



ANNUAL  
REPORT

2017

พระพุทธบาท  
มณีรัตน์  
วัดสระเกศ

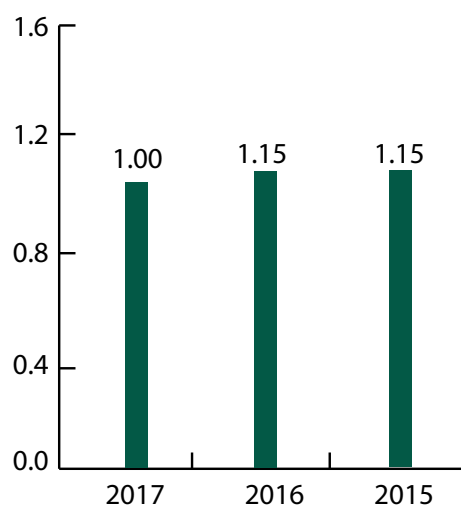
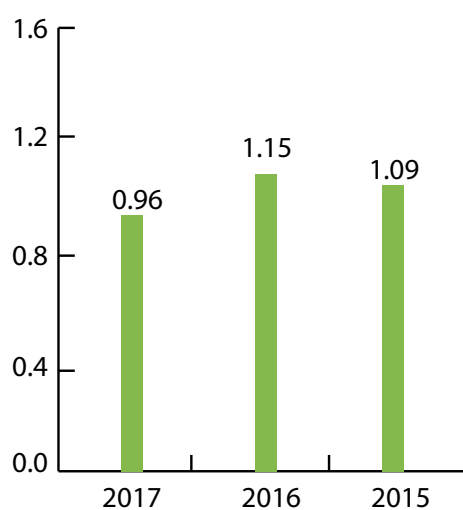
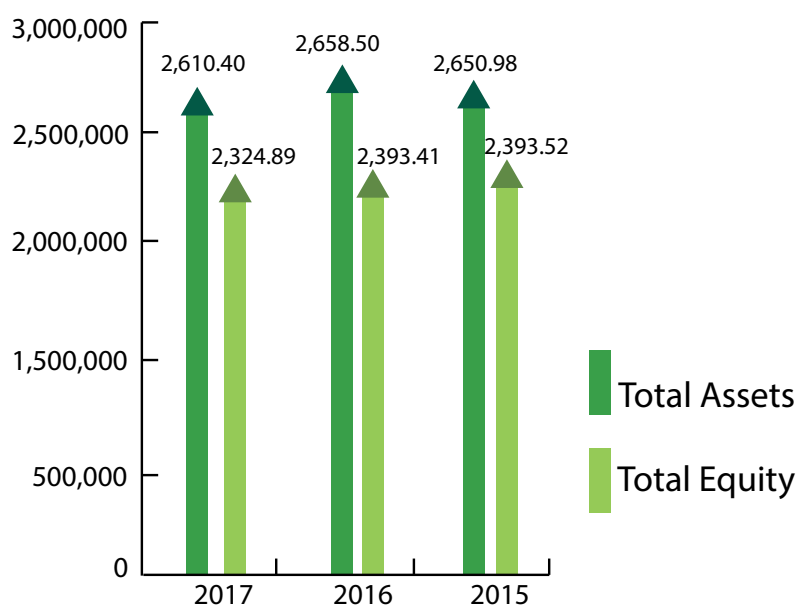
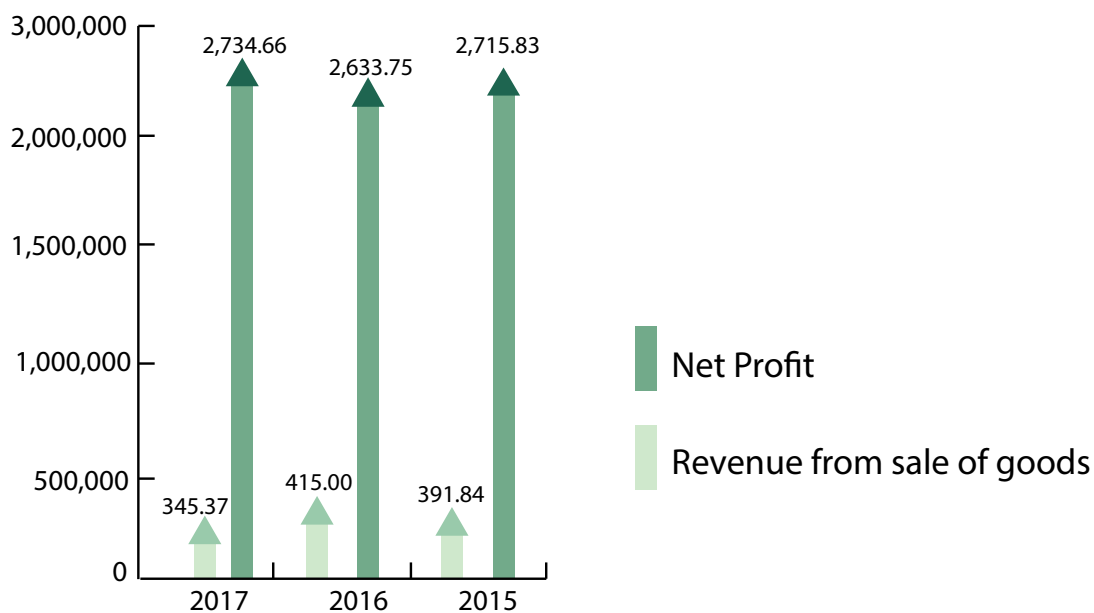
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# Financial Highlights

	(Million Baht)	2017	2016	2015
<b>Statement of financial position</b>				
Total Assets		2,610.40	2,658.50	2,650.98
Total Liabilities		285.51	265.09	257.46
Total Equity		2,324.89	2,393.41	2,393.52
<b>Statement comprehensive income</b>				
Revenue from sale of goods		2,734.66	2,633.75	2,715.83
Cost of Sales of goods		1,836.15	1,739.36	1,793.45
Gross Profit		898.51	894.39	922.38
Selling expenses		348.98	298.56	293.49
Administrative expenses		148.63	157.62	161.21
Profit before income tax expense		427.65	517.93	492.51
Net Profit		345.37	415.00	391.84
<b>Shares or Related information of common stock</b>				
Earning Per Share	(Baht)	0.96	1.15	1.09
Book Value Per Share	(Baht)	6.46	6.65	6.65
Dividend Per Share	(Baht)	1.00	1.15	1.15
Pay out Ratio	(%)	104.24	99.76	105.66
<b>Financial ratio</b>				
Sales Growth	(%)	3.83	(3.02)	2.83
Net Profit Growth	(%)	(16.78)	5.91	6.48
Cost of Sales Ratio	(%)	67.14	66.04	66.04
Gross Profit Margin Ratio	(%)	32.86	33.96	33.96
Earning before tax expense	(%)	15.50	19.12	17.97
Net Profit	(%)	12.52	15.32	14.14
Return on Equity	(%)	14.64	17.34	16.36
Return on Assets	(%)	13.11	15.63	14.83
Current Ratio	(time)	4.98	5.61	5.96
Debt Equity Ratio	(time)	0.12	0.11	0.11

Investor. Could study additional information of the issuing company from the FORM 56-1 . Which have been shown on [www.sec.co.th](http://www.sec.co.th) or [www.thaitheparos.com](http://www.thaitheparos.com)



Earning Per Share (Baht)

: Dividen Per Share (Baht)

## Message from the Chairman

The year 2017, Condiments industry was still very competitive. There were various products into the market for customers and consumers. It has proved a great challenge for our business growing both domestic and abroad markets

For 2017, the domestic outlook was slightly improved. It was boosted continuously by government expenditure policy, including implementation of the export stimulation measurement. Anyhow, it is fact that the customers and consumers are now demanding much more. Their needs are differentiation not only good quality and service, but span over several aspects also. Therefore, Marketing and Sales have to unceasingly find out how should we respond and provide the customers and consumers' needs. Sauce realized it and has researched and developed various types of sauces in many styles for industrial and export customers such as Sweet Chili Sauce, Dark Soy Sauce, Teriyaki Sauce, Mushroom Vegetarian Sauce, also, exclusive ready-to-eat sauces, such as Thai Fried Rice Sauce, Pad-kapraw Sauce, Black Peper Sauce, Pad-Thai Sauce, Pad See Ew Sauce as "Golden Mountain" brand to capture certain consumers and market demands. We also have to maintain our brands of "Golden Mountain" and "Sriraja Panich" to be continuously interested and recognized, this year focusing on "Sriraja Panich" brand with our unique and original Sriraja Chili Sauce for greater strengthen brand in the market.



