, in 2014 the Company informed the Thai Institute of Directors of its intention of joining Thailand's Private Sector Collective Action Coalition Against Corruption and in March 2017 the Company received confirmation from the council of its membership of Thailand's Private Sector Collective Action Coalition against Corruption. Shareholders may therefore rest assured that the Company conducts its business transparently, fairly and ethically and on the basis of combating all forms of corruption

6. Proposed appointment of auditors for 2014 and establishment of auditors' remuneration

The Committee proposed to the Board of Directors that ANS Audit Co., Ltd. be appointed as the Company's auditors. The Audit and Corporate Governance Committee considered their work and independence, and the appropriateness of their remuneration, and found it appropriate that

Mr Atipong Atipongsakul CPA No. 3500 or

Mr Vichai Ruchitanont CPA No. 4054 or

Mr Sathien Vongsnan CPA No. 3495 or

Ms Kulthida Pasurakul CPA No. 5946

all from ANS Audit Co., Ltd. be appointed and their remuneration established at Bt.1.30 million for the year. (2015: Bt.1.16 million).

In conclusion the Audit and Corporate Governance Committee carried out its duties as assigned by the Company's Board of Directors and in accordance with its charter, and is of the opinion that the Company reports its financial and business information accurately, in a transparent and reliable manner, conducts its business in accordance with principles of good corporate governance, has risk assessment and management systems and adequate and appropriate internal control

systems in place.



Pricha Attavipach

Chairman of the Audit and Corporate Governance Committee

Nomination and Remuneration Committee's Report

The Nomination and Remuneration Committee, composed of three non-executive independent Directors, is charged with selecting individuals with appropriate qualities for occupying the position of Company Director in a proper and transparent manner, including from among any names proposed by shareholders, for onward submission to the Company's Board of Directors and in turn to the shareholders for their approval, and with selecting persons with characteristics appropriate to the position of President and Managing Director in the event of there being a vacancy, for nomination to the Board of Directors for their consideration, and to prepare a succession plan for senior executive positions. It is also responsible for setting policies, methodology and criteria for establishing, and for considering and reviewing the establishment of remuneration of Directors, the President and the Managing Director fairly, transparently and in consonance with the Company's results and each individual's performance. It reports independently to the Board of Directors so as to ensure that remuneration is established in a way that is appropriate and fair to all interested parties while safeguarding shareholders' interests, in accordance with the Company's principles of good corporate governance.

In 2016 the Nomination and Remuneration Committee met to consider the following matters

1. Establishment of remuneration for the year 2016 and monthly remuneration for 2017 for the President and the Managing Director
2. Establishment of remuneration for the year 2016 for individual Company Directors based on the performance of the Company and the duties and responsibilities and performance of each individual Director within an overall monetary limit to be approved by the shareholders.
3. Directors' remuneration for 2017 for proposal to the Company's Board of Directors and subsequently to the General Meeting of Shareholders for their approval, the Nomination and Remuneration Committee considering that the proposed remuneration was in line with the scope of duties and responsibilities of the Directors and with remuneration paid in comparable industries.
4. The appointment of a new Director to replace a Director resigning from his position for submission to the Board of Directors and in turn to the general meeting of shareholders.
5. To consider the appropriateness of re-appointing four Board committees retiring by rotation namely the Audit and Corporate Governance Committee, the Risk Management Committee,

the Nomination and Remuneration Committee and the Executive Committee, for onward submission for the Board's consideration

6. To considered the allocation of the 2.1 million stock options under the TRU ESOP Warrant 2015 scheme that remained unallocated and which must be allocated within one year, i.e. by 27 April 2016) to managers of the Company based on their duties and responsibilities. This is an incentive to perform even more efficiently, and should have a positive impact on the whole group of companies in the future.

In summary, the Nomination and Remuneration Committee fully discharged its duties as assigned by the Company's Board of Directors. Shareholders may thus rest assured that the nomination of Directors and the establishment of their remuneration were carried out in a proper, appropriate and transparent manner and in accordance with the Company's principles of good corporate governance.



Pricha Attavipach

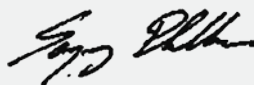
Chairman of the Nomination and Remuneration Committee

Report of the Risk Management Committee

The Company attaches great importance to risk management in the interests of the smooth conduct of its business, and has accordingly appointed a Risk Management Committee composed of six members - the Managing Director, independent directors, and other senior executives of the Company with experience, knowledge and understanding of business and risk management to perform duties in accordance with the regulations established for the Risk Management Committee. In 2016 the Risk Management Committee met four times to consider important matters, which can be summarised as follows:

1. To establish and review the risk management plan, including the assessment of business risks, and to establish protective measures to mitigate risk and monitor results in a manner appropriate to the smooth ongoing conduct of the business.
2. To check to see that risk management in the various areas contributes to the attainment of the organisation's strategic objectives, and to analyse the effects of risks that materialise so that executives and other employees involved can use this information to establish measures for alerting to and protecting against such risks and so keep them at an acceptable level under the internal controls and the various existing measures and working procedures.
3. To make sure that safety practices and the zero accident policy are enforced by having supervisors control and employees conduct themselves in accordance with working procedures, strictly conform to rules on wearing personal protective equipment when working, and examine the condition of machinery and tools before operating or working with them; to train employees to be more aware so as to reduce risk of all kinds, with the consequent effects on all employees' quality of life.
4. To support the development of risk management as it relates to the risk of corruption at all levels of the organisation so that major risks are kept at an acceptable level.
5. To have each working unit put in place consistent risk assessment and control procedures so as to instil confidence that the organisation is working in accordance with a system and working procedures so as to be able to protect against or mitigate risks that may materialise.
6. To communicate constantly with the Audit and Corporate Governance Committee in order to ensure that risk management systems are in line with the internal controls that have been established.

Based on the activities outlined above, the Risk Management Committee is confident that the Company's risk management works continuously, efficiently and in line with the guidelines for good corporate governance and that it has adequate internal control systems appropriate to the correct all-round conduct of its business.



Sompong Phaoenchoke
Chairman of the Risk Management Committee

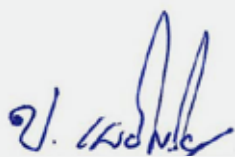
Board of Directors' Responsibility for Financial Reports

The Company's Board of Directors is responsible for the consolidated financial statements of Thai Rung Union Car Public Co. Ltd. and its subsidiaries and for the financial information which appears in the Annual Report. The financial statements were prepared in accordance with generally accepted accounting standards, applying appropriate and consistent accounting policies and with careful, prudent consideration and best possible estimates, making adequate disclosure of information by way of notes to the financial statements.

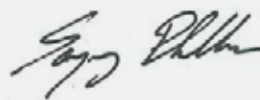
The Board of Directors has put in place and maintains effective internal control systems which provide reasonable assurance that the recording of transactions in the Company's books is correct and complete, as well as adequately protecting the Company's assets and ensuring that any weak points can be detected and any misconduct or significant abnormal occurrence thus prevented.

The Company's Board of Directors has appointed an Audit and Corporate Governance Committee consisting of non-executive directors, which is responsible for monitoring the quality of financial reports and internal control systems. The Audit and Corporate Governance Committee's opinion on these matters appears in the Report of the Audit and Corporate Governance Committee.

The Board considers that the Company's internal control systems are at an appropriate level and provide sufficient assurance in terms of the reliability of the financial statements of the Company and its subsidiaries as at 31 December 2015.



Dr. Pranee Phaoenchoke
Chairman of the Board



Mr. Sompong Phaoenchoke
Managing Director

Management's Discussion and Analysis

(Based on the Consolidated Financial Statements as at 31 December 2016)

In 2016, the Thai automotive industry produced vehicles 1.94 million units, up by 2% on the previous year. Of this total, 1.19 million units were exported, down by 1%, and domestic sales at 0.77 million units, were down by 4% on the previous year as a result of a decline in purchasing power caused by the slowdown in the overall economy and the fall in agricultural prices. However, both management and employees of the Company continued to work determinedly, with tight cost control and more efficient management to improve the Company's performance.

Thai Rung Union Car Plc posted consolidated revenues of Bt.1,868 million for 2016, down by 12%, and net income attributable to owners of the parent company of Bt.78 million, down by 38% on 2015, due to a decrease in revenues from die and jig making, contract vehicle assembly and sales of vehicles, which have different margins in the product mix, as a result of which the ratio of cost of sales to sales revenues increased by one percentage point (pp) compared with the previous year. The return on assets (ROA) was 2.32%, or 1.45 pp down from the previous year, and return on equity (ROE) was 2.49%, down from the previous year's 1.52% due to lower profit in line with lower revenues. The Company's main sources of revenue are die and jig making, OEM parts making and contract assembly and painting work, which together currently account for approximately 85% of consolidated revenues.

The Company has a strategy of expanding its customer business base to take in other sectors such as industrial, construction and agricultural machinery and premium grade motorcycles, a high added value niche market which looks set to grow in the future, in order to reduce the risks associated with its dependence on a single industry. The Company is also expanding into the trucks market, which shows continuing high demand, and the coming into force of the AEC will lead to increased transport requirements in the region, with trucks and trailers playing a greater role in industry.

Financial results

Revenues

Total consolidated revenues for 2016 amounted to Bt.1,868 million, representing a decrease of Bt.264 million or 12% relative to the previous year, as follows:

Revenue	2016		2015		Increase (Decrease)	
	MB.	%	MB.	%	MB.	%
Revenue from vehicle assembly and other vehicle-related contract work	1,113	59%	1,222	57%	(109)	-9%
Revenue from the production of vehicle manufacturing equipment	486	26%	607	28%	(120)	-20%
Revenue from sales of vehicles and from service centres	182	10%	209	10%	(27)	-13%
Other sales & service income	2	0%	5	0%	(3)	-58%
Total sales & service revenue	1,783	95%	2,042	96%	(259)	-13%
Other income	32	2%	30	1%	2	7%
Share of profits of associates	54	3%	60	3%	(7)	-11%
Total Revenues	1,868	100%	2,132	100%	(264)	-12%

- Revenue from the production of vehicle manufacturing equipment (die and jig making, plus the production and sale of parts, both OEM and spare), showed a decrease of 9% on the previous year due to the slowdown in the launch of new models.
- Revenue from vehicle assembly and other vehicle-related contract work was 20% less than in the previous year due to a fall in customer orders.
- Revenue from sales of vehicles and from service centres was 13% less than in the previous year due to lower sales of the *Transformer* and the “*Transformer* semi body kit”.

Share in profits of associates

Share in profits from investments in joint venture companies, at Bt.54 million, was up by Bt.7 million or 11% on 2015.

Cost of sales and services

Consolidated cost of sales and service for the year, at Bt.1,511 million, was down by Bt.199 million or 12% compared with the previous year. As a proportion of sales and service revenue for the year, the cost of sales and service was 85%, compared with 84% in the previous year, the one percentage point increase being due on the one hand to shifts in the product mix and on the other to the Company’s operating below its capacity

Selling and administrative expenses

Consolidated selling and administrative expenses for the year amounted to Bt.274 million, Bt.11 million down on the previous year due to the Company’s continuing efforts to control and reduce selling and administrative expenses.

Technological research and development and innovation (R&D&I) costs

In 2016 the Company spent a total of Bt.19.36 million on technological R&D&I in accordance with the recommendations and explanations of the National Science and Technology Development Agency (NSTDA), comprising salaries and personnel expenses, consultants’ fees, the cost of assets used in the processes, the cost of raw materials, testing expenses and the cost of developing various prototypes including those for the *Transformer* and the minibus project.

Net income

The Company posted net income attributable to owners of the parent company of Bt.78 million for 2016, Bt.47 million or 38% down on the previous year, reflecting the lower sales volume.

Balance Sheet

The financial position of the Company and its subsidiaries as at 31 December 2016 and 2015 is shown in the following table.

THB Million

Items	Consolidated Balance Sheet			
	31-Dec-16	31-Dec-15	Change	%
Assets				
Current assets	1,055	983	72	7
Investments in associates	586	573	13	2
Investment property, net	162	164	(2)	(1)
Property, plant & equipment, net	1,711	1,820	(110)	(6)
Other non-current assets, net	66	78	(12)	(15)
Total Assets	3,581	3,619	(38)	(1)
Liabilities				
Current liabilities	291	310	(20)	(6)
Non-current liabilities	58	62	(3)	(6)
Total Liabilities	349	372	(23)	(6)
Equity				
Attributable to owners of the parent company	3,148	3,152	(4)	(0)
Non-controlling interests	84	95	(12)	(12)
Total Equity	3,232	3,247	(15)	(0)
Total Liabilities and Equity	3,581	3,619	(38)	(1)

Assets

Total consolidated assets as at 31 December 2016 and 31 December 2015 stood at Bt.3,581 million and Bt.3,619 million respectively, representing an decrease of Bt.38 million. the main items being as follows:

- **Current Asset** increase of Bt.72 million as a result of.
 - Short-term investments Bt.129 million more than at year-end due to investments made in collective investment funds
 - Inventories increase of Bt.36 million on the previous year-end, mainly due to raw materials for 2017 production requirements for the *Transformer*.
 - Value of work completed but not yet invoiced down by Bt.94 million from the end of 2015 reflecting from the molds and jigs completed and submitted with payment completed in a year.
- **Investments in associates** increase of Bt.13 million on the previous year, as a result of a Bt.54 million share in profits of joint ventures, Bt.38 million in dividends received from joint ventures and Bt.3 million in capital reimbursed by a joint venture.
- **Property, plant & equipment** Bt.110 million down on the previous year-end due to 155 million of depreciation charges during the year, capital expenditure of Bt.44 million.

Liabilities

Total consolidated liabilities as at 31 December 2016 and 31 December 2015 stood at Bt.349 million and Bt.372 million respectively, representing a decrease of Bt.23 million or 6%, mainly due to the decrease in trade payables in line with lower production volumes.

Equity

Consolidated equity as at 31 December 2016 and 31 December 2015 stood at Bt.3,232 million and Bt.3,247 million respectively, representing a decrease of Bt.15 million: dividend payment -Bt.89 million, share in profit of associates +Bt.54 million, profit from operations +Bt.25 million and appropriation to legal reserve -Bt.5 million.

Liquidity

The Company's consolidated cash situation for the year ended 31 December 2016 showed a net increase of Bt.13 million, with a year-end cash position of Bt.253 million. Details are shown in the following table.

THB Millions	
Net cash from operating activities	294
Net cash used in investing activities	(175)
Net cash used in financing activities	(106)
Net increase (decrease) in cash & cash equivalents in the period	13
Cash & cash equivalents at start of period	240
Cash & cash equivalents at end of period	253

- Net cash from operating activities was Bt.294 million, mostly from collection of trade receivables.
- Net cash used in investing activities was Bt.175 million, consisting of investments in mutual funds and short-term loans to related companies.
- Net cash used in financing activities, Bt.106 million, relates mainly to the payment of a dividend.

AUDITOR'S REPORT

To the Shareholders of Thai Rung Union Car Public Company Limited

Qualified Opinion

I have audited the accompanying consolidated and separate financial statements of Thai Rung Union Car Public Company Limited and its subsidiaries, and of Thai Rung Union Car Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2016, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements and a summary of significant accounting policies.

In my opinion, except for the matter possibly affecting the financial statements as mentioned in the paragraph "Basis for Qualified Opinion", the consolidated and separate financial statements referred to above fairly present, in all material respects, the consolidated and separate financial position as at December 31, 2016 and the consolidated and separate financial performance and cash flows for the year then ended of Thai Rung Union Car Public Company Limited and its subsidiaries, and of Thai Rung Union Car Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

The Company's consolidated financial statements as at December 31, 2016, and for the year then ended, included investments in five associated companies accounted for according to the equity method and amounted to Baht 586.29 million and share of profits from these companies amounted to Baht 53.70 million (as discussed in Note to the Financial Statements No. 8). These were recorded based on financial statements prepared by the management of two associated companies, which were not audited by the Company's auditors because the first associate company's accounting period ended March 31 and financial statement of the second associate company is under auditing by its auditor. In addition, the financial statements of the rest three associated companies were audited by other auditors who expressed an unqualified

opinion. However I was unable to access the working paper of another auditor and I could not satisfy myself by mean of other audit procedure for these transactions. Therefore I could not identify whether there is any necessary adjustment.

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements 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 qualified 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 year. 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. I do not provide a separate opinion on these matters, except with respect to the matter as mentioned in Basis for Qualified Opinion section.

Valuation of inventories

Risk

As mentioned in Note to Financial Statements No. 7, as at December 31, 2016, the Group has inventories in the net amount of Baht 214.23 million. These inventory amounts are typical for businesses that are required to maintain high volumes of spare parts and accessories, portions of these spare parts are required to be reserved for certain periods in accordance with the law. The Group may be at risk for the net realizable value of such inventories.

Auditor's Response

1. I gained an understanding of the Group's preparation of, and computation methods for, allowances for the devaluation of inventories.
2. I verified the computation method and the reasonableness of the assumptions for such allowances in each inventory category.
3. Testing the calculation for the net realizable value and then determining the appropriateness of the provision for inventory devaluation.
4. I also considered damaged inventories during my observation of the year-end stock take.

Emphasis of Matter

As discussed in Note to financial statements No. 28:

1) During the first quarter of the year 2016, the Company received audited financial statements of an associated company for the year ended December 31, 2015, stating a net profit less than that in the financial statements prepared by the management of such associated company. The Company prepared the consolidated financial statements as at December 31, 2015, based on financial statements prepared by the management of such associated company, stating that the share of profits in the investment is Baht 22.03 million in excess. Thus, the Company's management adjusted the consolidated financial statements as at December 31, 2015.

2) During the year 2016, the management of the Group adjusted the over estimation of employee benefit obligations of the prior years by retrospective adjustment of the financial statements. As a result, the statements of financial position as at December 31, 2015 and January 1, 2015 and the related statements of profit or loss and other comprehensive income for the year ended December 31, 2015, which have been presented herewith for comparative purposes, have been restated to reflect such adjustments.

Other Matters

The consolidated and separate statement of financial position of Thai Rung Union Car Public Company Limited and its subsidiaries, and of Thai Rung Union Car Public Company Limited, respectively as at December 31, 2015 (before restated) which have been presented herewith for comparative purposes were audited by another auditor of our firm, whose report dated February 23, 2016, expressed a qualified opinion related to investments in associated companies. During the year 2016, the Company received audited financial statements of five associated companies for which the Company's Management retroactively adjusted the consolidated financial statements as at December 31, 2015 (as discussed in the section titled "Emphasis of Matter"). The audited financial statements of four associated companies were not shown significant differences from the financial statements prepared by the Management of such associated companies.

Other information

Management is responsible for the other information. The other information comprises the information contain in Annual Report for the year 2016 but does not include the consolidated and separate financial statements and the auditor's report thereon. The Annual report for the year 2016 is expected to be made available to the auditor 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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.

However, as discussed in Basic for Qualified Opinion section, the investment in the five associated companies are recorded based on financial statements prepared by the Management of two associated companies that were not audited by the Company's because the first associate company's an accounting period ended March 31 and financial statement of the second associate company is under auditing by its auditor. In addition, the financial statements of the rest three associated companies were audited by other auditors who expressed an unqualified opinion. However I was unable to access the working paper of another auditor and I could not satisfy myself by mean of other audit procedure for these transactions. Accordingly, I am unable to conclude whether or not the other information is material misstated in respect to this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the 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 TSAs, 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 TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. A description of an audit is provided in the attached Appendix.

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 year 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 the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Kultida Pasurakul

Certified Public Accountant

Registration Number 5946

ANS Audit Company Limited

Bangkok, February 27, 2017

Appendix

My practice includes the following:

- 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 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 cause significant doubt on 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 entities or 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.

STATEMENT OF FINANCIAL POSITION

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2016

	Notes	Unit: Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015	January 1, 2015
			(Restated)	(Restated)		(Restated)	(Restated)
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	5	253,139,024	239,953,512	306,161,197	120,587,717	129,026,535	73,356,601
Current investments		139,954,547	10,749,064	-	109,992,050	-	-
Trade and other receivables - net	4, 6	333,720,512	396,451,657	440,600,596	217,163,613	214,234,277	270,840,659
Unbilled receivable		33,890,309	127,562,454	96,817,690	4,532,552	50,700,535	41,641,838
Short-term loans to related parties	4	80,000,000	30,000,000	-	153,000,000	138,000,000	94,000,000
Inventories - net	7	214,233,541	178,391,200	221,837,960	152,205,179	113,257,422	120,154,455
Total current assets		1,054,937,933	983,107,887	1,065,417,443	757,481,111	645,218,769	599,993,553
NON-CURRENT ASSETS							
Investments in associated companies	8, 28	586,293,130	572,906,049	426,721,662	334,700,000	339,300,000	239,300,000
Investments in subsidiaries	9	-	-	-	412,880,000	412,880,000	412,880,000
Other long-term investment - net	10	-	-	-	-	-	-
Investment property - net	11	162,029,356	163,828,889	167,427,351	-	-	-
Property, plant and equipment - net	12	1,710,803,688	1,820,398,538	1,836,570,393	1,026,716,985	1,038,640,865	995,494,266
Intangible assets - net		3,655,286	3,559,275	3,958,395	1,754,462	2,331,324	2,352,308
Deferred tax assets - net	13, 28	14,744,474	14,660,433	14,690,721	10,031,862	8,937,915	8,710,260
Other non-current assets - net	14	48,054,035	60,222,874	121,008,614	18,125,592	31,005,557	122,712,222
Total non-current assets		2,525,579,969	2,635,576,058	2,570,377,136	1,804,208,901	1,853,095,661	1,781,449,056
TOTAL ASSETS		3,580,517,902	3,618,683,945	3,635,794,579	2,561,690,012	2,498,314,430	2,381,442,609

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

STATEMENT OF FINANCIAL POSITION

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2016

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		December 31, 2016	December 31, 2015 (Restated)	December 31, 2016	December 31, 2015 (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payables	4, 16	289,887,880	305,863,659	198,340,340	227,548,834
Current portion of liabilities under finance leases	17	650,762	4,314,934	540,429	2,520,204
Short-term loans from related parties	4	-	-	-	30,000,000
Current income tax payable		128,931	-	-	-
Total current liabilities		290,667,573	310,178,593	198,889,769	260,069,038
NON-CURRENT LIABILITIES					
Long-term liabilities under finance leases	17	527,576	1,147,059	411,689	881,713
Employee benefit obligations	18, 28	57,608,759	60,385,754	38,869,608	37,373,858
Total non-current liabilities		58,136,335	61,532,813	39,281,297	38,255,571
TOTAL LIABILITIES		348,803,908	371,711,406	238,171,066	298,324,609
SHAREHOLDERS' EQUITY					
Share capital	19				
Authorized					
590,847,356 ordinary shares, Baht 1 par value					590,847,356
619,846,931 ordinary shares, Baht 1 par value		619,846,931	619,846,931	619,846,931	
Issued and paid up					
590,846,931 ordinary shares, Baht 1 par value		590,846,931	590,846,931	590,846,931	590,846,931
Premium on shares					
Premium on ordinary shares		713,782,739	713,782,739	713,782,739	713,782,739
Reserve for share-based payments	32	12,316,526	5,902,395	12,316,526	-
Retained earnings					
Appropriated					
Legal reserve	20	61,984,692	57,168,019	61,984,692	57,168,019
Unappropriated	28	1,768,919,948	1,783,870,146	944,588,058	832,289,737
Total shareholders' equity of the Company		3,147,850,836	3,151,570,230	2,323,518,946	2,086,323,429
Non-controlling interests	9	83,863,158	95,402,309	-	-
TOTAL SHAREHOLDERS' EQUITY		3,231,713,994	3,246,972,539	2,323,518,946	2,086,323,429
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,580,517,902	3,618,683,945	2,561,690,012	2,381,442,609

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2016

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2016	2015	2016	2015
			(Restated)		(Restated)
Revenues	4, 25, 27				
Sales of goods		1,573,508,428	1,705,056,951	908,945,936	1,017,848,117
Rendering of services		209,483,833	337,337,010	127,143,424	198,099,429
Total revenues		1,782,992,261	2,042,393,961	1,036,089,360	1,215,947,546
Cost	4, 18, 22, 23, 28				
Cost of sales		(1,339,951,994)	(1,443,707,420)	(755,064,853)	(839,044,225)
Cost of rendering of services		(170,766,707)	(266,481,661)	(100,423,364)	(168,012,162)
Total cost		(1,510,718,701)	(1,710,189,081)	(855,488,217)	(1,007,056,387)
Gross profit		272,273,560	332,204,880	180,601,143	208,891,159
Dividend income	4, 8, 9	-	-	203,871,047	178,510,807
Other income	4, 21	31,595,147	29,652,490	33,862,411	25,981,534
Selling expenses	4, 18, 22, 23, 28	(75,368,263)	(64,541,811)	(59,589,585)	(61,679,700)
Administrative expenses	4, 18, 22, 23, 28	(198,602,936)	(220,841,868)	(152,260,610)	(150,355,916)
Finance cost		(193,914)	(649,697)	(111,502)	(637,323)
Share of profit from investments in associated companies	8, 28	53,701,019	60,415,195	-	-
Profit before income tax		83,404,613	136,239,189	206,372,904	200,710,561
Tax expense	24, 28	(3,019,443)	(6,793,848)	(641,664)	(4,319,824)
Profit for the year		80,385,170	129,445,341	205,731,240	196,390,737
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year	28	80,385,170	129,445,341	205,731,240	196,390,737
Profit and total comprehensive income attributable to					
Equity holders of the Company		78,482,721	125,630,097	205,731,240	196,390,737
Non-controlling interests	9	1,902,449	3,815,244		
		80,385,170	129,445,341		
Earnings per share					
Earnings per share					
Profit attributable to equity holders of the Company (Baht)	28	0.13	0.21	0.35	0.33
Weighted average number of ordinary shares (Shares)		590,846,931	590,846,931	590,846,931	590,846,931

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

STATEMENT OF CHANGES IN SHARE-HOLDER'S EQUITY

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit: Baht									
Consolidated financial statements									
Equity attributable to equity holders of the Company									
Notes	Paid-up share capital	Premium on ordinary shares	Reserve for share-based payment	Retained earnings		Total	Non-controlling interests	Total shareholder's equity	
				Legal reserve	Unappropriated				
28	590,846,931	713,782,739	5,902,395	57,168,019	1,801,487,551	3,169,187,635	95,402,309	3,264,589,944	
	-	-	-	-	(17,617,405)	(17,617,405)	-	(17,617,405)	
	590,846,931	713,782,739	5,902,395	57,168,019	1,783,870,146	3,151,570,230	95,402,309	3,246,972,539	
	-	-	6,414,131	-	-	6,414,131	-	6,414,131	
	-	-	-	4,816,673	(4,816,673)	-	-	-	
32	-	-	-	-	-	-	-	-	
20	-	-	-	-	-	-	(13,441,600)	(13,441,600)	
9	-	-	-	-	-	-	-	(88,616,246)	
26	-	-	-	-	-	(88,616,246)	-	(88,616,246)	
Total comprehensive income for the year									80,385,170
Balance as at December 31, 2016			12,316,526	61,984,692	1,768,919,948	3,147,850,836	83,863,158	3,231,713,994	
Balance as at December 31, 2014 (Before restated)									3,211,453,594
28	590,846,931	713,782,739	-	57,168,019	1,744,971,240	3,106,768,929	104,684,665	3,211,453,594	
	-	-	-	-	1,895,549	1,895,549	-	1,895,549	
	590,846,931	713,782,739	-	57,168,019	1,746,866,789	3,108,664,478	104,684,665	3,213,349,143	
	-	-	5,902,395	-	-	5,902,395	-	5,902,395	
	-	-	-	-	-	-	(13,097,600)	(13,097,600)	
32	-	-	-	-	-	-	-	(88,626,740)	
26	-	-	-	-	(88,626,740)	(88,626,740)	-	(88,626,740)	
Total comprehensive income for the year (Restated)									129,445,341
Balance as at December 31, 2015 (Restated)			5,902,395	57,168,019	1,783,870,146	3,151,570,230	95,402,309	3,246,972,539	

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

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY (continue)

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Notes	Unit: Baht					
	Separate financial statements					
	Paid-up share capital	Premium on ordinary shares	Reserve for share-based payment	Retained earnings		Total shareholder's equity
				Legal reserve	Unappropriated	
Balance as at December 31, 2015 (Before restated)	590,846,931	713,782,739	5,902,395	57,168,019	830,825,816	2,198,525,900
Prior year adjustment	-	-	-	-	1,463,921	1,463,921
Balance as at December 31, 2015 (Restated)	590,846,931	713,782,739	5,902,395	57,168,019	832,289,737	2,199,989,821
Changes in equity for the year :						
Reserve for share-based payment	-	-	6,414,131	-	-	6,414,131
Legal reserve	-	-	-	4,816,673	(4,816,673)	-
Dividend paid	-	-	-	-	(88,616,246)	(88,616,246)
Total comprehensive income for the year	-	-	-	-	205,731,240	205,731,240
Balance as at December 31, 2016	590,846,931	713,782,739	12,316,526	61,984,692	944,588,058	2,323,518,946
Balance as at December 31, 2014 (Before restated)	590,846,931	713,782,739	-	57,168,019	724,336,852	2,086,134,541
Prior year adjustment	-	-	-	-	188,888	188,888
Balance as at December 31, 2014 (Restated)	590,846,931	713,782,739	-	57,168,019	724,525,740	2,086,323,429
Changes in equity for the year :						
Reserve for share-based payment	-	-	5,902,395	-	-	5,902,395
Dividend paid	-	-	-	-	(88,626,740)	(88,626,740)
Total comprehensive income for the year (Restated)	-	-	-	-	196,390,737	196,390,737
Balance as at December 31, 2015 (Restated)	590,846,931	713,782,739	5,902,395	57,168,019	832,289,737	2,199,989,821