In production field, Sauce has continued the long-term investment policy to improve the efficiency of machines coupled with substantial expansion in production capacity both production processes and packing lines in different packaging sizes for full response to customers and consumers requirement.

Not only Sauce strives to produce each product using in everyday life both "Golden Mountain" and "Sriraja Panich" brands assuring strict quality and food safety control compliance with the international standards, Sauce also emphasizes on their development. Our good production deeds are ISO9001:2008, GMP& HACCP, FSSC22000:V3.2, Halal, Krosher certified. Also, the QMS ISO9001:2015, GMP&HACCP and FSSC22000:V4.1 will be accredited at the beginning of 2018. Sauce continues to operate under the principles of Good Corporate Governance, Social Responsibility and the Community by supporting CSR (Corporate Social Responsibility) activities that benefit the community, including Energy Management System to save the use of natural resources, and Environmental Management System both inside and outside the organization.

The important aspect that Sauce has to be deeply concerned is Human Resource development for their greater potential and capability. This means staff have to change from it is today responding to the new things, change thinking process and materialize new work formats, always learning new technologies and keep pace with the updated trends to enhance speeder and greater performance. Human Resource Development is Sauce's significant key for business advancement and sustainability.

On behalf of Board of Directors, I would like to thank all our stakeholders – including customers, consumers, shareholders, government and business partners for their continual steadfast support throughout 2017. In addition I would like to thank the management and staff for your dedication and hard work to strengthen and sustain the company growth and driving force to our value and success.

PARINYA WINYARAT  
Chairman of the Board

# Golden Mountain History



In 1954, Mr. Chai Sae Kow established Thai Theparos Factory ROP to manufacture variety of food seasoning and distributed them under the “Golden Mountain” brand name.

Under the professional guidance of Mr. Chai Sae Kow and Mr. Krailas Winyarat. Golden Mountain met with marketing success and achieved remarkable production efficiency. Since then, the company’s management has continually striven for excellence in the industry, and at present, under the leadership of Mr. Parinya Winyarat, “Golden Mountain” is the trademark of Thai Theparos Public Company Limited 63 years

Under thoroughly professional leadership, which has established firm confidence through operational efficiency and successful marketing strategies, Thai Theparos has experienced steady growth and on going development, as a set policy, the company has always devoted a good portion of its resources to research and development in order to secure continual product excellence.



## Policy and Overall Business

### Vision, Objectives, Goals, and Strategies

<b>Vision</b>	<p>“SAUCE”</p> <p>Moves forward to be the leader of condiment manufacturers in Thailand; and eventually becomes “Your taste and happiness”</p>
<b>Mission</b>	<p>“SAUCE aims to run business sustainably with integrity for delivering the high quality products to consistently meet customers and consumers’ satisfaction; and enhances our brand loyalty</p>
<b>Core Values</b>	<ol style="list-style-type: none"> <li>1.Put the right man on the right job.</li> <li>2.Push an action as soon as you learn; work out immediately</li> <li>3.Create the positive thinking as follows: honesty, discipline, educating, hard-work, hygienic practice and economizing.</li> <li>4.Unity creates happiness and benefits.</li> </ol>

# Nature of Business

Thaitheparos Public Company Limited is in the food and beverage industry. We are the manufacturer and distributor of seasoning food products under “Golden Mountain” brand consisting of seasoning sauce, chilli sauce, distilled vinegar, tomato ketchup, chilli & tomato sauce, oyster sauce, fermented soy sauce and powdering sauce, fermented soy sauce powder as well as Sriraja chilli sauce under “Sriraja Panich” brand and naturally brewed Japanese soy sauce under “Kinzan Shoyu” brand including house brand.

In 2009, Company produces and sale Japanese Soysauce under Yamasa Brand to partner Yamasa (Thailand) Company Limited.

In 2011, Company product and sale Raw Sauce to associate “Exter (Thailand) company Limited.

## Structure of Sales Revenue

In 2017, the Company distributes all our products both domestic and export market. Domestic sales accounts for 89.87% of total sales, consists of wholesalers, discount stores, department stores, restaurants and food shops, retailers and industry, both in Bangkok and up-country, and trading firm. Export sales accounts for 10.13% of total sales, consists of direct exporter and export industrial.

(Unit : Million Baht)

	2017		2016		2015	
Products	Amount	%	Amount	%	Amount	%
Domestic Sales	2,457.72	89.87%	2,399.32	91.10%	2,487.14	91.58%
Export Sales	276.94	10.13%	234.43	8.90%	228.71	8.42%
Total Sales	2,734.66	100.00%	2,633.75	100.00%	2,715.85	100.00%
Increase (Decrease) of Total Sales	100.91	3.83	(82.10)	(3.02)	74.85	2.83



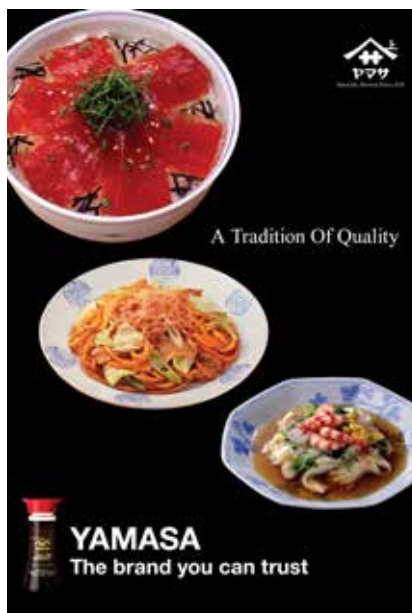


# Significant Changes

## Associate Company

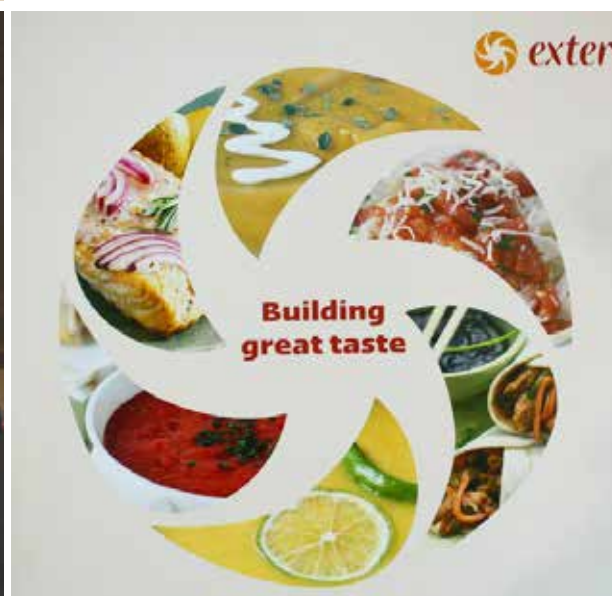
### Yamasa (Thailand) Co.,Ltd

The company produces “Yamasa” Soy Sauce distributing to Yamasa (Thailand) Co.,Ltd., associates company ,with total sales in Seventh year amounting to Baht 42.34 million increased by 0.32 Baht million or increased Baht 0.75% compared to that of 2016 Baht 42.02 Million.



### Exter (Thailand) Limited.

The company produces “Raw Sauce” distributing to Exter (Thailand) Limited,associated company, since the third quarter of 2011 with total sales in the Seventh year amounting to Baht 27.09 MB increased by 3.71 Baht million or increased 15.87% compared to that of 2015 Baht 23.38 Million





# Significant Changes



## Launching a new product Oyster sauce “E Zeee” brand

In 2017, oyster sauce market in Thailand was continually grown especially in restaurant group. Oyster sauce's sales increased significantly in the restaurants that focus on cheap price product because they would like to decrease cost and increase profit. So Thai theparos PLC has launched the cheap price of oyster sauce under brand name “E Zeee” on February 2017 for respond customer need. We emphasize sales point of this product as “Easy and delicious, make you cook like a professional” to the restaurant group and focus on sales through car division for sent the product to the restaurant. In addition, we plan to expand to department store and leading store nationwide, as follows;



**Tomato ketchup label “Golden Mountain” Brand**  
We completed the rollout of 220g and 660g Golden Mountain tomato ketchup with a modern and beautiful designed label in quarter 1, 2017 to strengthen our image and clearly focus on meet expanding with younger consumers. Moreover, to emphasize that this product was produced from high quality import tomatoes.



- Campaign opening a new shop in “Makro” department store and arrange activities for oyster sauce “E Zeee” tasting and sales cheering for introducing this product to restaurant group.
- Sales promotion activity focus on cheap price, make a new launching product interesting and persuade the restaurant group to use the product by advertised at the point of sales.

# “Golden Mountain” sauce website



In 2017, ThaiTheparos Public Company Limited has created a website “www.goldenmountainsauce.com” for information on Golden Mountain sauce, including recipes and activities to encourage customers and consumers to pay more attention to the product. This website is also connected to social network such as Youtube and Facebook too.



Moreover, we use this website to keep all video clips of the short film competition and the award announcement under the activity name “Every dish has a story”.





## “Sriraja Panich” chili sauce website



In 2017, Thai theparos Public Company Limited has created a website “www.srirajapanich.co.th” for information on Sriraja Panich chili sauce “The Taste of the Origin”, especially the history, product detail, recipes and activities to encourage customers and consumers to pay more attention to this product. This website is also connected to social network such as Youtube and Facebook too.



# Industry and Competition

In 2017, the overall economic situation is likely to improve continuously because the world economy like the United States, the European Union and Japan has recovered at the same time. In addition, the domestic economy has recovered due to political stability, the return of tourists especially Chinese tourists that distribute to the secondary cities, the expansion of public investment in the infrastructure and transportation, the investment project in special economic zone near the border, Eastern Economic Corridor (ECC), the state benefit card and flood impact that was not considerable compared to previous year.

However, the consumption and spending is not as good as it should be. It proceeds gradually because existing debt of the household remains high and the farmer's income is not well distributed in some areas. In term of consumer behavior, the purchasing power is still high among middle income, high income and permanent employee including concentrated in the Bangkok, metropolitan area, major cities and tourist cities. Moreover, the behavior of consumers in urban and rural areas is different, in other words the urban consumers will reduce the frequency of purchases but spend much money by purchasing a promotional product or a large package item to get a lower average unit price. They buy consumer goods through online shopping because of cheaper and delivery service (free shipping). In contrast with rural consumers, they purchase more frequency but choose a small package and always purchase from the convenience store near their home because they have not much money. Besides, expansion of the retail business like modern trade has shifted to a smaller scale and distributed to communities in other provinces and directly affects on small shops and wholesaler.

Due to the better economic situation, all competitors are trying to promote their products with modern trade and other stores to increase sales continuously by using a strategy such as discounted, give a premium gift, lucky draw, buy 1 get 1 free including the purchase of additional storage space both in modern trade and general stores in the provinces.

Consequently, Thaitheparos PLC that is the leader in the condiment market has invested for advertising, promotion, maintaining space in both modern trade and major stores and making promotion with wholesaler throughout the year. Including with sales promotion activities to target customer for example the campaign "Lucky Rush to Golden Mountain Buyer" for customer in the northeastern and the eastern from the third to the fourth quarter in 2017, introducing our product at "Thai Fex" exhibition, join with our partner at "Makro Show Hyuo", "Makro Horeca" at Changmai and "Lotus Expro" at IMPACT Arena Exhibition & Convention.

In the same manner we promote "Sales Blitz" activities across all sectors of the country, introducing our products by demonstrate cooking for consumers in both modern trade and major stores in the provinces, participate with our partners and shrines in "Vegetarian Festival", using online media to promote "Sriraja Panich" chili sauce with "Kalamare Phacharasri Benchamach" as a presenter and arranged a special event "Food Truck Club on Tour by Sriraja Panich" at Asiatique The Riverfront.

Additionally, we have launched a new oyster sauce under brand name "E Zee" on July 2017 for increase market share in cheap product. However, we always emphasize on the quality and safety of our product as the first important.



## The Export Market

In 2017, seasoning products of Thailand were exported more than 22,117 million baht that said more than 6.71 % increase compare with 2016. The main products as soy sauce, Chili Sauce, fish sauce, instant curry paste and seasoning powder and other seasoning products. As for chili sauce, soy sauce, tomato ketchup were more than 1,453 million baht which is 6.57% of total value. The main importers of soy sauce are USA, Lao, The Netherlands, Vietnam and Sweden which acquired more than 477.8 million baht or 52.47% of total value 910.7 million baht. For chili sauce, main importers are Germany, UK, USA, The Netherlands and Canada which acquired more than 128.8 million baht or 57.97% of total value 222.2 million baht.

In 2017, SAUCE export seasoning products totaling 276.94 million baht increase 18.13 % or 42.51 million baht compared with 234.43 million baht in 2016. SAUCE has the marketing strategy to expand the market by increasing new customers both old market and new market in 2017 that SAUCE can success in this way. SAUCE can expand the market in Asian Country more.



# Marketing & Social Activities

## Marketing Activity 2017

Brand campaign “EVERY DISH HAS A STORY”.

As Golden Mountain brand has reached the age of 63 and all of their products are in the sauce category, it has made the brand image of Golden Mountain to look old and remote from the new generation people and it is seen as products that are needless to communicate to the new generation. Though, today it is time for Golden Mountain to look forward and change the perception of ‘the cooking sauce’ marketing. From the past that they focused more on sales by adding new products of SKU to the same target group, and by defeating with the market price by adding sales promotions, to look forward to the future potential buyer and create a modern, trendy brand which focuses on communicating with Gen Y people through advertising campaign “EVERY DISH HAS A STORY”.

## Campaign for long-term branding

Behind “EVERY DISH HAS A STORY” campaign, in the first year, it started with 4 short films about the story of the university life, which once in our lives we all have experienced with. The moments when we have a crush on someone, when we are in a relationship or the breakups. Though, no matter if it was a happy or fun or sad experience, when the time passed, those experiences will become good memories of our adult lives.



From online to ground, develop advertising campaign into short film contest for students.

We develop 4 short film ads to a short film contest campaign. We want to create a meaningful experience for university students, which is our target group. We want to communicate and get them to involve with our brand in order to create the experience with the dish. The rule is that the short film will have to be based on the topic of ‘EVERY DISH HAS A STORY’, which, surprisingly we got more than 100 of short films stories submitted by Gen Y people. These short films reflected the perspectives of new generation people to the dish and the memories of the taste of food, the taste of feelings and the story behind their dish.



Activities supported “EVERY DISH HAS A STORY” campaign on radio stations repeated hammering “Every dish has a story.” : EFM 104.5, Green Wave 106.5, Virgin Hitz





### Participate in public relation Booth Activity

- Makro HoReCa Festival no. 12 at 700th Anniversary Chiangmai Sports Complex on July 7-9 2017

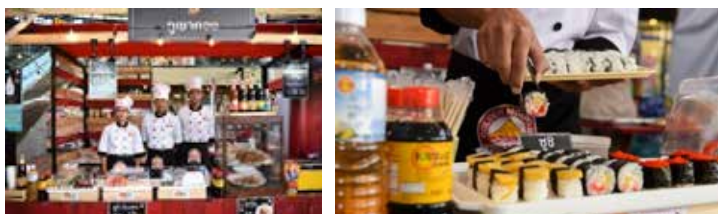


### Tesco Lotus Expo at IMPACT Challenger Hall 3 on November 9-12 2017

entrated in products advertisement and create cooking experience with consumer by cooking workshop with Chef Pom (Iron Chef Thailand) for present to good point in brand Phoo Kao Thong, Sriraja Panich Chili Sauce



2.3 Todd Food Fest 2017 Golden Mountain Products is a joint sponsor with Todd Food Festival to include restaurants and a Golden Mountain sauce products in stock, prepared a special menu in the works of Food Fest, Todd Food Festival the Paseo Sukhumvit, Ramkhamhaeng and Lat Krabang, Bangkok.