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

STATEMENT OF CASH FLOWS

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2016

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015 (Restated)	2016	2015 (Restated)
Cash flows from operating activities				
Net profit before income tax expenses	83,404,613	136,239,189	206,372,904	200,710,561
Adjustments to reconcile net profit before tax to				
Net cash provided (used in) operating activities:				
(Reversal) allowance for doubtful debt	(800,000)	1,491,869	-	-
(Reversal) allowance for diminution in value of inventories	40,980	(3,059,649)	(688,560)	(1,503,398)
Share of profit from investments in associates	(53,701,019)	(60,415,195)	-	-
Reversal allowance for devaluation of fixed assets	(2,021,104)	(97,505)	(21,104)	(97,505)
Depreciation and amortization	152,689,998	167,734,327	65,952,807	73,721,683
Amortisation of leasehold rights	261,509	523,303	-	-
Provision for liabilities	-	(1,427,938)	-	-
Employee benefit expense	136,226	6,142,459	3,538,710	3,271,692
Reserve for share-based payment	6,414,131	5,902,395	6,414,131	5,902,395
(Gain) loss on sales of fixed assets	(1,175,091)	2,902,204	(1,089,960)	(23,991)
Written-off investment properties	823,687	-	-	-
Written-off fixed assets	2,375,332	1,350,921	-	-
Loss from pay back investment in an associate	-	-	1,639,109	-
Unrealized gain on exchange rate	(293,889)	(550,457)	-	-
Compensation income from fixed assets	-	(3,858,688)	-	-
Written-off trade and other payables	(611,064)	-	-	-
Dividend income	-	-	(203,871,047)	(178,510,807)
Interest income	(5,230,753)	(2,178,127)	(4,657,727)	(2,495,770)
Interest expense	193,914	649,697	111,502	637,323
Profit from operating activities before				
changes in operating assets and liabilities	182,507,470	251,348,805	73,700,765	101,612,183
Operating assets (increase) decrease				
Trade and other receivable	73,641,781	31,170,625	(1,582,633)	56,684,997
Inventories	(32,613,197)	43,749,110	(33,748,814)	8,400,430
Unbilled receivables	93,672,145	(30,744,764)	46,167,983	(9,058,697)
Other non-current assets	(2,010,127)	8,203,900	11,200,859	24,429,119
Operating liabilities increase (decrease)				
Trade and other payables	(15,225,345)	(39,426,724)	(31,435,221)	(21,145,065)
Cash flows from operating activities	299,972,727	264,300,952	64,302,939	160,922,967
Cash paid for interest expense	(193,914)	(649,698)	(119,639)	(629,186)
Cash received from income tax refund	9,407,075	1,493,256	1,142,414	-
Cash paid for employee benefit	(2,913,221)	(5,678,140)	(2,042,960)	(4,606,520)
Cash paid for corporate income tax	(11,568,422)	(14,205,881)	(5,709,302)	(7,269,933)

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

STATEMENT OF CASH FLOWS

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(Restated)		(Restated)
Net cash flows from operating activities	294,704,245	245,260,489	57,573,452	148,417,328
Cash flows from investing activities				
Increase in short-term loans to related parties	(125,000,000)	(105,000,000)	(157,000,000)	(89,000,000)
Proceeds from short-term loans to related parties	75,000,000	75,000,000	142,000,000	45,000,000
Proceeds from sales of fixed assets	1,326,813	646,424	1,177,640	487,208
Increase in current investments	(129,205,483)	(10,749,064)	(109,992,050)	-
Interest received	4,225,443	2,169,790	3,657,524	2,417,156
Dividend from associated companies and subsidiary companies	37,353,047	14,230,807	203,871,047	178,510,807
Acquisition of fixed assets and intangible assets	(41,396,494)	(79,477,318)	(31,179,830)	(67,080,691)
Investment in associated company	-	(100,000,000)	-	(100,000,000)
Cash received from investment in an associate	2,614,391	-	2,614,391	-
Cash received from compensation from fixed assets	-	3,858,688	-	-
Net cash flows from (used in) investing activities	(175,082,283)	(199,320,673)	55,148,722	(29,665,520)
Cash flows from financing activities				
Increase in short-term loans from related parties	-	-	-	221,000,000
Re-payment on short-term loans from related parties	-	-	(30,000,000)	(191,000,000)
Finance lease liabilities payment	(4,368,166)	(10,423,161)	(2,534,308)	(4,455,134)
Dividend paid	(88,626,684)	(88,626,740)	(88,626,684)	(88,626,740)
Dividend paid by subsidiaries to non-controlling interests	(13,441,600)	(13,097,600)	-	-
Net cash flows used in financing activities	(106,436,450)	(112,147,501)	(121,160,992)	(63,081,874)
Net increase (decrease) in cash and cash equivalents	13,185,512	(66,207,685)	(8,438,818)	55,669,934
Cash and cash equivalents at beginning of year	239,953,512	306,161,197	129,026,535	73,356,601
Cash and cash equivalents at end of year	253,139,024	239,953,512	120,587,717	129,026,535
Supplemental cash flow information				
Non-cash transactions				
Assets obtained under hire purchase agreement	84,510	-	84,510	-
Payable for purchasing of fixed assets	-	-	2,254,301	-
Transfer inventories to fixed assets	1,240,259	2,757,299	-	-
Transfer current assets to non-current assets	-	12,045,237	-	-
Transfer assets from non-current assets to inventories	4,510,383	-	4,510,383	-
Transfer deposit for purchasing of fixed assets to fixed assets	-	70,000,000	-	70,000,000

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

NOTES TO FINANCIAL STATEMENTS

THAI RUNG UNION CAR PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2016

1. GENERAL INFORMATION

Thai Rung Union Car Public Company Limited (“The Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in car assembly and modification, and the manufacture and distribution of parts and molds. Its registered address is located at 304, Marcharoen Road, Khwaeng Nongkangploo, Khet Nongkaem, Bangkok.

The Company has the following subsidiaries :

1. Thai V.P. Auto Service Company Limited is a limited company incorporated and domiciled in Thailand. The company is principally engaged in the sale of cars, car accessories and spare parts including repair services. Its registered office is located at 151, Marcharoen Road, Kwaeng Nongkangploo, Khet Nongkaem, Bangkok with a branch office located at 32, Soi Intramara 26, Suthisarnvinichai Road, Kwaeng Din Daeng, Khet Din Daeng, Bangkok and 9/28 Moo 8 Soi Pechakaseam 77, Pechakaseam Road, Kwaeng Nongkangploo, Khet Nongkaem, Bangkok.
2. Thai Rung Tools and Dies Company Limited is a limited company incorporated and domiciled in Thailand. The company is principally engaged in the manufacture of molds and jigs, including electrical systems services. Its registered address is located at 304/1, Marcharoen Road, Khwaeng Nongkangploo, Khet Nongkaem, Bangkok.
3. Thai Auto Pressparts Company Limited is a limited company incorporated and domiciled in Thailand. The company is principally engaged in the manufacture of vehicle body parts and molds. Its registered address is 304, Marcharoen Road, Khwaeng Nongkangploo, Khet Nongkaem, Bangkok. Its branch is located at 7/122 Amata City Industrial Park, Rayong Province, Moo 4 Chachoengsao-Sattaheep Road, Tumbon Mabyangporn, Amphur Puakdang, Rayong Province.
4. Thai Ultimate Car Company Limited is a limited company incorporated and domiciled in Thailand. The company is principally engaged in the sale of cars, car accessories and spare parts, including decorative and repair services, and legal services, as well as accounting, commercial, industrial and other services related to business administration for the tax management of the large organization. The company’s major shareholder is Thai V.P. Auto Service Company Limited. Its registered address is located at 304/1, Marcharoen Road, Khwaeng Nongkangploo, Khet Nongkaem, Bangkok.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

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

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 consolidation

- a.) The consolidated financial statements include the financial statements of Thai Rung Union Car Public Company Limited and the following subsidiary companies (together referred to as the “Group”)

Company's name	Nature of business	Incorporation	% of shareholding/ Voting rights hold	
			<u>2016</u>	<u>2015</u>
<u>Subsidiaries directly held by the Company</u>				
Thai V.P. Auto Service Co., Ltd.	Sales of accessories, spare parts and car service centers	Thailand	94	94
Thai Rung Tools and Dies Co., Ltd.	Mold making service	Thailand	94	94
Thai Auto Pressparts Co., Ltd.	Manufacture of vehicle's body parts	Thailand	91	91
<u>Subsidiaries held by Thai V.P. Auto Service Co., Ltd.</u>				
Thai Ultimate Car Co. Ltd.	Sales of cars, spare parts and accessories, and management service	Thailand	99.53	99.53

- b.) The Company is deemed to have control over an investee or subsidiary if it has rights to, or is exposed to, variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c.) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d.) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e.) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f.) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The Company produces separate financial statements available for the public use. Investments in subsidiaries and associates in separate financial statements are accounted for at cost.

New Thai Financial Reporting Standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Trade and other accounts receivable

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Finished goods and work in process are valued at the lower of standard cost (which approximates actual cost by weight average method) and net realisable value. Standard cost includes all production costs and attributable factory overheads.

Raw materials and parts are valued at the lower of standard cost (which approximates actual cost by weight average method) and net realisable value and are charged to production costs and cost of services whenever consumed.

Spare parts of car service centers are valued at the lower of cost (moving average method) and net realisable value.

Cars purchased for sales are valued at the lower of cost (specific identification method) and net realisable value.

Allowance for diminution in value of inventories is recorded by considering old, slow-moving and obsolete inventories.

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

Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the cost method net of allowance for loss on diminution in value (if any). Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investment properties

Investment properties are properties which are held to earn rental income, 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 properties are stated at cost less accumulated depreciation and less allowance for impairment loss (if any).

Depreciation

Depreciation is computed by the straight-line method based on the useful lives of assets of 30 years or, if shorter, over the remaining period of the lease.

Depreciation is included in determining operating result and no depreciation is provided on land and property in progress.

Repairs and maintenance are charged in profit or loss during the financial years in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, its cost and accumulated depreciation at the date of reclassification becomes its cost for subsequent accounting.

Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses of assets (if any).

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 assets to a working condition 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. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When parts of an item of property, plant and equipment have different 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 in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assume 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 and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and 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.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised 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 derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised 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:

	Depreciation method	Useful life (years)
Land improvement	Straight-line method	20
Factory and building improvement	Straight-line method	5 - 20
Office buildings and building improvement	Straight-line method	30
Die and Jigs	Declining balance method (Double declining balance)	5
Machinery, factory equipment and tools	Straight-line method	5 - 20
Office equipment	Straight-line method	5
Motor vehicles	Straight-line method	5

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.

Land leasehold rights

Land leasehold rights are stated at cost less accumulated amortization. Amortization of land leasehold rights is calculated by reference to their costs on a straight-line basis over the periods of lease agreements.

Amortization is included in determining income.

Intangible assets

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intend to and have sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Other intangible assets

Intangible assets that are acquired are stated at cost less accumulated amortization and losses on decline in value.

Amortization

Amortization is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

	Amortization method	Useful life (years)
Software	Straight-line method	5
Patents and Trademarks	Straight-line method	5

Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Employee benefits

Short-term benefits

The Group recognize salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits - defined contribution plan

The Group has established 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 the contribution from employees and the Group. Contributions to the provident fund are charged in profit or loss in the period to which they relate.

Post-employment benefits - defined benefit plan

The employee benefits liabilities in relation to the severance payment under the labor law and is recognised as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Group recognize actuarial gains or losses in other comprehensive income in the period in which they arise.

Lease agreements

Finance Leases

The leases of assets, which the substantial all the risk and reward associated with the ownership of the assets have been transferred to the lessee, title may or may not eventually be transferred to the lessee under the finance lease arrangements, are classified as finance leases. The lessee is to record the finance lease as an asset and obligation at an amount to the fair value of the leased asset or the present value of the minimum lease payment whichever is lower. The interest expense is charged to profit or loss over the lease period. The leased asset is depreciated over the useful life.

Operating Leases

The leases of assets, which the substantial all the risk and reward associated with the ownership of the assets have not been transferred to the lessee, are classified as operating leases. The payments made under operating leases are charged to the profit or loss on a straight - line method over the period of the lease agreements.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Revenue

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

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised 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 and costs from mold and jig manufacturing services is recognized as revenue on the basis of percentage of completion. The stage of completion is assessed by using the best estimate from management based on work performed. The gross amount due from customers for the contracts pertaining to the excess costs incurred plus recognized profits (less recognized losses) over progress billings are presented as “Unbilled receivables” under current assets in the statements of financial position. The gross amount due to customers for long-term contracts pertaining to the excess of progress billings over costs incurred plus recognized profits (less recognized losses) are presented as “Deferred revenue” under current liabilities in the statements of financial position.

Contracts under which calculated costs of construction exceed incurred costs of construction are presented as “Accrued construction costs” under current liabilities in the statement of financial position.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Group’s right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss.

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 reporting 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.

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 reporting date.

In determining the amount of current and deferred tax, the Group take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believe 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 liabilities and assets, 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 each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Earnings per share

The Company and its subsidiaries present basic for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company and its subsidiaries by the weighted average number of ordinary shares outstanding during the year.

For the year ended December 31, 2016, there are no diluting effect from converting warrants because exercise price exceeds the fair value of common shares which not result in dilution EPS.

Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

4. RELATED PARTY TRANSACTIONS

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market value exists, at contractually agreed prices.

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

	Unit: Million Baht				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u>					
Purchases of goods and services	-	-	78	122	Cost plus margin
Purchases of fixed assets	-	-	7	1	As agreed
Electricity expenses	-	-	16	17	Cost and cost plus gross profit margin not more than 5%
Transportation expenses	-	-	4	-	Cost plus margin
Land and Building rental expenses	-	-	2	4	Contract price
Management fees	-	-	1	31	Contract price
Repair and after sales services	-	-	3	4	Cost plus margin
Sales of goods	-	-	111	116	Cost plus margin
Sales of oil	-	-	-	1	Cost plus margin
Land and office rental income	-	-	1	2	Contract price
Management service income	-	-	10	4	Contract price
Utilities, transportation income	-	-	3	4	Cost plus margin
Sales of supplies	-	-	4	8	Cost plus margin
Dividend income	-	-	167	164	As declared
Interest income	-	-	1	1	1.05% - 1.35% p.a. (2015: 1.10% – 1.85% p.a.)
Other income	-	-	6	3	As agreed
<u>Transactions with associates</u>					
Purchases of goods and services	1	1	-	-	Cost plus margin
Sales of goods	48	5	47	4	Cost plus margin
Management service income	3	4	3	3	Contract price
Dividend income	-	-	37	14	As declared
Sales of supplies	-	1	-	1	Cost plus margin
Service income - Mold	6	10	2	-	As agreed

Unit: Million Baht					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2016	2015	2016	2015	
<u>Transactions with related companies</u>					
Purchases of goods and services	8	7	-	1	Cost plus margin
Purchases of fixed assets	8	5	8	5	As agreed
Repair and after sales services	5	4	3	3	Cost plus margin
Car rental expense	5	5	-	-	Contract price
Electricity expense	1	1	-	-	Cost and cost plus gross profit margin not more than 5%
Sales of goods	2	2	-	-	Cost plus margin
Land and office rental income	4	3	-	-	Contract price
Service income	15	15	-	-	As agreed
Utilities, transportation income	1	1	-	-	Cost plus margin
Interest income	2	-	1	-	2.63-2.69 % p.a.