“SCG PackagingxWallpaper The Challenge 2017 “ cooperation with the project “SCG PackagingxWallpaper The Challenge 2017” provides an opportunity for students to join the packaging design concept. “Creativity is the real” prize money reward 333,000 baht.



3.2 Support activities for health organizations with the Seasoning Sauce yellow cap with a group of people that health care because No MSG No preservatives and no artificial coloring  
- Mini Marathon women’s weaknesses, and diabetes at wachira benchathat (trailer park) November 5 2017.  
-Mini Marathon Partnership at SCG wachira benchathat (trailer park), September 17 2017.



### Marketing activities of thick sauce product

1. Chili sauce “Sriraja Panich” The Taste of The Original  
Chili sauce “Sriraja Panich” would like to be in Thai people’s heart by emphasizing the identity of the original taste. This activity is under campaign “The Taste of The Original” with a new online presenter as “Kalamare Phacharasri Benchamach” to present the story under the concept “Be Yourself Be Original”



If you follow her work story, you will know that she extremely works in every role. This has been proved she is the original of her path. As same as “Sriraja Panich” chili sauce that proves it to be the original for decades. With high quality ingredients and meticulousness of production, that make Sriraja Panich to be intense chili sauce with hot, sour, salty and sweet taste and this is a unique original recipe of Sriraja Panich. The most important point is every bottle of Sriraja Panich that has sold for more than 80 years does not add MSG, starch, No color and No preservative. This is the secret of the original Sriraja Panich chili sauce to this day. Be Yourself Be Original



## 2. Next step with the legend of 80 years old brand of Sriraja Panich with the first Food Truck in Thailand

With the trend of Food Truck in Thailand, Thaitheparos PLC arranged a special event “Food Truck Club on Tour by Sriraja Panich” to promote and make a new experience to new target consumer both Thai and foreign on 22 - 25 June 2017 at Asiatique The Riverfront with more than 40,000 persons of participant.



The highlight of this event is there were 5 famous stores include Mother Truck, Rocket Pizza Cone, Pad Thai Truck, Bo Bo Truck and Shark & Truck to join and create the special menu with Sriraja Panich chili sauce. For consumer to try the original taste of 80 years old brand of Sriraja Panich. In addition, this proves that it can be compatibility taste with modern food and it is not just dipping sauce.



## 3. “Inspiration Cooking”

Workshop by Sriraja Panich on 19 November 2017, there were famous chefs to create many special menu by use Sriraja Panich chili sauce as a main ingredient. Besides, “Kalamare Phacharasri Benchamach” the elegant presenter and “Ploy Nutnicha Boonlerd” the last 4 competitors of Master Chef Thailand came to join and created inspiration for cooking to everyone in this



## 4. Quinoa stir-fried with basil and Sriraja Panich Grilled Chicken at “Yoo Dee Mee Suk” Exhibition

With the trend of Healthy food, “Sriraja Panich” chili sauce is suitable for healthy food because it does not contain starch. In this event, the company sold the Quinoa stir-fried with basil and Sriraja Panich Grilled Chicken for health lover to try and know more about Sriraja Panich chili sauce.



## Advertising and activities at the point of sale

The company use media for present the product such as the media at the point of sale, in the department store and taste booth for promote featured and taste of both old and new product.





## Marketing Activities in 2017

### 1. Commercial Marketing Activities

At present, the business is highly competitive combine with the economy is slowly growth. So, the company must develop Sales teams and special emphasis on sales promotion. The purpose of this is to strengthen sales potential to be stronger. In sales promotion, to make consumers and traders more interested in the products at that time by occasionally offer special benefit to them. In 2017, marketing department arranges many activities for continually increase sales, as follows;

#### 1.1 The Sales Blitz 2017

Marketing department and Sales department arranged the 2nd Sale Blitz in Bangkok and other provinces. The purpose of this is to increase market share, start a new shop, visit stores, including brand and new product promoting such as seasoning sauce, sweet soy sauce, etc. This activity arranged in Spirit festival and Vegetarian festival on 2 and 30 September 2017. The Sales Blitz is sales promotion activity that marketing and sales officers go to visit market and offer for sale new product with special promotion for the stores that join this activity.



#### 1.2 “LUCKY RUSH TO GOLDEN MOUNTAIN BUYER”

Marketing department arranged campaign “Lucky Rush to Golden Mountain Buyer” for sales promotion in the northeastern and the eastern of Thailand in the third quarter. Total value of reward is 1,674,000 Bath. There were more than 50 stores to join this campaign on July to September 2017 by promoted this campaign through social media and the point of sales advertising.



# Risks Factors

## Operation Risk

### – Customer Dependence

More than 1,000 wholesalers (Yi pua), retailers and end users are our valued customers very long time with a good business relationship. The company will not receive any affectation if we lost anyone of them except the major three discount stores.

In the past three years, sales revenue of the three major discount stores accounts to 22% of total sales as follows:

Thousand Baht	2017	2016	2015
Sales revenue of three major discount stores	617,688	592,086	592,151
% of total sales	22.59	22.48	21.80

Besides the discount stores, we employs all distribution channel covering wholesalers (yi pua), restaurants, food stores as well as industry and more than 6,000 retailers nationwide.

From the factors of various customers, high quality of products, and the trade mark “Golden Mountain” brand name which is well known among customers more than 63 years establishing a significant advantage over competitors.

## Production Risk

### – Lack of Raw Materials

Although the company purchases raw material from a few manufacturers or suppliers, Most of them are major suppliers and they can supply raw material to the company throughout the year so we has never experience in lacking of raw materials. We can purchase its from another suppliers but the price will be higher than major suppliers slightly. Seasonal raw materials such as chili and garlic which have been processed for supporting the production throughout the year.

In the fourth quarter of 2008, we have affected by the lacking of seasonal raw materials and lost revenue accounts to Baht 23 million or equal to 1% of total sales. After that we has never experiences lacking of raw materials as the increasing of storage tank.

## Management Risks

As of the Annual General Meeting of Shareholders 2017, Winyarat family holding share equal to 79.91 % of entire shares which can control the resolution of the meeting in the matter of the appointment director or other matters which shall propose to the meeting for consideration and approval. Except the matters stipulating that the majority vote must not be less than third – fourth of the shareholders who come to participate in the meeting. Therefore, the other shareholders could not collect votes in order to examine and balance the matters proposed by major shareholders.