4.2 Key management personnel compensation

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

Unit: Baht				
	Consolidated financial		Separate	
	statements		financial statements	
	2016	2015	2016	2015
		(Restated)		(Restated)
Short-term benefits	43,049,618	47,227,453	22,021,066	20,758,262
Post-employment benefits	1,338,686	1,282,199	670,389	643,020
Total key management personnel compensation	44,388,304	48,509,652	22,691,455	21,401,282

4.3 As at December 31, 2016 and 2015, the balances of the accounts between the Company and related companies are as follows:

Unit : Baht				
	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
<u>Trade accounts receivable - related parties</u>				
<u>Subsidiaries</u>				
Thai Rung Tools and Dies Co., Ltd.	-	-	76,175	349,707
Thai V.P. Auto Service Co., Ltd.	-	-	15,985,167	3,317,240

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Thai Auto Pressparts Co., Ltd.	-	-	7,897,057	3,076,027
Thai Ultimate Car Co., Ltd.	-	-	17,072,857	5,559,720
	-	-	41,031,256	12,302,694
<u>Associated companies</u>				
Kyowa Thairung Co., Ltd.	13,775,040	1,252,165	13,775,040	1,252,165
Delta-Thairung Co., Ltd.	243,784	291,762	175,460	95,456
Thai Auto Conversion Co., Ltd.	733,806	74,421	733,806	74,421
Trex Thairung Co., Ltd.	323,118	3,891,402	323,118	-
	15,075,748	5,509,750	15,007,424	1,422,042
<u>Related companies</u>				
Isuzu Chaicharoenkij Motor Co., Ltd.	5,149,045	2,842,420	-	-
Thai V.P. Corporation Co., Ltd.	331,497	239,418	-	3,745
V.P. Auto Enterprise Co., Ltd.	3,274	24,112	-	-
Sinthoranee Co., Ltd.	5,350	-	-	-
	5,489,166	3,105,950	-	3,745
Total trade accounts receivable - related parties	20,564,914	8,615,700	56,038,680	13,728,481
<u>Amounts due from related parties</u>				
<u>Subsidiaries</u>				
Thai Rung Tools and Dies Co., Ltd.	-	-	2,445,836	794,355
Thai Auto Pressparts Co., Ltd.	-	-	2,440,402	82,800
Thai V.P. Auto Service	-	-	16,999	-
	-	-	4,903,237	877,155
<u>Associated companies</u>				
Delta-Thairung Co., Ltd.	98,975	248,975	98,975	98,975
Kyowa Thairung Co., Ltd.	-	1,943,797	-	1,943,797
Trex Thairung Co., Ltd.	-	1,154,756	-	-
	98,975	3,347,528	98,975	2,042,772

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Related companies</u>				
Thai V.P. Corporation Co., Ltd.	703,384	96,684	700,284	50,700
Lexus Auto City Co., Ltd.	322,245	-	-	-
	1,025,629	96,684	700,284	50,700
Total amounts due from related parties	1,124,604	3,444,212	5,702,496	2,970,627
<u>Short-term loans to related parties</u>				
<u>Subsidiary</u>				
Thai Rung Tools and Dies Co., Ltd.	-	-	73,000,000	138,000,000
<u>Associated company</u>				
Thai V.P. Corporation Co., Ltd.	80,000,000	30,000,000	80,000,000	-
Total Short-term loans to related parties	80,000,000	30,000,000	153,000,000	138,000,000
<u>Trade accounts payable - related parties</u>				
<u>Subsidiaries</u>				
Thai V.P. Auto Service Co., Ltd	-	-	-	900
Thai Rung Tools and Dies Co., Ltd.	-	-	2,039,533	4,759,719
Thai Auto Pressparts Co., Ltd.	-	-	8,923,562	9,557,867
	-	-	10,963,095	14,318,486
<u>Associated company</u>				
Delta Thairung Co., Ltd.	22,046	-	-	-
	22,046	-	-	-
<u>Related companies</u>				
Isuzu Chaicharoenkij Motor Co., Ltd.	76,069	109,824	-	-
Thai V.P. Corporation Co., Ltd.	156,382	156,381	-	-
V.P. Auto Enterprise Co., Ltd.	621,994	806,751	-	-
V.P.K. Auto Co., Ltd.	5,350	5,350	-	-
	859,795	1,078,306	-	-
Total trade accounts payable - related parties	881,841	1,078,306	10,963,095	14,318,486

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Amounts due to related parties</u>				
<u>Subsidiaries</u>				
Thai Rung Tools and Dies Co., Ltd.	-	-	1,636,144	1,726,395
Thai Ultimate Car Co., Ltd.	-	-	1,016,600	833,112
Thai V.P. Auto Service Co., Ltd.	-	-	-	761,041
Thai Auto Pressparts Co., Ltd.	-	-	-	138,642
	-	-	2,652,744	3,459,190
<u>Related companies</u>				
Isuzu Chaicharoenkij Motor Co., Ltd.	180,114	103,023	126,631	49,571
Thai V.P. Corporation Co., Ltd.	452,075	469,313	-	-
V.P. Capital Asset Co., Ltd.	10,774	5,232	10,774	5,232
Lexus Auto City Co., Ltd.	6,214	114,885	6,214	85,912
	649,177	692,453	143,619	140,715
Total amounts due to related parties	649,177	692,453	2,796,363	3,599,905
<u>Accrued project costs to related party</u>				
<u>Subsidiary</u>				
Thai Rung Tools and Dies Co., Ltd.	-	-	22,574,763	52,291,156
Total accrued project cost to related party	-	-	22,574,763	52,291,156
<u>Fixed assets payable to related parties</u>				
<u>Subsidiaries</u>				
Thai Rung Tools and Dies Co., Ltd.	-	-	1,254,301	-
Thai Ultimate Car Co., Ltd.	-	-	1,000,000	-
Total fixed assets payable to related parties	-	-	2,254,301	-
<u>Short-term loans from related parties</u>				
<u>Subsidiaries</u>				
Thai V.P. Auto Service Co., Ltd.	-	-	-	10,000,000
Thai Auto Pressparts Co., Ltd.	-	-	-	20,000,000
Total short-term loans from related parties	-	-	-	30,000,000

4.4. During the year 2016, movements of short-term loans to and loans from related parties were as follows:

Unit: Million Baht					
	January	During the year		December	
	1, 2016	Increase	Decrease	31, 2016	Interest rate
<u>Short-term loans to related parties</u>					
<u>Consolidated financial statements</u>					
<u>Related company</u>					
Thai V.P. Corporation Co., Ltd.	30	125	(75)	80	2.63% – 2.69% p.a., at call.
<u>Separate financial statement</u>					
<u>Subsidiary companies</u>					
Thai Rung Tools and Dies Co., Ltd.	138	42	(107)	73	1.0 5 % - 1.35% p.a., due within January and February 2017
Thai V.P. Auto Service Co., Ltd.	-	15	(15)	-	1.05% - 1.10% p.a.
Thai Auto Pressparts Co., Ltd.	-	20	(20)	-	1.05% p.a.
<u>Related company</u>					
Thai V.P. Corporation Co., Ltd.	-	80	-	80	2.69% p.a., at call.
<u>Short-term loans from related parties</u>					
<u>Separate financial statements</u>					
<u>Subsidiary companies</u>					
Thai V.P. Auto Service Co., Ltd.	10	-	(10)	-	1.10% p.a.
Thai Auto Pressparts Co., Ltd.	20	-	(20)	-	1.10% p.a.

During the year 2016 and 2015, the Company extended short-term loan to related party as promissory notes of Baht 125 million and Baht 105 million, respectively. These loans are guaranteed by the directors of borrower company. The Company and such related companies have relationships by common shareholders and directors.

4.5 Guarantee Obligations with related parties

As at December 31, 2016 and 2015 the Company has outstanding guarantee obligations of Baht 135 million in respect of its guarantee of credit facilities provided by local banks to Thai Rung Tools and Dies Co., Ltd. (a subsidiary). The Company has not charged a guarantee fee to its subsidiary.

4.6 Significant Agreement

On May 30, 2016, Thai Ultimate Car Co., Ltd. had entered into a land rental agreement with Lexus Auto City Co., Ltd. to rent a land for the period of 15 years, commencing date on June 1, 2016, maturity on May 31, 2031. Further condition and rental fee are determined in Land rental agreement.

On December 26, 2016, the Company had entered into a land purchase agreement with Sinthoranee Property Co., Ltd., amounting Baht 7.58 million. The Company had already paid for such land.

5. CASH AND CASH EQUIVALENTS

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

	Unit: Baht			
	Consolidated financial		Separate financial	
	statements		Statements	
	2016	2015	2016	2015
Cash on hand	1,706,285	277,419	80,000	124,682
Cheque on hand	2,681,640	-	-	-
Current accounts	2,209,058	18,564,745	688,056	3,481,415
Savings accounts	246,014,766	220,588,610	119,292,386	124,897,700
Current investments	527,275	522,738	527,275	522,738
Total	253,139,024	239,953,512	120,587,717	129,026,535

6. TRADE AND OTHER RECEIVABLES - NET

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

	Unit: Baht			
	Consolidated financial		Separate financial	
	statements		Statements	
	2016	2015	2016	2015
Trade accounts receivable – unrelated parties	295,740,627	372,559,120	145,314,525	191,173,833
Trade accounts receivable – related parties	20,564,914	8,615,700	56,038,680	13,728,481
<u>Less:</u> Allowance for doubtful accounts	(1,174,588)	(1,974,587)	-	-
Total trade accounts receivable – net	315,130,953	379,200,233	201,353,205	204,902,314
Other receivables				
Pledged bank deposits within one year	600,000	-	600,000	-
Amounts due to related parties	1,124,604	3,444,212	5,702,496	2,970,627
Input tax refundable	3,440,615	3,852,439	456,780	-
Undue input tax	1,379,101	1,027,069	658,847	622,819
Prepayment	6,473,698	6,100,429	4,855,141	4,079,991
Withholding tax	307,127	307,062	-	-
Others	5,264,414	2,520,213	3,537,144	1,658,526
Total other receivables	18,589,559	17,251,424	15,810,408	9,331,963
Total trade and other receivables – net	333,720,512	396,451,657	217,163,613	214,234,277

The balances of trade accounts receivable as at December 31, 2016 and 2015, aged on the basis of due dates, are summarised below.

	Unit: Baht			
	Consolidated financial		Separate financial	
	statements		Statements	
	2016	2015	2016	2015
Trade accounts receivable - unrelated parties				
<u>Age of receivables</u>				
Not yet due	239,564,287	333,602,323	135,700,524	187,780,843
Past due				
Up to 3 months	54,164,829	32,875,261	9,614,001	3,025,698
3 - 6 months	-	359,159	-	359,159
6 - 12 months	-	2,616,121	-	8,133
Over 12 months	2,011,511	3,106,256	-	-
Total	295,740,627	372,559,120	145,314,525	191,173,833
<u>Less:</u> Allowance for doubtful accounts	(1,174,588)	(1,974,587)	-	-
Total trade accounts receivable - unrelated parties net	294,566,039	370,584,533	145,314,525	191,173,833
Trade accounts receivable - related parties				
<u>Age of receivables</u>				
Trade accounts receivable - subsidiaries				
Not yet due	-	-	38,987,031	12,302,694
Past due				
Up to 3 months	-	-	2,044,225	-
Total trade accounts receivable - subsidiaries	-	-	41,031,256	12,302,694
Trade accounts receivable – associates				
Not yet due	15,069,748	5,509,750	15,001,424	1,422,042
Past due				
Up to 3 months	6,000	-	6,000	-
Total trade accounts receivable - associates	15,075,748	5,509,750	15,007,424	1,422,042

Unit: Baht				
	Consolidated financial		Separate financial	
	statements		Statements	
	2016	2015	2016	2015
Trade accounts receivable - related companies				
Not yet due	5,489,166	3,050,425	-	-
Past due				
Up to 3 months	-	55,525	-	3,745
Total trade accounts receivable - related companies	5,489,166	3,105,950	-	3,745
Total trade accounts receivable - related companies	20,564,914	8,615,700	56,038,680	13,728,481

7. INVENTORIES - NET

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

Unit: Baht						
	Consolidated financial statements					
	Cost		Stock obsolescence		Inventory-net	
	2016	2015	2016	2015	2016	2015
Finished goods	82,462,845	70,911,995	(11,666,038)	(11,336,038)	70,796,807	59,575,957
Work in process	54,624,941	58,108,976	(300,000)	(300,000)	54,324,941	57,808,976
Raw materials	100,502,772	72,431,236	(12,166,746)	(12,455,766)	88,336,026	59,975,470
Goods in transit	775,767	1,030,797	-	-	775,767	1,030,797
Total	238,366,325	202,483,004	(24,132,784)	(24,091,804)	214,233,541	178,391,200

Unit: Baht						
	Separate financial statements					
	Cost		Stock obsolescence		Inventory-net	
	2016	2015	2016	2015	2016	2015
Finished goods	38,729,480	26,408,973	(980,000)	(1,400,000)	37,749,480	25,008,973
Work in process	43,964,224	43,445,907	(300,000)	(300,000)	43,664,224	43,145,907
Raw materials	78,215,748	52,540,345	(8,200,040)	(8,468,600)	70,015,708	44,071,745
Goods in transit	775,767	1,030,797	-	-	775,767	1,030,797
Total	161,685,219	123,426,022	(9,480,040)	(10,168,600)	152,205,179	113,257,422

8. INVESTMENTS IN ASSOCIATED COMPANIES

Company's name	Type of business	Unit: Baht					
		% of share holding / Voting rights held		Paid up capital		Consolidated financial statements	Separate financial statements
		2016	2015	2016	2015	Equity method	Cost method
Delta-TR Co., Ltd.	Manufacture of vehicle parts	-	46	-	10,000,000	-	-
Thai Auto Conversion Co., Ltd.	Manufacture of vehicle parts	20	20	74,500,000	74,500,000	129,254,335	14,900,000
Delta Thairung Co., Ltd.	Manufacture of seat and vehicle parts	30	30	300,000,000	300,000,000	273,578,204	90,000,000
Kyowa Thairung Co., Ltd.	Manufacture of large size machinery and parts	49	49	20,000,000	20,000,000	8,446,879	9,800,000
Trex Thairung Co., Ltd.	Assembly of all motor vehicles	40	40	550,000,000	550,000,000	175,013,712	220,000,000
Total investments in associated		944,500,000	954,500,000	586,293,130	572,906,049	334,700,000	339,300,000

Trex Thairung Co., Ltd

According to the Minutes of the Extraordinary Shareholders' Meeting of Trex Thairung Co., Ltd, held on January 16, 2015, the meeting approved to increase its share capital 2,500,000 shares, at Baht 100 per share. The Company invested in this increased share capital in the total amount of Baht 100 million in order to maintain its holding proportion. The Company has fully paid for such share subscription.

Thai Auto Conversion Co., Ltd

On June 8, 2016, Thai Auto Conversion Co., Ltd., has issued a notification to pay a dividend to the Company. The dividend was paid of Baht 493.49 per share which the Company holds 14,900 shares. Thus the Company has received dividend income in the amount Baht 7.35 million., the Company had received such dividend in July 2016.

According to the annual general meeting of the shareholders for the year 2015 of Thai Auto Conversion Co., Ltd. held on June 5, 2015, the meeting approved to pay dividend of Baht 351.06 per share. The Company holds 14,900 shares thus the Company has received dividend income in the amount of Baht 5.2 million.

Delta Thairung Co., Ltd

According to the minutes of the Delta Thairung Co., Ltd.'s board of directors meeting held on May 11, 2016, the meeting approved to pay dividend in totaling Baht 100 million. The Company holds 30% of its share capital thus the Company has received dividend income in the amount of Baht 30 million.

According to the minutes of the Delta Thairung Co., Ltd.'s board of directors meeting held on December 16, 2015, the meeting approved to pay dividend in totaling Baht 30 million. The Company holds 30% of its share capital thus the Company has received dividend income in the amount of Baht 9 million.

Delta-TR Co., Ltd

On February 12, 2016, Delta-TR Co., Ltd., has issued a notification to pay back remaining paid-up share capital. As such, the Company received Baht 2.61 million. As at December 31, 2016, the Company has not received remaining amount of Baht 0.35 million.

Shares of profit (loss) from investments in five associated companies, included in the consolidated statements of profit or loss for the year ended December 31, 2016 in the amount of Baht 53.70 million, were calculated based on financial statements prepared by the management of two associated companies, which were not audited by the Company's auditors and based on audited financial statements of three associated companies which expressed an unqualified opinion.

Shares of profit (loss) from investments in five associated companies, included in the consolidated statements of profit or loss for the year ended December 31, 2015 in the amount of Baht 60.42 million were adjusted by the management. During the first quarter of the year 2016, the Company received audited financial statements of an associated company for the year ended December 31, 2015, stating a net profit less than that in the financial statements

prepared by the management of such associated company. Thus, the Company's management adjusted the consolidated financial statements as at December 31, 2015. The audited financial statements of four associated companies do not show significant differences from the financial statements prepared by the Management of such associated companies.