# General Information and Other significant

Name of Company	Thaitheparos public company limited (former name Thai Theparos Food Products Public Company Limited)
Head office	208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel : +66-2703-4444 Fax : +66-2387-1163, +66-2703-4444 Ext 3000 www.gmsauce.com
Registration No.	0107536001265
Branch 1	162/1 Moo 2, Ban-Fon Mae Ta Road, Chompoo District, Muang District, Lampang Province 52000 Tel : (054) 251-149, (054) 251-005 Fax : (054) 251-138
Established	1954
First Trade Date	20 January 1995
Symbol	SAUCE
Industry / Sector	Agro and Food Industry / Food and Beverage
Registered Share Capital	600 Million Baht (600,000,000 shares of Baht 1 par value)
Issued and paid up Capital	360 Million Baht (360,000,000 shares of Baht 1 par value)
Dividend Policy	Minimum of 50% of net profit annually and will be paid in next year.
Number of Staff	Head office 768 persons
Fiscal Year	1 January - 31 December
Other Reference	A. Register Thailand Securities Depository Co., Ltd 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand. Tel : (66 2) 009 9000 Fax : (66 2) 009 9991 SET Contact center : (66 2) 009 9999 Website: <a href="http://www.set.or.th/tsd">http://www.set.or.th/tsd</a> E-mail: <a href="mailto:SETContactCenter@set.or.th">SETContactCenter@set.or.th</a> B. Auditors Mrs. Siripen Sukcharoenyingyong CPA Registration Number 3636 or Mr. Charoen Phosamritlert CPA Registration Number 4068 or Mrs. Wilai Buranakittisopon CPA Registration Number 3920 KPMG Phoomchai Audit Limited. 48 nd Floor Empire Tower 195 South Sathorn Road, Yannawa, Sathorn Bangkok 10120 Tel : +66-2677-2000 Fax : +66-2677-2222
Associate (1)	YAMASA (THAILAND) Co., Ltd. 208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel : +66-2703-5360 Fax : +66-2703-4956 www.yamasathailand.com
Core Business	Distributor Japanese soy sauce under “Yamasa” brand in South East Asia.
Registered Share Capital	30 Million Baht (300,000 shares of Baht 100.00 par value)
Issued and paid up Capital	20 Million Baht ( 3 shares of Baht 100.00 par value) (146,998 shares of Baht 66.68 par value) (152,999 shares of Baht 66.66 par value)
Proportion holds shares	26%
Associate (2)	EXTER (THAILAND) LTD. 208 Moo 6 Taiban Road, Taiban Sub-District, Muang District, Samutprakarn, Thailand 10280 Tel : +66-2755-2888 Fax : +66-2755-2887
Core Business	Manufacturer and distributor of seasoning food products under “Exter” brand export to Europe and South East Asia.
Registered Share Capital	40 Million Baht (2,000,000 shares of Baht 10.00 par value)
Issued and paid up Capital	40 Million Baht (2,000,000 shares of Baht 10.00 par value)
Proportion holds shares	40%
Nature of Business	Thaitheparos PLC. is the manufacturer and distributor of seasoning food products under “Golden Mountain” brand consisting of seasoning sauce, chilli sauce, distilled vinegar, tomato ketchup, chilli & tomato sauce, oyster sauce, fermented soy sauce and powdering sauce, fermented soy sauce powder, as well as Sriraja chilli sauce under “Sriraja Panich” brand and naturally brewed Japanese soy sauce under “Kinzan Shoyu” brand including house brand.

# Security information and Shareholders

## 1. Share capital

Registered Share Capital 600 Million Baht (600,000,000 shares of Baht 1 par value)

Issued and paid up Capital 360 Million Baht (360,000,000 shares of Baht 1 par value)

## 2. Shareholders

Major Shareholders as of the Annual General Meeting of Shareholders 2017 hold on April 21, 2017.

Major	Shareholders	Shares	(%) of Total Share
1.	WINYARAT FAMILY	287,703,000	79.91
2.	Bangkok Life Insurance PLC.	11,530,600	3.22
3.	Ms. Jaruda Pothiinta	5,650,100	1.56
4.	Mr. Wanchai Prasithvoranunta	5,000,000	1.39
5.	Ms. Pattama Sethanukul	4,200,000	1.17
6.	Green Spot (Thailand) Co.Ltd.	3,861,000	1.07
7.	Miss Natechanok Suwanacheep	3,650,000	1.01
8.	Bangkok Insurance PLC	3,579,500	1.00
9.	Mr. Cherdchoo Soponpanich	2,921,400	0.81
10.	CS Capital Co,Ltd	2,658,200	0.74
Total		330,753,800	91.88

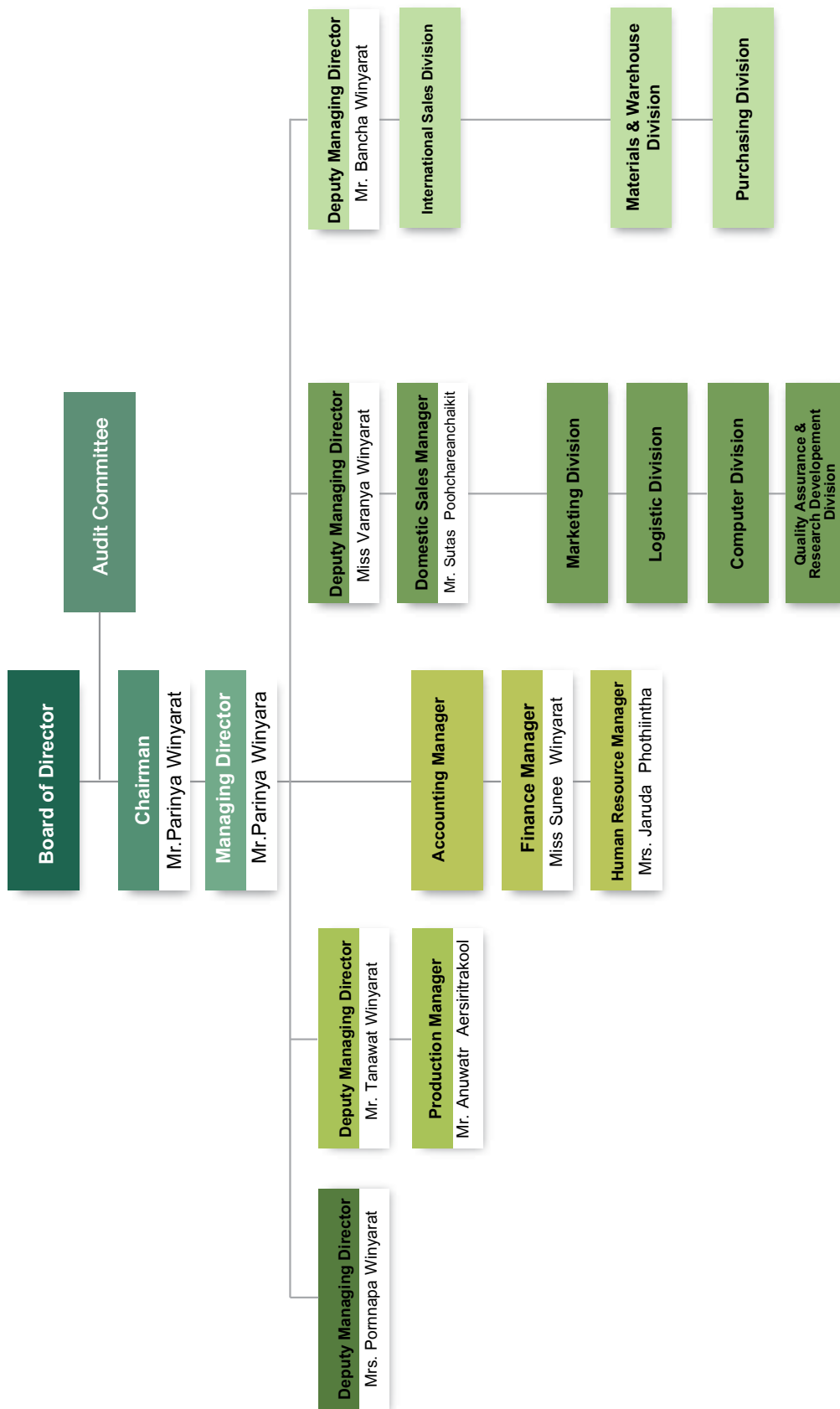
Remark WINYARAT FAMILY consist of :

Major Shareholders	Shares	(%) of Total Share
1. Mr.Parinya Winyarat and related persons	182,259,160	50.63
2. Miss.Malee Winyarat and related persons	58,103,470	16.14
3. Mrs.Pornnapa Winyarat and related persons	47,267,570	13.13
4. Mr.Wasan Winyarat and related persons	72,800	0.01
	<u>287,703,000</u>	<u>79.91</u>



# Management Structure

## Organization Chart







## Board of Directors

1	2	3	4	5
	6	7	8	9

## 1. Mr. Parinya Winyarat

(Director / Chairman of the Board and Managing Director)

Date of Birth	: May 26, 1954
Age	: 63
Education	: Honorary Doctor of Home Economics (Food and Nutrition) Faculty of Home Economics Technology Rajamangala University of Technology, Thailand Bachelor Degree in Chemistry, National Taiwan University
Experience	
2000 - Present	: Managing Director, Thaiheparos Public Company Limited
1993 - Present	: Director / Chairman of the Board and Managing Director Thaiheparos Public Company Limited
No. of holding shares	: 119,158,580 shares,
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None listed companies	
2017 - Present	Director Rachakram Agriculture Company Limited
2011 - Present	Director Bang Pa-in Sportclub Company Limited
2010 - Present	Director Rachakram Property Company Limited
2008 - Present	Director Promma Mining Company Limited
2005 - Present	Director Rachakram Land Company Limited
2008 - Present	Director Siam Agrotech Company Limited
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Bancha Winyarat's Father and Mr. Tanawat Winyarat's uncle.
Director remuneration	: 1,155,000 Baht
Attended Board of Director's Meeting in 2017	: Attended 5 out of 5 Board of Director's Meeting

## 2. Mrs. Pornnapa Winyarat

(Director)

Date of Birth	: July 26, 1949
Age	: 68
Education	: -
Director Training Program	: Director Accreditation Program (DAP) Class 37/2005 Thai Institute of Directors Association
Experience	
1996 - Present	: Deputy Managing Director, Thaiheparos Public Company Limited
1993 - Present	: Director, Thaiheparos Public Company Limited
No. of holding shares	: 16,958,570 shares
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None listed companies	
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Tanawat Winyarat's Mother and Mr. Parinya Winyarat's Elder
Director remuneration	: 525,000 Baht
Attended Board of Director's Meeting in 2017	: Attended 5 out of 5 Board of Director's Meeting

## 3. Miss Malee Winyarat

(Director)

Date of Birth	: February 14, 1954
Age	: 63
Education	: Bachelor Degree in Business Administration (Money and Banking) Ramkhamhaeng University
Director Training Program	: Director Accreditation Program (DAP) Class 37/2005 Thai Institute of Directors Association
Experience	
1993 - Present	: Director Thaiheparos Public Company Limited
1993 - 2010	: Director and Deputy Managing Director (Accounting and Finance) Thaiheparos Public Company Limited
1987 - 1993	: Accounting and Finance Manager, Thaiheparos Public Company Limited
No. of holding shares	: 14,004,520 shares
No. of share changed	: -
Relation Among family with the Company	: Mr. Parinya Winyarat's niece and Mr. Bandit Winyarat's sister
Director remuneration	: 525,000 Baht
Attended Board of Director's Meeting in 2016	: Attended 5 out of 5 Board of Director's Meeting

## 4. Mr. Bandit Winyarat

(Director)

Date of Birth	: October 2, 1956
Age	: 61
Education	: Master of Arts, Major : Man and Environment Management, Chiang Mai University Bachelor Degree in Engineering, Adamson University, Philippines
Director Training Program	: Director Accreditation Program (DAP) Class 37/2005 Thai Institute of Directors Association
Experience	
1993 - Present	: Director Thaiheparos Public Company Limited
1993 - 2008	: Deputy Managing Director Thaiheparos Public Company Limited
1993 - 2007	: Branch Manager (Lampang) Thaiheparos Public Company Limited
No. of holding shares	: 26,427,020 shares
Position in Other Listed Companies	: None
Position in None Listed Companies	: None
Position in Rival Companies/ Connected Business that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Parinya Winyarat's niece and Miss Malee Winyarat's Brother
Director remuneration	: 525,000 Baht
Attended Board of Director's Meeting in 2017	: Attended 4 out of 5 Board of Director's Meeting (business trip overseas)

5. Mr. Tanawat Winyarat  
(Director)

Date of Birth	: November 13, 1972
Age	: 45
Education	: Master of Science in Finance, Bentley College , Massachusetts, USA : Master of Science in Manufacturing System Engineering, Rensselaer Polytechnic Institute, USA : Bachelor of Science in Management System Rensselaer Polytechnic Institute, USA : Ethical Leadership Program(ELP)9/2560
Director Training Program	
Experience	
2014 - Present	: Deputy Managing Director Thaitheparos Public Company Limited.
2010 - Present	: Director, Thaitheparos Public Company Limited.
2004 - 2012	: Marketing Manager Thaitheparos Public Company Limited.
No. of holding shares	: 25,709,000 shares
No. of share changed	: -
Position in Other Listed Companies	: None
Position in none Listed Companies	: 3 Positions:-
2010 - Present	: Director, Exter (Thailand) Limited
2008 - Present	: Director, Yamasa Corporation (Thailand) Co.,Ltd
2005 - Present	: Director, Ratchatayothin Co.,Ltd
Position in Rival Companies/ Connected Business	
that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mrs. Pornapa Winyarat's son Mr. Parinya Winyarat 's nephew
Director remuneration	: 315,000 Baht
Attended Board of Director's Meeting in 2017	: Attended 5 out of 5 Board of Director's Meeting

6. Mr. Bancha Winyarat  
(Director)

Date of Birth	: April 27, 1985
Age	: 32
Education	: MSc & DIC in Environmental Engineering, Imperial College London, U.K. : Bachelor of Engineering in Engineering with Business Finance with First Class Honours , University College London ,U.K
Director Training Program	: -
Experience	
2014 - Present	: Deputy Managing Director Thaitheparos Public Company Limited.
2010 - Present	: Director, Thaitheparos Public Company Limited.
No. of holding shares	: 24,632,000 shares
No. of share changed	
Position in Other Listed Companies	: None
Position in None Listed Companies	: 2 position :-
2010 - Present	: Director Exter (Thailand) Limited
2015 - Present	: Director Gower Intertrade Company Limited
Position in None listed companies	
Position in Rival Companies/ Connected Business	
that May Cause Conflict of Interest	: None
Relation Among family with the Company	: Mr. Parinya Winyarat 's son
Director remuneration	: 315,000 Baht
Attended Board of Director's Meeting in 2017	: Attended 4 out of 5 Board of Director's Meeting (business trip overseas )

7. Vice Admiral Tanong Sirirangsri  
(Independent Director / Audit Committee)

Date of Birth	: January 7, 1932
Age	: 85
Education	: United States Naval War College , USA Royal Thai Navy College
Director Training Program	: Director Certification Program (DCP) Class 65/2005 Director Accreditation Program (DAP) Class 38/2005 Audit Committee Program (ACP) Class 7/2005 Thai Institute of Directors Association
Experience	
1999 - Present	: Audit Committee, Thaitheparos Public Company Limited
1994 - Present	: Independent Director, Thaitheparos Public Company Limited
No. of holding shares	: None
No. of share changed	: -
Position in None Listed Companies	: 1 position
1993 - Present	: Managing Director & Port Director Sriracha Harbour Public Company Limited
Position in None Listed Companies	: None
Position in Rival Companies/ Connected Business-	
that May Cause Conflict of Interest	: None
Relation Among family with the Company	: -
Director remuneration	: 388,500 Baht
Audit Committee remuneration	: 132,000 Baht
Attended Board of Director's Meeting in 2017	: Attended 5 out of 5 Board of Director's Meeting
Attended Board of Audit Committee: Meeting in 2017	: Attended 4 out of 4 Audit Committee's Meeting