During the year, the Company has recognized its share of net profit from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Unit: Baht				
Company	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in			
	associates during the year		Dividend received during the year	
	2016	2015	2016	2015
		(Restated)		
Delta-TR Co., Ltd.	(25,214)	(437,229)	-	-
Thai Auto Conversion Co., Ltd.	28,912,337	29,895,008	7,353,047	5,230,807
Delta Thairung Co., Ltd.	50,843,114	50,601,129	30,000,000	9,000,000
Kyowa Thairung Co., Ltd.	878,820	(1,993,724)	-	-
Trex Thairung Co., Ltd.	(26,908,038)	(17,649,989)	-	-
Total	53,701,019	60,415,195	37,353,047	14,230,807

Financial information of the associated companies is summarised below.

	Unit: Baht				
	Thai Auto Conversion Co., Ltd.	Delta Thairung Co., Ltd.	Trex Thairung Ltd.	Kyowa Thairung Co., Ltd.	Other associated companies
As at December 31, 2016					
Current assets	950,668,692	809,999,700	176,090,338	32,817,792	-
Non-current assets	41,645,931	326,740,287	565,730,515	13,825,861	-
Current liabilities	332,122,717	220,705,127	241,814,623	29,405,125	-
Non-current liabilities	13,920,232	4,107,510	62,471,950	-	-
For the year ended December 31, 2016					
Revenues	1,910,382,442	2,739,107,123	94,696,801	72,476,035	6,884
Profit (loss) for the year	144,561,686	169,477,046	(67,316,705)	1,952,514	(54,813)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	144,561,686	169,477,046	(67,316,705)	1,952,514	(54,813)
					248,619,728

A reconciliation of financial statement above, the carrying amount of the equity of associated companies recognized in the consolidated financial statements is as follow:

	Unit: Baht				
	Thai Auto Conversion Co., Ltd.	Delta Thairung Co., Ltd.	Trex Thairung Ltd.	Kyowa Thairung Co., Ltd.	Other associated companies
Net assets of associated companies	646,271,674	911,927,350	437,534,280	17,238,528	-
% of equity holders of associated companies	20	30	40	49	-
Net book value of investment in associated companies	129,254,335	273,578,204	175,013,712	8,446,879	-
					586,293,130

9. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Type of business	% of share holding / Voting rights held		Unit: Baht					
				Paid up capital		Investment as cost		Dividend	
		2016	2015	2016	2015	2016	2015	2016	2015
Thai V.P. Auto Service Co., Ltd.	Sales of accessories, spare parts and car service centers	94	94	25,000,000	25,000,000	23,500,000	23,500,000	65,800,000	75,200,000
Thai Rung Tools and Dies Co., Ltd.	Mold making service	94	94	27,000,000	27,000,000	25,380,000	25,380,000	27,918,000	25,380,000
Thai Auto Pressparts Co., Ltd.	Manufacture of vehicle's body parts	91	91	400,000,000	400,000,000	364,000,000	364,000,000	72,800,000	63,700,000
Total investments in subsidiaries				452,000,000	452,000,000	412,880,000	412,880,000	166,518,000	164,280,000
Subsidiaries held by Thai V.P. Auto Service Co., Ltd.									
Thai Ultimate Car Co., Ltd.	Sales of cars, spare parts and accessories, and management service	93.56	93.56	25,000,000	25,000,000	24,882,000	24,882,000	55,000,000	80,000,000

Subsidiaries companies have non-controlling interests are as follows:

Company's name	Incorporation	% of share holding Vote rights held to Non-controlling interests	Unit: Baht	
			Comprehensive income attributable to Non-controlling interests	Accumulated Non-controlling interests
Thai V.P. Auto Service Co., Ltd.	Thailand	6	31,603	3,045,015
Thai Rung Tools and Dies Co., Ltd.	Thailand	6	(211,037)	7,623,731
Thai Auto Pressparts Co., Ltd.	Thailand	9	1,756,566	54,723,839

Subsidiaries directly held by Thai V.P. Auto Service Co., Ltd.

Thai Ultimate Car Co., Ltd.	Thailand	6.44	325,317	18,470,573
Total			1,902,449	83,863,158

Detail of financial statement of subsidiaries before eliminated as follows:

	Unit: Baht				
	Thai V.P. Auto Service Co., Ltd.	Thai Rung Tools and Dies Co., Ltd.	Thai Auto Pressparts Co., Ltd.	Thai Ultimate Car Co., Ltd.	Total
As at December 31, 2016					
Current assets	63,681,816	71,448,135	281,818,802	46,057,706	463,006,459
Non-current assets	68,959,213	154,213,030	451,151,568	231,240,753	905,564,564
Current liabilities	21,762,999	86,788,046	113,880,157	35,226,802	257,658,004
Non-current liabilities	3,688,935	6,164,002	6,829,252	2,172,850	18,855,039
Non-controlling interests	<u>3,045,015</u>	<u>7,623,731</u>	<u>54,723,839</u>	<u>18,470,573</u>	<u>83,863,158</u>
For the year ended December 31, 2016					
Revenue	123,607,051	105,353,521	692,865,408	128,902,966	1,050,728,946
Profit for the year of attributable to					
Non-controlling interests	31,603	(211,037)	1,756,566	325,317	1,902,449
Profit and other comprehensive income attributable to Non- controlling interests	-	-	-	-	-
Dividend paid to Non-controlling Interests	<u>4,200,000</u>	<u>1,782,000</u>	<u>7,200,000</u>	<u>259,600</u>	<u>13,441,600</u>

	Unit: Baht				Total
	Thai V.P. Auto Service Co., Ltd.	Thai Rung Tools and Dies Co., Ltd.	Thai Auto Pressparts Co., Ltd.	Thai Ultimate Car Co., Ltd.	
Cash flows from (used in)					
Operating activities	3,871,038	109,656,643	68,721,703	54,483,586	236,732,970
Investing activities	56,550,258	(2,537,637)	25,254,118	314,895	79,581,634
Financing activities	(70,099,429)	(95,883,718)	(80,790,826)	(47,916,301)	(294,690,274)
Net Increase(decrease)in cash	(9,678,133)	11,235,288	13,184,995	6,882,180	21,624,330

According to the Minutes of the Annual General Meeting of Shareholders for the year 2016 of Thai V.P. Auto Service Co., Ltd. held on April 19, 2016, the meeting approved to pay dividend from its retained earnings of the year 2015 of Baht 280 per share, totaling 250,000 shares, in the total amount of Baht 70 million.

According to the Minutes of the Annual General Meeting of Shareholders for the year 2015 of Thai V.P. Auto Service Co., Ltd. held on April 29, 2015, the meeting approved to pay a dividend from its retained earnings for the year 2014 of Baht 320 per share, totaling 250,000 shares, in the total amount of Baht 80 million.

According to the Minutes of the Annual General Meeting of Shareholders for the year 2016 of Thairung Tools and Dies Co., Ltd. held on April 19, 2016, the meeting approved to pay dividend from its retained earnings of the year 2015 of Baht 110 per share, totaling 270,000 shares, in the total amount of Baht 29.70 million.

According to the Minutes of the Annual General Meeting of Shareholders for the year 2015 of Thairung Tools and Dies Co., Ltd. held on April 29, 2015, the meeting approved to pay a dividend from its retained earnings for the year 2014 of Baht 100 per share, totaling 270,000 shares, in the total amount of Baht 27 million.

According to the Minutes of the Annual General Meeting of Shareholders for the year 2016 of Thai Auto Pressparts Co., Ltd. held on April 19, 2016, the meeting approved to pay dividend from its retained earnings of the year 2015 of Baht 20 per share, totaling 4,000,000 shares, in the total amount of Baht 80 million.

According to the Minutes of the Annual General Meeting of Shareholders for the year 2015 of Thai Auto Pressparts Co., Ltd. held on April 29, 2015, the meeting approved to pay a dividend from its retained earnings for the year 2014 of Baht 17.50 per share, totaling 4,000,000 shares, in the total amount of Baht 70 million.

According to the Minutes of the Annual General Meeting of Shareholders for the year 2016 of Thai Ultimate Car Co., Ltd. held on April 19, 2016, the meeting approved to pay dividend from its retained earnings of the year 2015 of Baht 2,200 per share, totaling 25,000 shares, in the total amount of Baht 55 million.

According to the Minutes of the Annual General Meeting of Shareholders for the year 2015 of Thai Ultimate Car Co., Ltd. held on April 29, 2015, the meeting approved to pay a dividend from its retained earnings for the year 2014 of Baht 3,200 per share, totaling 25,000 shares, in the total amount of Baht 80 million.

10. OTHER LONG-TERM INVESTMENT – NET

Other long-term investment as at December 31, 2016 and 2015 consisted of:

	Unit: Baht	
	2016	2015
Investment in LP Land and Housing Development Co., Ltd.	24,000	24,000
Less: Allowance for impairment	(24,000)	(24,000)
Other long-term investment – net	-	-

11. INVESTMENT PROPERTIES - NET

Investment properties as at December 31, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements			
	Land	Building	Building improvement	Total
Cost				
As at December 31, 2014	161,755,500	33,225,280	21,172,669	216,153,449
Increase	-	-	-	-
As at December 31, 2015	161,755,500	33,225,280	21,172,669	216,153,449
Increases	-	-	-	-
Transfer out	-	-	(1,256,942)	(1,256,942)
Write – off	-	(32,710,280)	(19,833,727)	(52,544,007)
As at December 31, 2016	161,755,500	515,000	82,000	162,352,500
Accumulated depreciation				
As at December 31, 2014	-	(30,082,636)	(18,643,462)	(48,726,098)
Depreciation for the year	-	(1,932,965)	(1,665,497)	(3,598,462)
As at December 31, 2015	-	(32,015,601)	(20,308,959)	(52,324,560)
Depreciation for the year	-	(973,636)	(2,210)	(975,846)
Transfer out	-	-	1,256,942	1,256,942
Write – off	-	32,710,279	19,010,041	51,720,320
As at December 31, 2016	-	(278,958)	(44,186)	(323,144)
Net book value				
As at December 31, 2015	161,755,500	1,209,679	863,710	163,828,889
As at December 31, 2016	161,755,500	236,042	37,814	162,029,356

Investment properties comprise a number of commercial land plots and buildings that are leased. Each of the leases contains an initial non-cancellable period of 1-15 years. Subsequent renewals are negotiated with the lessee.

The subsidiary transferred the partial of a part of the land and building from investment properties to property, plant and equipment because a lease agreement with third party had already terminated and the subsidiary planned to use such assets within its Group.

During the year 2016, the subsidiary had written - off the property on the leased land because of termination land lease agreement with a lessor.

The Company considered appraising fair value of a land which under the account “Investment Property” by an independent appraiser, Agency for Real Estate Affairs Co., Ltd. According to valuation report dated May 19, 2016, an independent appraiser assesses its land by Market Approach which had the market value of Baht 256.87 million.

12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at December 31, 2016 and 2015 consisted of:

	Unit: Baht						
	Consolidated financial statements						
	Land and improvement	Buildings and building improvement	Machinery, factory Equipment and tools	Office equipment	Motor vehicles	Work in Progress	Total
Cost							
December 31, 2014	721,693,533	803,122,248	2,144,693,631	152,408,598	142,261,987	8,751,472	3,972,931,469
Acquisitions	122,400,625	729,887	6,831,371	2,915,025	10,292,937	8,798,010	151,967,855
Transfer in (transfer out)	150,000	283,700	6,210,881	20,500	266,355	(7,267,800)	(336,364)
Disposals	-	-	(10,047,214)	(1,663,636)	(1,927,869)	(230,810)	(13,869,529)
December 31, 2015	844,244,158	804,135,835	2,147,688,669	153,680,487	150,893,410	10,050,872	4,110,693,431
Acquisitions	12,457,921	2,837,550	12,410,726	1,773,500	1,066,674	8,607,743	39,154,114
Transfer in (transfer out)	-	236,854	5,586,811	-	1,461,754	(5,880,491)	1,404,928
Disposals/Write-off	-	-	(107,349,144)	(58,777,469)	(948,599)	(45,635)	(167,120,847)
December 31, 2016	856,702,079	807,210,239	2,058,337,062	96,676,518	152,473,239	12,732,489	3,984,131,626
Accumulated depreciation							
December 31, 2014	(9,189,718)	(426,514,009)	(1,471,216,878)	(131,845,396)	(94,957,125)	-	(2,133,723,126)
Depreciation for the year	(141,326)	(27,005,766)	(110,795,727)	(6,754,628)	(18,083,855)	-	(162,781,302)
Disposals	-	-	5,621,965	1,651,855	1,476,160	-	8,749,980
December 31, 2015	(9,331,044)	(453,519,775)	(1,576,390,640)	(136,948,169)	(111,564,820)	-	(2,287,754,448)
Depreciation for the year	(188,886)	(27,419,481)	(100,241,275)	(6,245,255)	(16,262,111)	-	(150,357,008)
Transfer in (transfer out)	-	-	-	-	-	-	-
Disposals/Write-off	-	-	105,632,418	58,721,864	948,577	-	165,302,859
December 31, 2016	(9,519,930)	(480,939,256)	(1,570,999,497)	(84,471,560)	(126,878,354)	-	(2,272,808,597)

Unit: Baht

	Consolidated financial statements						Total
	Land and	Buildings	Machinery, factory				
	improvement	and building improvement	Equipment and tools	Office equipment	Motor vehicles	Work in Progress	
Allowance for impairment							
December 31, 2014	-	-	(2,161,950)	-	(476,000)	-	(2,637,950)
Write-off	-	-	53,505	-	44,000	-	97,505
December 31, 2015	-	-	(2,108,445)	-	(432,000)	-	(2,540,445)
Write-off	-	-	2,021,104	-	-	-	2,021,104
December 31, 2016	-	-	(87,341)	-	(432,000)	-	(519,341)
Net book value							
December 31, 2015	834,913,114	350,616,060	569,189,584	16,732,318	38,896,590	10,050,872	1,820,398,538
December 31, 2016	847,182,149	326,270,983	487,250,224	12,204,958	25,162,885	12,732,489	1,710,803,688

Depreciation for the years 2016 and 2015 included in manufacturing costs amount to Baht 117 million and Baht 129 million, respectively. The remaining amount is including in administrative expenses.

Unit: Baht

	Separate financial statements						Total
	Land and	Buildings	Machinery, factory				
	improvement	Improvement	equipment and tools	Equipment	Vehicles	Work in progress	
Cost							
December 31, 2014	589,761,005	461,685,692	1,167,419,634	92,728,603	109,782,727	2,690,368	2,424,068,029
Acquisitions	122,400,625	-	3,181,100	1,333,668	6,546,569	2,582,035	136,043,997
Transfer in (transfer out)	150,000	663,588	130,000	-	887,850	(1,512,017)	319,421
Disposals	-	-	(10,300)	(1,004,178)	(1,377,868)	-	(2,392,346)
December 31, 2015	712,311,630	462,349,280	1,170,720,434	93,058,093	115,839,278	3,760,386	2,558,039,101
Acquisitions	12,457,922	2,837,550	4,840,383	818,769	1,782,502	10,577,316	33,314,442
Transfer in (transfer out)	-	109,855	24,193	-	221,495	(355,543)	-
Disposals/Write-off	-	-	(89,263,701)	(50,054,723)	(477,571)	-	(139,795,995)
December 31, 2016	724,769,552	465,296,685	1,086,321,309	43,822,139	117,365,704	13,982,159	2,451,557,548

Unit: Baht							
	Separate financial statements						
	Land and	Buildings	Machinery, factory				
	Land improvement	and building improvement	equipment and tools	Office Equipment	Motor Vehicles	Work in progress	Total
Accumulated depreciation							
December 31, 2014	(9,189,718)	(253,254,463)	(1,012,129,957)	(80,271,405)	(73,090,270)	-	(1,427,935,813)
Depreciation for the year	(141,326)	(13,747,561)	(42,678,423)	(4,254,578)	(12,029,220)	-	(72,851,108)
Disposals	-	-	10,299	992,669	926,162	-	1,929,130
December 31, 2015	(9,331,044)	(267,002,024)	(1,054,798,081)	(83,533,314)	(84,193,328)	-	(1,498,857,791)
Depreciation for the year	(188,886)	(13,513,310)	(36,492,186)	(3,888,458)	(11,088,906)	-	(65,171,746)
Disposals/Write-off	-	-	89,200,787	50,029,978	477,550	-	139,708,315
December 31, 2016	(9,519,930)	(280,515,334)	(1,002,089,480)	(37,391,794)	(94,804,684)	-	(1,424,321,222)
Allowance for impairment							
December 31, 2014	-	-	(161,950)	-	(476,000)	-	(637,950)
Write-off	-	-	53,505	-	44,000	-	97,505
December 31, 2015	-	-	(108,445)	-	(432,000)	-	(540,445)
Write-off	-	-	21,104	-	-	-	21,104
December 31, 2016	-	-	(87,341)	-	(432,000)	-	(519,341)
Net book value							
December 31, 2015	702,980,586	195,347,256	115,813,908	9,524,779	31,213,950	3,760,386	1,058,640,865
December 31, 2016	715,249,622	184,781,351	84,144,488	6,430,345	22,129,020	13,982,159	1,026,716,985

Depreciation for the years 2016 and 2015 included in manufacturing costs amount to Baht 40 million and Baht 46 million, respectively. The remaining amount is including in administrative expenses.