**8. Mr. Phot Kongputhi**  
(Independent Director / Audit Committee Chairman)

Date of Birth	: October 10, 1939
Age	: 78
Education	: Accounting, A.B.I., Institute of Book - Keeper, London
Director Training Program	: -
Experience	
2002 - Present	: Audit Committee Thaitheparos Public Company Limited
2002 - Present	: Independent Director Thaitheparos Public Company Limited
No. of holding shares	: None
No. of share changed	: -
Position in Other Listed Companies	: None
Position in None Listed Companies	: 1 position
2002 - Present	: Director and Managing Director Promma Mining Co.,Ltd.
Position in Rival Companies/ Connected Business	
that May Cause Conflict of Interest	: None
Relation Among family	: -
with the Company	
Director remuneration	: 388,500 Baht
Audit Committee Remuneration	: 132,000 Baht
Attended Board of Director's Meeting in 2017	: Attended 5 out of 5 Board of Director's Meeting
Attended Audit Committee's Meeting	: Attended 4 out of 4 Audit Committee's Meeting

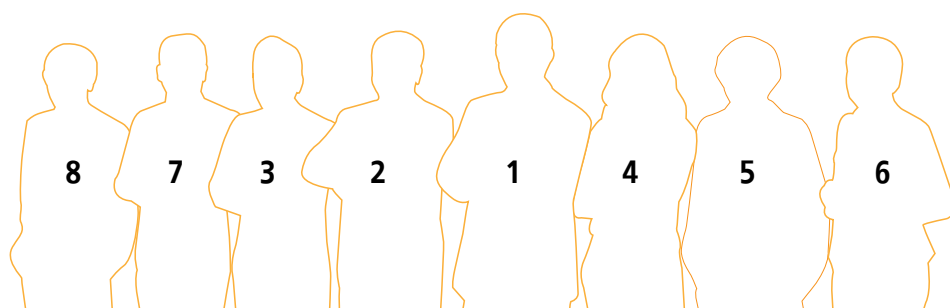
**9. Mr. Jirawit Masrangsang**  
(Independent Director / Audit Committee)

Has been elected to be an Independent Director and Audit Committee on March 13,2017 and May 9,2017 respectively in replace of Assistant Prof. Reweeewan Piyayopanakul who are due to retire by rotation	
Date of Birth	: May 5, 1938
Age	: 80
Education	: Bachelor of Commerce Thammasat University Bachelor of Accountancy Thammasat University
Director Training Program	: None
Experience	
2017 - Present	: Independent Director / Audit Committee Thaitheparos Public Company Limited
2001 - Present	: Independent Auditor (CPA Registration No. 1309) CFO (Chief Financial Officer) Hemaraj Land and Development PCL.
1991 - 2001	
1989 - 1991	: Project Director Windmill Golf Club and Bangpakong Golf Club Green Valley Country Club , Bangkok
1967 - 1989	: Deputy Director (Accounting Department) Kasikorn Bank PCL.
No. of holding shares	: None
No. of share changed	: None
Position in Other Listed Companies	: None
Position in Other Companies	: Director J.M.C. Business Co.,Ltd.
Position in Rival Companies/ Connected Business	
that May Cause Conflict of Interest	: None
Family Relationship with other directors	: None
Director Remuneration	: 378,000 Baht
Audit Committee Remuneration	: 132,000 Baht
Attended Board of Director's Meeting in 2016	: Attended 5 out of 5 Board of Director's Meeting
Attended Board of Audit Committee Meeting in 2017	: Attended 4 out of 4 Audit Committee's Meeting

Director		Historial Forward	No.of share changed		Carry Forward
		January 1, 2017	Buy	Sale	December 31,2017
1.Mr. Parinya	Winyarat	119,158,580	-	-	119,158,580
2.Mrs. Pornnapa	Winyarat	16,958,570	-	-	16,958,570
3.Miss Malee	Winyarat	14,004,520	-	-	14,004,520
4.Mr. Bandit	Winyarat	26,427,020	-	-	26,427,020
5.Mr. Tanawat	Winyarat	25,709,000	-	-	25,709,000
6.Mr. Bancha	Winyarat	24,632,000	-	-	24,632,000
7. Vice Admiral Tanong	Sirirangsri	-	-	-	-
8.Mr. Phot	Kongputhi	-	-	-	-
9. Mr. Jirawit	Masrangsang	-	-	-	-
Total		226,889,690	-	-	226,889,690



## Management Team



1. **Mr. Parinya Winyarat**  
Chairman of the Board and Managing Director
2. **Mr. Tanawat Winyarat**  
Director/Deputy Managing Director
3. **Mr. Bancha Winyarat**  
Director/Deputy Managing Director
4. **Miss Varanya Winyarat**  
Director/Deputy Managing Director
5. **Miss Sunee Winyarat**  
Finance Manager
6. **Mrs. Jaruda Pothiinta**  
Human Resource Manager
7. **Mr. Sutas Phucharoenchakij**  
Domestic Sale Manager
8. **Mr. Anuwatr Aersitrakool**  
Production Manager



# Management Team

## 4.Miss. Varanya Winyarat (Deputy Managing Director)

Age : 34 yrs.

Education : Bachelor of Arts with a major in Economics ,  
University of California

Experience : Deputy Managing Director  
Thaitheparos Public Company Limited.

2014 - Present : Marketing Manager  
Thaitheparos Public Company Limited.

2013 : No. of holding shares : 19,000,000 shares

## 5.Miss Sunee Winyarat (Finance Manager) Corporate secretary)

Age : 58

Education : Bachelor Degree in Economics,  
Ramkamhaeng University

Experience : Corporate Secretary  
1994 - Present : Finance Manager  
Thaitheparos Public Company Limited

Seminar : Corporate Secretary Development  
Program, Chulalongkorn University

No. of holding share : 13,066,530 shares

## 6.Mrs. Jaruda Phothiinha (Human Resource Manager)

Age : 57

Education : Bachelor of Public Administration  
Sukhothai Thammathrat University

Experience : Human Resource Manager  
2004 - Present : Thaitheparos Public Company Limited

No. of holding shares : 5,665,100 shares

No. of shares changed : 15,000 shares

## 7. Mr. Sutas Poochareanchaikit (Domestic Sales Manager)

Age : 49

Education : Master of Business Administration  
Ramkamheang University

: Bachelor of Business Administration  
(Marketing)  
Dhonburi Rajabhat University

Experience : Domestic Sales Manager  
Thaitheparos Public Company Limited

2017 - Present : Up Country Sales Division Manager  
Thaitheparos Public Company Limited

2012 - 2017 : No. of holding shares : -

No. of shares changed : -

## 8.Mr.Anuwatr Aersitrakool (Production Manager)

Age : 51

Education : Master of Business Administration  
Ramkamheang University

: Bachelor of Agriculture Industry,  
King Mongkut Institute of  
Technology Ladkrabang

Experience : Production Manager  
2005 - Present : Thaitheparos Public Company Limited

2001 - 2005 : Plant Manager  
Wang Palm Oils Company Limited  
(Wangkanai Group)

Management Team	Historical Forward January 1, 2017	No. of share changed		Carry Forward December 31, 2017
		Buy	Sale	
4.Miss Varanya Winyarat	19,000,000	-	-	19,000,000
5.Miss Sunee Winyarat	13,066,530	-	-	13,066,530
6.Mrs. Jaruda Phothiinha	5,650,100	15,000	-	5,665,100
7. Mr. Sutas Poochareanchaikit	-	-	-	-
8.Mr.Anuwatr Aersitrakool	-	-	-	-
<b>Total</b>	<b>37,716,630</b>	<b>15,000</b>	<b>-</b>	<b>37,731,630</b>



## Corporate Secretary

Sauce has appointed Miss Sunee Winyarat, Finance Manager as Corporate Secretary. She has suitable knowledge and experience to perform this function and assumes the of the Secretary to the Board of Directors and the Audit Committee.

## Remuneration for Directors and the Management

Remuneration for Directors: On approval by the Annual General Meeting of the shareholders, the Company set the remuneration for Directors and additional salary for the Audit Committee.

Remuneration for the Management: The Board set the remuneration for the Management. The Executive Director will have salary and bonus in addition to the remuneration.