As at December 31, 2016 and 2015, certain plant and equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 1,494 million and Baht 1,523 million in consolidated financial statement and Baht 1,111 million and Baht 1,205 million, respectively, in separate financial statements.

13. DEFERRED TAX

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

	Unit: Baht			
	Consolidated financial		Separate financial	
	Statements		Statements	
	2016	2015	2016	2015
		(Restated)		(Restated)
Deferred tax assets	19,155,200	19,084,506	12,241,903	10,801,860
Deferred tax liabilities	(4,410,726)	(4,424,073)	(2,210,041)	(1,863,945)
Net	14,744,474	14,660,433	10,031,862	8,937,915

Movements in deferred tax assets and deferred tax liabilities during the year were as follows:

Unit: Baht						
	Consolidated financial			Separate financial		
	Statements			Statements		
	December 31, 2015	Profit (loss)	December 31, 2016	December 31, 2015	Profit (loss)	December 31, 2016
	(Restated)			(Restated)		
<u>Deferred tax assets</u>						
Allowance for decline in value of inventory	4,818,361	8,196	4,826,557	2,033,720	(137,712)	1,896,008
Allowance for impairment of investment	4,800	-	4,800	4,800	-	4,800
Allowance for decline in value of fixed assets	508,089	(404,221)	103,868	108,089	(4,221)	103,868
Allowance for bad debt	394,917	(160,000)	234,917	-	-	-
Provision for employee benefit liabilities	12,077,151	(555,399)	11,521,752	7,474,772	299,150	7,773,922
Provision for liabilities	100,709	(100,709)	-	-	-	-
Reserve for share-based payments	1,180,479	1,282,827	2,463,306	1,180,479	1,282,826	2,463,305
Total	19,084,506	70,694	19,155,200	10,801,860	1,440,043	12,241,903
<u>Deferred tax liabilities</u>						
Depreciation	(3,986,764)	13,347	(3,973,417)	(1,863,945)	(346,096)	(2,210,041)
Finance leases	(437,309)	-	(437,309)	-	-	-
Total	(4,424,073)	13,347	(4,410,726)	(1,863,945)	(346,096)	(2,210,041)

Unit : Baht

	Consolidated financial			Separate financial		
	Statements			Statements		
	January 1, 2015	Profit (loss)	December 31, 2015	January 1, 2015	Profit (loss)	December 31, 2015
	(Restated)		(Restated)	(Restated)		(Restated)
<u>Deferred tax assets</u>						
Allowance for decline in value of inventory	5,430,291	(611,930)	4,818,361	2,334,400	(300,680)	2,033,720
Allowance for impairment of investment	4,800	-	4,800	4,800	-	4,800
Allowance for decline in value of fixed assets	527,590	(19,501)	508,089	127,590	(19,501)	108,089
Allowance for bad debt	96,543	298,374	394,917	-	-	-
Provision for employee benefit liabilities	11,984,287	92,864	12,077,151	7,741,737	(266,965)	7,474,772
Provision for liabilities	451,208	(350,499)	100,709	-	-	-
Reserve for share-based payments	-	1,180,479	1,180,479	-	1,180,479	1,180,479
Total	18,494,719	589,787	19,084,506	10,208,527	593,333	10,801,860
<u>Deferred tax liabilities</u>						
Depreciation	(3,803,998)	(182,766)	(3,986,764)	(1,498,267)	(365,678)	(1,863,945)
Finance leases	-	(437,309)	(437,309)	-	-	-
Total	(3,803,998)	(620,075)	(4,424,073)	(1,498,267)	(365,678)	(1,863,945)

14. OTHER NON-CURRENT ASSETS - NET

Other non-current assets as at December 31, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Land and building leasehold rights – net	-	261,509	-	-
Withholding tax deducted at source	28,504,675	29,317,945	6,441,297	3,610,020
Deferred cost of dies – net	6,654,706	13,140,520	8,247,112	17,477,995
Guarantee deposit	1,749,499	2,388,358	611,855	946,254
Pledged bank deposits	4,705,391	4,650,000	-	-

Unit: Baht

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Other non-current assets	6,439,764	10,464,542	2,825,328	8,971,288
Total	48,054,035	60,222,874	18,125,592	31,005,557

15. BANK FACILITIES

As at December 31, 2016, the Group has bank overdraft facilities and other short-term loan facilities amounting to Baht 158 million and Baht 1,449 million, respectively, in consolidated financial statements and Baht 68 million and Baht 976 million, respectively, in separate financial statements. Such facilities are clean without any guarantee.

As at December 31, 2015, the Group has bank overdraft facilities and other short-term loan facilities amounting to Baht 98 million and Baht 1,108 million, respectively, in consolidated financial statements and Baht 38 million and Baht 805 million, respectively, in separate financial statements. Such facilities are clean without any guarantee.

16. TRADE AND OTHER PAYABLES

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

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts payable – unrelated parties	223,445,813	230,980,203	125,206,896	125,717,595
Trade accounts payable – related parties	881,841	1,078,306	10,963,095	14,318,486
Total trade accounts payable	224,327,654	232,058,509	136,169,991	140,036,081
Other payables – unrelated parties	17,550,907	17,746,838	13,401,378	8,482,110
Other payables – related parties	649,177	692,453	2,796,363	3,599,905
Fixed assets payable	-	-	2,254,301	-
Accrued expenses	21,561,688	21,061,905	14,297,447	13,453,359
Accounts payable – Revenue Department	1,196,021	1,571,233	-	28,900
Advances from customers	7,828,678	2,734,715	1,677,937	2,644,962
Undue output tax	2,360,165	3,068,313	747,073	481,629
Accrued project costs – unrelated parties	5,032,658	18,325,878	-	4,067,000
Accrued project costs – related party	-	-	22,574,763	52,291,156
Inventory deposit	3,064,260	1,765,798	1,890,159	21,000

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Others	6,316,672	6,838,017	2,539,928	2,442,732
Total other payables	65,560,226	73,805,150	62,179,349	87,512,753
Total trade and other payables	289,887,880	305,863,659	198,349,340	227,548,834

17. FINANCE LEASE LIABILITIES

Finance lease liabilities as at December 31, 2016 and 2015 consisted of:

	Unit : Baht					
	Consolidated financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payment	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	655,953	(5,191)	650,762	4,431,934	(117,000)	4,314,934
After one year but within five years	550,324	(22,748)	527,576	1,205,034	(57,975)	1,147,059
Total	1,206,277	(27,939)	1,178,338	5,636,968	(174,975)	5,461,993

	Unit : Baht					
	Separate financial statements					
	2016			2015		
	Future minimum lease payments	Interest	Present value of minimum lease payment	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	578,931	(38,502)	540,429	2,625,378	(105,174)	2,520,204
After one year but within five years	429,004	(17,315)	411,689	928,996	(47,283)	881,713
Total	1,007,935	(55,817)	952,118	3,554,374	(152,457)	3,401,917

18. EMPLOYEE BENEFITS OBLIGATION

Movement of the present value of employee benefits obligation for the years ended December 31, 2016 and 2015 were as follows:

	Unit: Baht			
	Consolidated financial		Separate financial statement	
	statements			
	2016	2015	2016	2015
		(Restated)		(Restated)
Employee benefit at beginning of year	60,385,754	59,921,435	37,373,858	38,708,686
Included in profit or loss:				
Current service cost	(948,306)	5,169,024	2,613,040	2,431,741
Interest cost	1,084,532	973,435	925,670	839,951
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	-	-	-
Experience adjustments	-	-	-	-
Benefit paid during the year	(2,913,221)	(5,678,140)	(2,042,960)	(4,606,520)
Employee benefit obligations at end of year	57,608,759	60,385,754	38,869,608	37,373,858

Employee benefit expenses in profit or loss for the year ended December 31, 2016 and 2015, consisted of:

	Unit: Baht			
	Consolidated financial		Separate financial statement	
	statements			
	2016	2015	2016	2015
		(Restated)		(Restated)
Cost	2,567,198	3,992,437	1,811,467	1,654,754
Selling expenses	(610,387)	(65,711)	113,296	86,607
Administrative expenses	(1,820,585)	2,215,733	1,613,947	1,530,331
Total employee benefit expenses	136,226	6,142,459	3,538,710	3,271,692

During the year 2016, there are employee transferred among the Group. This results to the decreasing of the Group service cost for this year.

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.

Principal actuarial assumptions as at December 31, 2016 (represented by the weighted-average) consisted of:

	(Percentage (%)/annum)	
	Consolidated financial statements	Separate financial statements
Discount rate	1.85% - 2.72%	2.62%
Future monthly salary increase rate	4.00%	4.00%
Mortality rate	80% of Thai Mortality Ordinary Tables of 2008	80% of Thai Mortality Ordinary Tables of 2008
Turnover rate		
Under 25 years old	41.26%	41.26%
25 - 30 years old	30.94%	30.94%
30 - 35 years old	20.63%	20.63%
35 - 40 years old	13.75%	13.75%
40 - 45 years old	10.31%	10.31%
45 - 50 years old	6.88%	6.88%
50 - 60 years old	3.44%	3.44%

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

	Unit: Baht	
	Change of the present value of the employee benefit obligations	
	Consolidated financial statement	Separate financial statement
Discount rate		
Increase 50 Basis point	2,153,013 – 37,877,604	37,877,604
Decrease 50 Basis point	2,193,564 – 39,918,775	39,918,775
Salary increase rate		
Increase 1%	2,210,144 – 40,736,146	40,736,146
Decrease 1%	2,137,907 – 37,166,664	37,166,664
Turnover rate		
Increase 20%	2,134,211 – 36,569,458	36,569,458
Decrease 20%	2,216,369 – 41,615,106	41,615,106

As at December 31, 2016, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit: Baht	
	Consolidated financial statement	Separate financial statement
Within 1 year	1,016,095 - 10,587,434	10,587,434
Over 1 and up to 5 years	511,535 - 11,954,930	11,954,930
Over 5 years	268,211 - 22,578,368	22,578,368

19. SHARE CAPITAL

The Company's Annual General Shareholders' Meeting held on April 28, 2015, approved to decrease the Company's share capital by 425 shares with a par value of Baht 1 (which were originally issued according to General Mandate procedure) by reducing share capital from Baht 590,847,356 to Baht 590,846,931. The Company has already registered the capital decrease with the Ministry of Commerce on May 11, 2015.

In addition, the meeting approved to increase the authorized share capital from Baht 590,846,931 to Baht 619,846,931 by issuing 29,000,000 ordinary shares with a par value of Baht 1 to be available for its warrants exercise (ESOP 2015). The Company registered this share capital increase with the Ministry of Commerce on May 12, 2015.

20. LEGAL RESERVE

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate no less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount that is no less than 10% of the entity's-registered authorised capital. The legal reserve is not available for dividend distribution.

21. OTHER INCOME

Other income for the years ended December 31, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Scrap sales	2,909,577	2,357,642	2,988,821	2,473,182
Interest income	5,230,753	2,178,127	4,657,727	2,495,770
Utilities, transportation service and sales of supplies	11,463,191	9,008,964	20,733,578	16,791,112
Rental fee	4,150,453	3,618,500	1,584,000	2,275,440

	Unit: Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	2016	2015	2016	2015
Compensation income	-	3,858,688	-	-
Others	7,841,173	8,630,569	3,898,285	1,946,030
Total	31,595,147	29,652,490	33,862,411	25,981,534

22. PROVIDENT FUND

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The funds are monthly contributed to by Employees contribute the fund on a monthly basis at the rates of 3-5 percent of their salaries, The Group also contributes to the fund on a monthly basis at the rates of 0-100 percent of the employees' contribution. The fund is managed by CIMB Thai Bank Public Company Limited, except that of a subsidiary (Thai Ultimate Car Co., Ltd.) which is managed by Kasikorn Asset Management Co., Ltd. The funds will be paid to the employees upon termination in accordance with the rules of the funds. During the year 2016 and 2015, the Group contributed Baht 8 million and Baht 8 million, respectively to the funds.

23. EXPENSE BY NATURE

Significant expenses by nature are as follows:

	Unit: Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
		(Restated)		(Restated)
Salary and wages and other				
employee benefits	368,577,590	395,057,205	232,200,117	210,334,748
Depreciation and amortization	152,951,607	168,257,630	65,952,807	73,721,683
Raw materials and consumables used	988,198,249	1,147,222,872	500,522,244	585,197,600
Changes in inventories of finished				
goods and work in process	(8,066,815)	34,641,507	(12,838,824)	104,773

24. INCOME TAX EXPENSES

Income tax expenses for the years ended December 31, 2016 and 2015 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		(Restated)		(Restated)
<i>Current tax expense</i>				
Current year	3,103,484	6,763,560	1,735,611	4,547,479
<i>Deferred tax expense</i>				
Movements in temporary differences	(84,041)	30,288	(1,093,947)	(227,655)
	(84,041)	30,288	(1,093,947)	(227,655)
Total	3,019,443	6,793,848	641,664	4,319,824

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
			(Restated)	
	Rate (%)	Unit: Baht	Rate (%)	Unit: Baht
Profit before total income tax expense		83,404,613		136,239,189
Income tax using the corporate tax rate	20	16,680,923	20	27,247,838
Effect from promoted activities		(4,522,327)		(7,723,731)
Current period loss which no deferred tax assets was recognized		2,574,639		2,282,731
Reverse deferred income taxes		-		(5,805)
Tax effect from equity method		(10,740,204)		(12,083,039)
Expenses not deductible for tax purposes		1,302,986		1,177,559
Expenses are excluded		(997,831)		(1,263,391)
Effect from eliminate transactions		(1,278,743)		(2,838,314)
Total	3.62	3,019,443	4.99	6,793,848

	Separate financial statement			
	2016		2015	
			(Restated)	
	Rate (%)	Unit: Baht	Rate (%)	Unit: Baht
Profit before total income tax expense		206,372,904		200,710,561
Income tax using the corporate tax rate	20	41,274,581	20	40,142,112
Income not subject to tax		(40,774,209)		(35,702,161)
Expenses not deductible for tax purposes		141,292		(120,127)
Total	0.31	641,664	2.15	4,319,824

Income tax expenses

The current tax expense in the statement of comprehensive income is less than the amount determined by applying the corporate tax rate to the accounting profit for the year principally because: a significant portion of the subsidiaries' profit was derived from promoted activities for which concessionary tax rates apply.

Two subsidiaries have been granted the promotional privileges discussed in Note 25, including exemption from corporate income tax on net income from promoted activities.

25. PROMOTIONAL PRIVILEGES

Two subsidiaries were granted investment promotional privileges by the Board of Investment (BOI). Major privileges are summarised below:

Thai Auto Pressparts Co., Ltd.

Subsidiary has received promotional privileges from the Board of Investment pursuant to Promotion Certificate No. 1453 (1)/2544 dated July 10, 2001 for the manufacture of metal vehicle body parts, plastic and fiber glass vehicle parts, and the manufacture and maintenance of molds and jigs.

Subsidiary has also received the promotional privileges from the Board of Investment pursuant to Promotion Certificate No. 1610 (2)/2554 dated March 22, 2011 for body parts and mold under certain conditions, Privileges include:

- Exemption from corporate income tax for a period of 8 years from the revenue commencement date of the promoted operations (June 3, 2002) for Promotion Certificate No. 1453 (1)/2544 and exemption from corporate income tax for a period of 8 years from the revenue commencement date of the promoted operations (April 2, 2012), but not exceeding the capital investment and excluding the cost of land and working capital at its start-up date for Promotion Certificate No. 1610 (2)/2554.
- Reduction of 50% of corporate income tax on profit derived from the promoted activities for a period of 5 years after the tax-exemption period end.

Revenue of sale for the year ended December 31, 2016 and 2015 which are derived from BOI promoted activities, are in the amount of Baht 585.70 million and Baht 565.92 million, respectively.

Thai Rung Tools and Dies Co., Ltd.

Subsidiary has received promotional privileges from the Board of Investment pursuant to Promotion Certificate No. 1867(2)/2555, dated July 6, 2012 for the manufacture and maintenance of molds and jigs. The privileges include exemption from corporate income tax for a period of 8 years from the revenue commencement date of the promoted operations. In case of If the Company has losses from operations during the tax exemption period, such losses can be deducted from taxable profit derived from the promoted activity for a period of 5 years after the tax-exemption period end and also include other promotional privileges which was imposed in the promotion certificate. The Company had promotional privileges since May 8, 2012.

The subsidiary commenced its revenue on July 31, 2014. Its services revenue for the year ended December 31, 2016 and 2015 which is derived from BOI promoted activities, totals Baht 29.50 million and Baht 63.41 million, respectively.

26. DIVIDENDS PAID

The Annual General Meeting of the Shareholders of the Company hold on April 21, 2016, approved to pay a dividend for the year 2015 in the amount of Baht 0.15 per share, totaling Baht 88.62 million. The Company has paid such dividend in May 2016.

The Annual General Shareholders' Meeting of the Company, held on April 28, 2015, approved the appropriation of a cash dividend for the year 2014 in the amount of Baht 0.15 per share, amounting to totaling Baht 88.63 million. The dividend was paid to shareholders within May 2015.

27. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, other income, selling expenses, administrative expenses and finance costs.

The Group's business operations involve three principal segments: (1) car assembly and other related car services (2) manufacture of equipment for production of car accessories (comprising the manufacture of molds and jigs and manufacture and sales of car accessories and spare parts) and (3) sales of cars, and a car service centre business. These operations are mainly carried on in Thailand. Below is the consolidated financial information for the years ended December 31, 2016 and 2015 of the Group segment.

Unit : Million Baht

	Car assembly and other related car services		Manufacture of equipment for production of car accessories		Sales of cars and car service centre		Other		Elimination of inter- segment revenues		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(Restated)		(Restated)		(Restated)		(Restated)		(Restated)		(Restated)	
Revenue from external customers	486	606	1,113	1,222	182	209	2	5	-	-	1,783	2,042
Intersegment revenues	17	44	90	139	98	79	29	68	(234)	(330)	-	-
Total revenues	503	650	1,203	1,361	280	288	31	73	(234)	(330)	1,783	2,042
Segment income	120	140	127	148	21	25	-	20	4	(1)	272	332
Unallocated income and expenses:												
Other income											31	30
Selling expenses											(75)	(65)
Administrative expenses											(199)	(221)
Share of profit from investments in associated companies											54	60
Corporate income tax											(3)	(7)
Comprehensive income											80	129
Investment property--net	-	-	-	-	162	164	-	-	-	-	162	164
Property, plant and equipment - net	522	607	974	1,021	226	147	-	-	(11)	45	1,711	1,820
Unallocated assets											1,708	1,635
Total assets											3,581	3,619

The Group's transfer prices between business segments are described in Note 4.

28. PRIOR YEAR ADJUSTMENT

- During the first quarter of the year 2016, the Company received audited financial statements of an associated company for the year ended December 31, 2015, stating a net profit less than the net profit figure in the financial statements prepared by the management of such associated company. The Company prepared the consolidated financial statements as at December 31, 2015, based on financial statements prepared by the management of such associated company. Thus the Company's management adjusted the consolidated financial statements as at December 31, 2015 based on net profit of an associated company which was audited by an auditor according to the equity method.

- 2) During the year 2016, the management of the Group adjusted the over estimation of employee benefit obligations of the prior years by retrospective adjustment of the financial statements. As a result, the statements of financial position as at December 31, 2015 and January 1, 2015 and the related statements of profit or loss and other comprehensive income for the year ended December 31, 2015, which have been presented herewith for comparative purposes, have been restated to reflect such adjustments.

The impact consolidated to the financial statements are as follows:

Statement of financial positions				
Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	December 31, 2015	January 1, 2015	December 31, 2015	January 1, 2015
Decrease in investments in associated companies	22,035,017	-	-	-
Decrease in deferred tax assets -net	1,104,403	473,887	365,980	47,222
Decrease in employee benefits obligations	5,522,015	2,369,436	1,829,901	236,110
Increase (decrease) in unappropriated retained earnings	17,617,405	(1,895,549)	(1,463,921)	(188,888)

Statement of other comprehensive income		
Unit : Baht		
	Consolidated financial statements	Separate financial statements
	December 31, 2015	
Decrease in cost of sales	4,087,883	989,705
Decrease in cost of rendering of services	194,488	194,488
Decrease in selling expenses	23,428	40,973
Decrease (increase) in administrative expenses	(1,153,220)	368,625
Decrease in share of profit from investments in associated companies	22,035,017	-
Increase in tax expense	630,516	318,758
(Increase) decrease in comprehensive income for the year	19,512,954	(1,275,033)
(Increase) decrease in earnings per share (Baht : Share)	0.04	(0.002)

29. FINANCIAL INSTRUMENTS

29.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 32 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, other receivables, loans, investments, trade accounts payable and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, and other receivables. The Group manage the risk by adopting appropriate credit control policies and procedures. Therefore the Group does not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, and other receivables as stated in the Statement of financial position.

Interest rate risk

The Group's exposures to interest rate risk relate primarily to their cash at banks, current investments and short-term loans. However, since most of the Group's financial assets and liabilities have been repaid within one year, the interest rate risk is expected to be minimal.

29.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature, and current investments and loans bear interest at rates close to market rate, their fair value is not expected to be materially different from the amounts presented in the Statement of financial position.

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

30. COMMITMENTS

30.1 Operating lease commitments

The Group has entered into several lease agreements in respect of the lease of land, office building space and factory, motor vehicles and machinery and equipments. As at December 31, 2016 and 2015, future minimum lease payments required under these operating lease contracts were as follows.

	Unit: Million Baht	
	Consolidated financial statements	
	2016	2015
<u>Payable</u>		
Within 1 year	-	0.37

30.2 Bank guarantees

As at December 31, 2016 and 2015, the Group has outstanding bank guarantees issued by banks as follows:

	Consolidated financial statement		Separate financial
			statement
	Unit: million Dollars	Unit: million Baht	Unit: million Baht
As at December 31, 2016			
Retention	0.11	-	-
Electricity use, among others	-	13.38	3.62
As at December 31, 2015			
Retention	0.11	-	-
Guarantee for tax refund	-	58.55	-
Electricity use, among others	-	11.09	3.46

31. CONTINGENT LIABILITIES

As at December 31, 2016, the Group has contingent liabilities as follows:

- 1) The Company was sued in a wrongful termination of contract claim in the amount of Baht 230,000,000 with interest calculated at the rate 7.5% per annum and a prosecution claim of Baht 300,000 per day. The Company counter sued in the amount of Baht 100,000,000 with interest calculated rate at the rate of 15% per annum. The Civil Court rendered judgement ordering the litigant to remove its assets and personnel from the premises and to pay to the Company Baht 1.63 million with interest charge at the rate of 7.5% per annum; as well as to pay compensation in the amount of Baht 0.13 million per day with interest charged at the rate of 7.5% per annum for the first year commencing from October 24, 2013. Further, according to the Civil Court's Judgement, compensation will thereafter be paid to the Company at rate of Baht 0.4 million per day with interest charged at the rate of 7.5% per annum until full payment has been rendered. At the present, the Company is in the process of waiting the appointment to hearing judgement of the Appeal Court.

- 2) Thai Rung Tools and Dies Co., Ltd. (a subsidiary) was sued in three breach of contract claims in the totaling Baht 2,693,812, with interest calculated at the rate of 7.5% per annum from due date. The Court of Appeals rendered the judgement that Thai Rung Tools and Dies Co., Ltd. must pay damages to the three litigants in the amount of Baht 373,754 with interest charged at the rate of 7.5% per annum. Currently, the lawsuit being considered by Supreme Court against the judgement.
- 3) Thai Rung Tools and Dies Co., Ltd. (a subsidiary) was sued from the breach on employment contract under labour protection in the amount of Baht 15,658,000 with interest rate at 7.5% per annum from due date, the Civil Court rendered judgement that Thai Rung Tools and Dies Co., Ltd. must pay damage totaling Baht 280,000 with interest at 7.5% per annum from October 30, 2013 onwards the plaintiff. Currently, the lawsuit being considered by Appeal Court against the judgement.

32. RESERVE FOR SHARE-BASED PAYMENT

The Company issued and sold ESOP warrants allocated to Directors/Executives or employees. Details of the warrant are as follows:

Type of Warrant	:	Warrant to purchase the Company's ordinary shares specifying the holder's name and being non-transferable except as inheritance
Issuance and Offering Date	:	May 25 - 27, 2015
Issuing Units	:	29,000,000 units
Term of Warrant	:	5 Years from the date of warrant issuance
Exercise Price	:	Baht 5 per share
Exercise Ratio	:	1 warrant unit for 1 ordinary shares (Subject to change according to right adjustment)
Exercise Period	:	The holder can exercise the warrant every 1 year from the issuing date and the exercise shall not exceed 30% of the total allocated warrants per year. The unexercised warrants can be accumulated for exercise within the following year.
Exercise Date	:	The last working day of every month throughout the warrant term, for the first exercise date on June 30, 2015 and last exercise date on May 31, 2020.

As at December 31, 2016, there is no warrant exercise thus the remaining rights are 29,000,000 units. However, the Company had write off warrants of resigned employees during the year of 1,400,000 units so as at December 31, 2016, the outstanding of warrant is 27,600,000 units.

33. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to ensure that it has an appropriate financing structure and to preserve the ability to continue its business as a going concern.

According to the Statements of Financial Position as at December 31, 2016 and 2015 (Restated), the Group's debt-to-equity ratios were 0.11:1 and 0.11:1, respectively, and the Company's were 0.10:1 and 0.14:1, respectively.

34. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the statement of profit of loss and other comprehensive income for the year ended December 31, 2015 (Before restated) which are included in the 2016 financial statements for comprehensive purposes, have been reclassified to conform to the presentation in the 2016 financial statements.

Unit : Baht						
	Consolidated financial statements			Separate financial statement		
	Before reclassify	Reclassify	After reclassify	Before reclassify	Reclassify	After reclassify
	(Before Restated)		(Before Restated)	(Before Restated)		(Before Restated)
Cost of sales	(1,498,843,430)	51,048,128	(1,447,795,302)	(855,966,744)	15,932,814	(840,033,930)
Cost of rendering of services	(269,696,503)	3,020,354	(266,676,149)	(168,206,650)	-	(168,206,650)
Other income	83,720,972	(54,068,482)	29,652,490	41,914,348	(15,932,814)	25,981,534
		-			-	

35. EVENT AFTER THE REPORTING PERIOD

According to the Board of Director meeting of Thai Rung Union Car Public Company Limited held on February 27, 2017, the meeting passed a resolution to request the approval from the General Shareholder Meeting to pay dividend to the shareholders.

36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issuance by the Company's Board of Directors on February 27, 2017.

SUSTAINABILITY REPORT



1. Economic Operation

Thai Rung Union Car Plc posted consolidated revenues of Bt.1,868 million for 2016, down by 12%, and net income attributable to owners of the parent company of Bt.78 million, down by 38% on 2015, in line with Thai automotive industry had been slowdown.



2. Environmental Operation

Thai Rung Union Car Plc continuously takes care of the environment and the community, and has expanded the coverage of its activities as follows:

Environmental management evaluation in accordance with ISO 14001:2004 standard

In order to ensure that the quality and standard of the Company's environmental management is continuously maintained, with due attention being paid to corporate social responsibility and the environment, Thai Rung Union Car Plc subjects itself to annual environmental management evaluations in accordance with the ISO 14001:2004 standard. In 2016 it was assessed three times, twice by its own Internal Audit department and once by an external firm, BIS Group (Thailand) Ltd, the results showing that the Company's environmental management conformed to the ISO 14001:2004 standard.

1. Management of hazardous waste

In the paint-spraying process, rotating water curtains are used to capture hazardous waste in the form of paint particles and waste water with paint sediment, which is sent to the waste removal company to be treated correctly in accordance with relevant standards and laws.



2. Control of atmospheric pollution

The Company attaches importance to combating air pollution that may result from its production process and services and affect people living near the Company, and has taken steps to improve its paint dipping and spraying systems so as to reduce pollution and to build confidence on the part of its business partners in the limited environmental impact of those systems.

The Company uses technology to mitigate air pollution from the EDP paint dipping process, having developed a system (activated carbon filter) to mitigate odour, while for the paint spraying area the water curtain technology is used to combine the airborne particles with the water before releasing the treated air through a vent, with the liquid waste (paint or paint mixed with water) being sent for treatment.

3. Control of water pollution

Waste water arises from the production process, both waste water mixed with chemicals and contaminated water from the Company's paint dipping and spraying processes. The Company has put in place systems for mitigating waste water in accordance with the standards set by the Department of Industrial Works, using chemical degreasing and detackifying agents. Waste water mitigation is controlled by the Company's factory engineering department, and the quality of the water is examined by an outside service provider after mitigation and before release into the atmosphere, to ensure that it is in accordance with the law. The Company also retains this data for use in improving its systems for mitigating pollution and increasing the neighbouring community's confidence in the environmental effects of the factory.



The Company received the “outstanding care and restoration of rivers” award for 2016 from the Ministry of Industry on 9 August 2016.

3. Society Operation

- Corporate Social Responsibility Policy
- Health and Safety
- Corporate Social Responsibility Activities

Corporate Social Responsibility Policy

Thai Rung Union Car Plc's policy is to conduct its business in accordance with principles of corporate social responsibility (CSR), aiming to build good relations based on mutual acceptance and trust, taking account of its possible effects on all stakeholder groups, attaching importance to activities in support of society and conscientiously taking care of the community in which it operates, while at the same time cultivating an attitude and corporate culture such that its employees play an active part in implementing its corporate social responsibility policy.

To ensure that this policy is adhered to, the Company has established the following CSR policy guidelines for conducting its business successfully and in a manner that is acceptable to all parties concerned.

1. Conduct business ethically and transparently so as to build the confidence of all parties concerned, aiming to develop and expand the Company, while at the same time developing the quality of life of its employees and of the community and wider society in which it operates, and taking care of benefits to stakeholders in accordance with the vision and mission established by the Company.

2. Promote and impart knowledge of corporate social responsibility to employees at all levels of the Company, with a view to involving them so that responsibility towards society is taken by the entire organisation.

3. Support projects and activities for society by using the Company's potential and resources to achieve success in accordance with objectives.

4. Ensure communication and disclosure of the Company's CSR information such that stakeholders understand the conduct of the Company's business and review CSR policy at appropriate intervals.

5. The Company strives to conduct its business equitably and ethically, conscientiously conforming to the law and respecting social rules and conventions while remaining politically neutral.

Health and Safety

Apart from taking care of the environment, the Company also attaches great importance to the health and safety of all its employees, as valuable resources of the organisation and the basic factor enabling it to achieve its objectives. In terms of health, safety and the environment it therefore works to international standards and strictly in accordance with the personnel policy that the Company has established,

In 2016 the Company worked on the prevention and control of accidents in the workplace, meaning both the areas used for the production process and those occupied by the Company in general. In 2016 the Company had 3,424,960 hours (556 days) of uninterrupted accident-free work. To raise employees' awareness of the value and importance of safety in the workplace, for themselves, others around them and the organisation, the Company organised a number of activities promoting safety:

1. Health and Safety Training

- Training for new employees on safety in the workplace and training for all employees concerned, to review the safety at work rules, safety rules for specific types of work and safety rules as laid down by law, to ensure that all employees know the rules and abide by them.



- Safety officers examined and assessed risks to persons and property, including environmental impacts and established measures to prevent and mitigate any possible impact of the work before authorising outside contractors to work at the Company's premises.

2. Readiness for emergencies

- Regular training sessions are held and monthly fire drills and fire alarm tests carried out, as are annual evacuation drills including first aid and evacuation of injured persons.



3. Employees' Health and Safety

- The Company has established a programme of annual medical examinations for employees, to keep a watch on the health of employees exposed to risks in the workplace and to use the information for reducing these risks
- The Company carried out activities aimed at promoting safety at work for employees at all levels and seeking to involve them, such as holding a "safety week" and surveying and improving personal protective equipment.

Corporate Social Responsibility Activities

The Company attaches great importance to conducting its business for the public benefit with responsibility to society and aims to act in accordance with CSR principles both inside the Company, i.e. vis-à-vis its employees, and to outside parties. Apart from this, the Group also established a foundation, the Vichien and Pranee Phaoenchoke Foundation, on 7 July 2016, with the basic objective of promoting and supporting various charitable organisations and developing society in various ways such as providing assistance with education and helping underprivileged people.

In 2016 the Company initiated activities for society with the involvement of its stakeholders - the Company, its group companies, business partners and local government entities and, last but not least, the Company's employees, whom it particularly sought to involve in activities for the benefit of society. The activities can be broken down as follows.

- 1) Care of Community and Society
- 2) Support for youth education
- 3) Financial and other donations to public charity organisations
- 4) Activities to promote charitable deeds

1) Care of Community and Society

In 2016 the Company focused particularly on the community living around the factory, including encouraging local public bodies to be vigorous and show their potential in looking after and providing service to the population of Nong Khaem and Bang Khae, which is where the Thai Rung Group's businesses are established. The activities in 2016 were as follows.

Community Relations

Because Thai Rung Union Car Plc's parts making and vehicle assembly factory is adjacent to a residential area, to monitor and control any pollution that might arise from the paint dipping and spraying production process and affect nearby residents, the Company set up a community relations working team to maintain constant contact with the community, acting as a channel of communication and receiving any complaints so that they can be urgently addressed.

2) Support for young people's studies by granting the scholarships

As well as paying attention to the promotion of healthcare services for the local community, the Company also gives priority to promoting education which is another important factor affecting the population's standard of living. The Company accordingly sets aside a budget for scholarships to enable young people to study and as an incentive for them to study diligently and with perseverance.



2.1 Scholarships for young people in remote areas of Chiang Rai province

The Company donated Bt.460,000.



2.2 Scholarships for young people in Nong Khaem and Bang Khae

The Company awarded a total of Bt.250,000 to support a number of schools in Nong Khaem and Bang Khae districts for use in various activities. The schools concerned were: Nong Khaem Temple High School, Wat Muang School, Wat Srinuan Thamwimon School, Wat Radsadornbamrung School and Khlong Bang Waek Mon Jaratsing School

2.3 Grants in support of activities and scholarships for pupils

The Company also supported research activities of the Mahidol University Faculty of Engineering as it does every year. In 2016 it donated Bt.50,000 for this purpose.



2.4 Thai Rung Table Tennis Club

Thai Rung Union Car Plc aims to meet sports players' need for opportunities to compete, and helps to provide them with opportunities and facilities for practice and the possibility of travelling countrywide to build up points and keep alive the dream that they will achieve success in table tennis. Many of these young table tennis players lack opportunities, of due to the cost of equipment and the cost of travelling upcountry to compete, given the lack of funds and their parents' inability to help due to their difficult situation. All the children are first class players who, if given the opportunities to compete, will certainly achieve success

Therefore the Company donated a total of Bt.203,170 throughout the year to finance equipment and training and other expenses incurred in competing.



3) Financial and other donations to public charity organisations

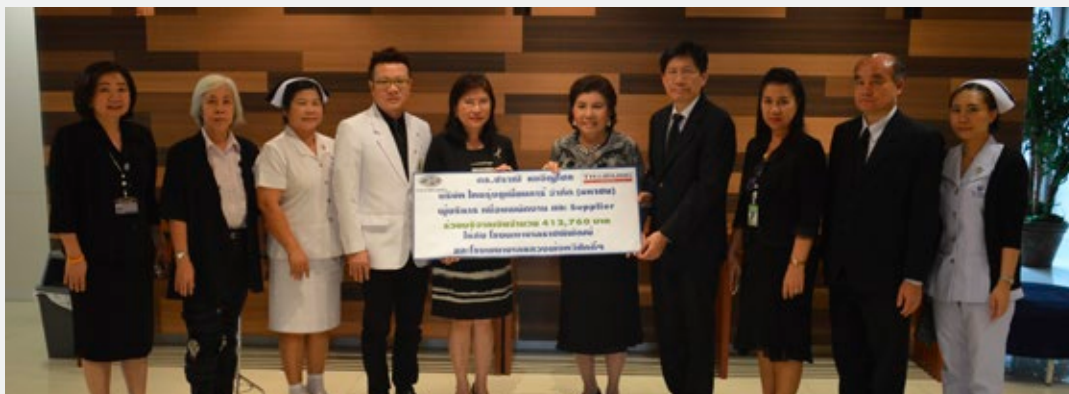


3.1 Donation to Rama Foundation

Bt.1,000,000 to the Ramathibodi Foundation for the Chakri Naruebodindra Medical Institute project on 22 November 2016.

3.2 Donations for purchase of essential medical equipment

On 15 December 2016 the Company, together with its suppliers and employees, donated a total of Bt.412,760 to Luang Pho Taweesak Chutinataro and Rachaphiphat hospitals.



3.3 Donation to the Thai Foundation for the Blind under the Royal Patronage of H.M. the Queen.

On 22 December 2016 the Company donated a total of Bt.170,000.



3.4 Donation to Bang Khae 2 Old People's Home

On 22 December 2016 the Company joined in contributions totalling Bt.100.000.



3.5 Activity in support of orphans at the Foundation for Children, Phutthamonton Sai 44

The Company held an activity in support of society by inviting the children to a meal and donating necessities and money in an amount of Bt.33,627.



3.6 Lunch and donations for persons with disabilities at the Siri Wattana Cheshire Foundation under the Royal Patronage of Her Majesty Queen, together with Isuzu Motors (Thailand) Co. Ltd.

3.7 Support for activities of public benefit

In support of activities for the common good, the Company set aside the necessary budget, materials and equipment to be able to carry out activities for the benefit of society throughout the year. During 2016 the Company supported activities of public benefit for a number of different organisations - educational institutions, government and private sector entities and various charities total Bt. 2,635,046.

4) Activities to promote charitable deeds

Thai Rung encourages all its employees to lead their lives in accordance with its philosophy of “Think right, do right, talk right”, promoting the following good deeds:

4.1 Thai Rung volunteer development camp project

As well as promoting activities and good deeds within the Company Thai Rung also supported employees’ work on behalf of the public, by supporting a group of employees who volunteered to carry out charitable activities under the Thai Rung volunteer development camp, which carried out the following activities in 2016: recreational activities, donation of necessities, construction of roof rain protector, repair of playground equipment, pupil’s desks and chairs and free haircutting service for pupils at Ban Ko Sadeung School, Tambol Laiwo, Amphoe Sangkhlaburi, Kanchanaburi Province.



4.2 Blood donation

The Company has organised blood donation every quarter since 1998. Up to now there have been a total of 3,215 donations. As well as helping society, this activity also fosters awareness among employees of the importance of giving and sacrifice for the benefit of society.



4. Fair treatment of workforce

Thai Rung Union Car Plc has policies reflecting the importance it attaches to its human resources, which play a major role in the organisation's stable growth and development. These policies include promoting its employees' quality of life by providing various forms of welfare benefits to all employees equally, ensuring fair working conditions in accordance with labour law and giving equal opportunities to all for advancement based on performance without regard to sex or other discriminatory factors.

The Company has accordingly established a policy of responsibility towards the workforce to serve as a guide for the successful conduct of the Company's business, to be adopted and adhered to by all departments and units concerned, as follows:

1. Build mutual sincerity between the Company and its employees such that people understand and accept one another's duties and consult one another in the event of problems, exchanging information in a spirit of mutual trust in order to resolve the problems satisfactorily.
2. The Company treats its employees equitably and fairly, as if they were a family, and gives its employees opportunities to express their opinions through the suggestions system and seeks to boost morale and provide encouragement by awarding prizes and scholarships for employees' children every year.
3. The Company encourages its employees to increase their skills and knowledge, and sends them to receive training both inside and outside the Company, including sending them to see motor shows, etc. abroad. In 2016 the Company arranged 76 training courses, 29 in-house and 47 external; a total of 2,097 persons received 10,764 hours of training, an average of 11.26 hours per person per year.

Course Name	2015		2016	
	Number of participants	Hours	Number of participants	Hours
Orientation Course	247	1,976	156	1,248
General Development Course	56	448	538	2,586
Managerial Competency Development Course	268	1,672	253	1,518
Functional Competency Development Course	376	3,864	1,150	5,412
Total	947	7,960	2,097	10,764

4. The Company has implemented a clear system of internal communication so that employees receive news that is clear and correct.
5. The Company commissioned a survey of the factory to gather information on employees' problems for subsequent study and solution. In the interests of employees' ease of mind and contentment, if they have any problems or doubts or need to consult on any matter, they can do so immediately, and if they need the consultation to be private, they can make an appointment.

Recruitment and hiring

The Company has an equitable and ethical recruitment and hiring policy based on applicants' capabilities and the requirements of the business; it does not employ minors; it has systematic recruiting and selection procedures for testing applicants' knowledge, capabilities and skills appropriate to the position sought; it conducts interviews transparently with a view to hiring individuals that really have the appropriate capabilities for the position.

Remuneration

The Company has a fair and ethical policy regarding remuneration, linked to employees' knowledge and capabilities on an equitable basis via a performance evaluation process and to positions occupied using appropriate indicators. It also adjusts remuneration in accordance with the economic situation and with an eye on competitors' practices so as to be able to attract and retain capable applicants.

Welfare benefits

The Company arranges welfare benefits for its employees and their families and arranges for them to elect a site welfare committee so that they are involved in the management of welfare matters, to serve as a communications centre for welfare and labour relations issues between the employees and the Company and to provide help in matters of welfare.

Labour relations activities to foster harmonious relations among employees in the various different departments and between employees and the Company. In 2016 the company have major activities as follows;

- **Thai Rung in mourning for the King**

Following the announcement by the Bureau of the Royal Household that His Majesty King Bhumibol Adulyadej had passed away on 13 October 2016, the Company gave instructions for its premises to be decorated so that employees and visitors could pay their respects and express their condolences, and complied with the request of the Department of Labour Protection and Welfare that all businesses should refrain from holding festive events as a sign of mourning for His Majesty for a period of one hundred days.



- **New Year's Day Activity**

To welcome the New Year, provide encouragement to employees and foster good relations, senior executives had the opportunity of meeting employees of all levels up close.

Apart from this the Company also held an even to present awards to employees with perfect attendance records in the past year, to show employees that the Company genuinely attaches importance to and appreciates its employees' diligence and dedication.



- **Thai Rung Day**

Mr Vichien Phaoenchoke, founder of Thai Rung, died on 18 March 2002, so 18 March has been designated Thai Rung Day, and every year we organise activities in memory of our founder, including merit making ceremonies, offering food to monks and inviting all employees to lunch.

These activities help foster a feeling of devotion to the organisation among employees and hold up the good example of our founder as a model for their fair and ethical conduct.



- **Scholarships for diligent and well-behaved children of Thai Rung employees**

To show its employees that its concern for their welfare extends to that of their families, the Company has established a scheme whereby any employee can apply for a scholarship for his or her child providing the child meets the criteria, as an incentive to employees who are parents to encourage them to work together with the Company. In 2016 the Company awarded 89 scholarships for a total amount of Bt.318,000 to children of employees with good grades and good conduct. Since 2005 the Company has granted 1,787 scholarships to children of employees, totalling Bt.5,364,000.

The Company also presented 73 long-service gold awards to a total value of Bt.990,000 to employees with 10, 15, 20, 25 and 30 years of service, as encouragement to employees.



- **Songkran Activity**

In support of fine Thai customs, the Company held a traditional ceremony whereby employees sprinkle water on seniors' hands and receive their blessing. In a gesture of their concern for employees, the senior executives also treated all employees to ice cream throughout the very hot month of April.



- **Sending employees safely home at Songkran and New Year**

Every year the Company closes down for several days over the New Year and Songkran holiday periods, in order to give those employees whose hometowns are upcountry the chance to spend more time with their families. This reflects the importance that the Company attaches to the family as an institution, and also helps top generate good feelings on the part of employees towards the Company.



- **Arranging regular quarterly parties to celebrate employees' birthdays**

In the interests of good relations between employees and senior executives, every quarter the Company holds a party for employees with birthdays in that quarter, at which senior executives have a chance to meet them and announce any important matters, as well as presenting birthday gifts (raffle style) to the employees. This event fosters warm feelings of companionship.



- **Sports Day**

Sports Day, like the New Year's party in 2016, was an occasion for employees to meet together, converse and relax away from work for once; at the same time the annual Sports Day promotes physical exercise, fosters companionship through common endeavour and provides competition in various sports, a cheerleaders' contest and a tombola for employees.



- **Annual health check**

The Company attaches great importance to its employees' health and arranges for all employees to have a free health check every year a leading hospital with a team of doctors and nurses and the latest equipment.



- **Efficient internal communication system**

For example, morning talks, the employee relations notice board for communicating useful information for work, the quality of life and news of the Company for circulation to all levels.



- **Visits to employees who are sick or have given birth**

The Company has a welfare representative and an employee representative take a basket of provisions to sick employees to wish them a speedy recovery or in the case of employees who have given birth, a basket of baby provisions to congratulate them.



- **Assistance with cremation expenses**

All employees are entitled to special financial assistance if necessary in the event of father, mother, child, husband or wife dying to alleviate their distress, and the Company sends flowers as a mark of condolence.

- **Lactation area**

The Company is well aware of the benefits of mother's milk for babies and in reducing household spending, so as a matter of policy it makes available a corner where mothers can express or pump milk to take home for their babies to drink.





THAIRUNG

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