The Company has provided all remuneration for Directors and the Management for the year 2017 as follow:

	Person	Remuneration for Director
Directors	9	4,515,000.00
Management	6	-
Directors and Management	15	21,399,196.00
Total		25,914,196.00

\*Salary / bonus / consultant fee / contribution to provident fund / contribution to social security fund / perdium

	(million)				
	Person	2017	2016	Change	%
Remuneration for Director	9	4.52	4.52	-	-
Salary/Bonus & other - Directors	9	14.79	12.97	1.82	14.03
Total Directors	9	19.31	17.49	1.82	10.41
Salary/Bonus & other - Management	5	6.60	7.45	(0.85)	(11.41)
Total Directors and Management	14	25.91	24.94	0.97	3.89

## Personnel

As December 31, 2017 Sauce has 768 employees or increased by 15 persons from 2016 or decrease by 1.99% .Headquarter totally 760 persons in each operation as follows:

Person	2017	2016	Changs	%
Management	5	3	2	66.67
Production Department	432	422	10	2.37
Quality Assurance & Research Development Department	28	26	2	7.69
Engineering Division	15	15	-	-
Sales Department, Marketing Department and Logistic Division	224	220	4	1.82
Accounting Department, Financial Department	30	33	(3)	(9)
Computer Division	6	5	1	20
Human Resource Department	19	19	-	-
Purchasing Division.	7	8	(1)	(12.50)
Quality management Division and Secretaries	2	2	-	-
Total	768	753	15	(1.99)

Remuneration is a key success factor to attract and retain a better performance in SAUCE of which include salary, wages, overtime payment, cost of living, the incentive fee, commission, allowances, bonuses, severance pay and provident fund of which for the year 2017 totally Bht 262.98 million; increase of Bht 258.44 million or 1.76% in 2016, (this amount included Directors and Advisors Remuneration). Besides, SAUCE provides other welfares to our employees.

SAUCE recognizes the importance of our employees, so the key role of our policy is Human Resource Development by training and empowering staff skills both in-house and outside. We have an annual training plan including ON THE JOB TRAINING for new staff and the rotated staff.

The Company has no significant labor disputes in the past 3 years.

# The Principles of Good Corporate

The Board of Director realizes on the importance of good corporate governance which is for transparency, accountability, business competency and confidence to stakeholders, investors as well as relevant persons and set the good corporate governance policy covering an important principle as follows

## 1. Right of Shareholders

SAUCE recognizes on the right of shareholders and gives the importance and facilities to all shareholders to get the basic shareholder's right both in the position of investor in the securities and the owner of the company. Shareholders have the right to purchase, sell or transfer their securities independently as well as the right to receive the appropriate net profit, to join the shareholders meeting, give their opinions in the meeting. All shareholders have the right to vote according to their holding shares. The vote is counted one vote per share. No shareholders have privilege to restrict the right of other shareholders

Besides the above mentioned Basic Shareholders' rights, SAUCE gives the importance on the information disclosure correctly, in time and transparently to shareholders by disclosing the important information via the company's website both Thai and English version. In 2017, the Board of Directors has principle the activity for the matter of promoting and giving the facilities in using the right of shareholders as follows:

1.1 Disclosure the Board of Directors' Meeting's resolution no.2/2017 which held on March 13, 2017 providing to arrange the Annual General Meeting of Shareholders on April 21, 2017 via the Stock Exchange of Thailand's website since the had pass the resolution to fix the meeting date.

1.2 The company will send the Invitation Letter for attending the Annual General Meeting of Shareholders no less than 21 days prior to the meeting date which mention the time, place to attend the meeting and the agenda completely in accordance with the articles of the Stock Exchange of Thailand and the company's Article of Association which has sufficient information regarding the issues to be decided at the meeting. Each agenda will be specified whether it is for approve, disapprove or for abstain.

Invitation letter for attending the annual general meeting of shareholders has been disclosed in advance one month prior to meeting date on company's website at "Investor Relation" Menu. Shareholders will have opportunity to receive information before the meeting adequately. They can propose the additional agenda to the shareholders meeting according to the time provided by the company.

The company will notify the shareholders of such meeting through Thai newspaper 30 days which published from March 17, 20-21, 2017. In the attending the meeting, the company shall inform shareholders to bring the documents required prior to attending the meeting and attached the proxy and specify the name of Independent Director and Audit Committee Chairman or appoint any other person as a proxy to attend and vote on their behalf in meeting.

1.3 On the meeting date, the company give shareholders to register prior one hour before the meeting begin and printing the voting ticket for each agenda to all shareholders.

1.4 Before the meeting Begin, the Chairman will explain the voting procedure and vote-counting method which will be in an efficient and transparent (counting by staff of Audit Firm). One share will count as one Vote and the resolution is by the majority votes. In case the resolution which is provided the votes not less than two-third of all votes of shareholders who attend the meeting and have the right to vote or the resolution which provide the votes not less than three-fourth of all votes of Shareholders who attend the meeting and have the right to vote which shall be in accordance with the laws and the company article's of association.

1.5 During the meeting, Chairman of the Board gives the opportunity and be allowed sufficient time to give opinions, ask questions and propose the additional agenda for appropriate time. The director will inform and give the information to shareholders with completely.

Besides, shareholders who attend the meeting afterwards the meeting begin, have the right to vote in the agenda which is being considered and still not passing the resolution.

1.6 The company has set the policy to the Board of Directors attending the Annual General Meeting of Shareholders, shareholders can ask questions to them. Board of Directors who attend the Annual General Meeting of Shareholders 2017 which was held on April 21, 2017 comprise of Board of executive director consisting of 3 persons : Chairman of the Board, and Deputy Managing Director 3 person and non executive director 2 persons, Audit Committee Chairman 1 person and audit committee member 3 person. The company, therefore, has a total of 9 directors attending the shareholders meeting.

## 2. Equitable treatment of shareholders

SAUCE gives precedence to equal treatment of shareholders. The Board of Directors has set up a supervision policy to take care of the company by paying attention to the right of shareholders, and to treat all shareholders fairly and equally. This is achieved as follows:

2.1 Managing the shareholder meetings effectively, and in line with the regulations of the company. Consideration and voting will take place in accordance with the agenda, including the consideration about committees to appoint, remuneration for committees, the auditor to appoint, approving the auditor's fees and other agenda items that are raised by the shareholders in the meeting.

2.2 Shareholders who are not comfortable to attend the meeting may authorize the independent committee/ chairman or any other person, to represent them to attend the meeting and vote.

2.3 In order to vote about any agenda item, ballot papers will be used in order to carry out counting of the votes effectively and fast. The company will only archive the ballots in case some shareholders object or abstain. The auditor will evaluate the votes and ensures the vote is executed correctly, including archiving the ballots to be able to check later.

2.4 During the general shareholders' meeting minutes will be drawn up completely and correctly. The following points shall be included: conclusion of the meeting and the result of voting, by showing clear details with the numbers of voters who agreed, disagreed and abstained, and the total number of the votes for each agenda item, including questions, explanation and the opinion of the meeting. The aforementioned minutes will be distributed to all concerned parties within 14 days after the general meeting. The aforementioned minutes will also be published on the company's website. The company has published the conclusion of the shareholders' meeting on the website of the Stock Exchange of Thailand, in order to inform all shareholders as soon as the meeting was finished.

2.5 SAUCE has a policy that confidential information shall not be disclosed. Confidential information will be taken out before disclosing information to the public. The executives have to report all changes in the situation of the assets of the company. Executives are prohibited to trade assets of the company, from one month before the disclosure to the public and 2 weeks after it. The company strictly follows the guidelines of good practice from the Security and Exchange Commission.

The Board of Directors and executive with the position of general manager or higher, and accounting manager and finance manager with a comparable level, have to report the shares that they hold in the company. This also applies to their spouses and underage children. They have to report any changes in their shareholdings, after buying, selling, transferring or accepting a transfer to the Security and Exchange Commission within 3 days, and also report to the secretary of the Board.

## 3. Role of stakeholders

SAUCE has given precedence to the rights of every group of stakeholders, both insider stakeholders e.g. shareholders, employees and executives, and outsider stakeholders, e.g. customers, rivals, trade partners, creditors, the government sector and other concerned parties including communities. Because the company realizes that support from stakeholders will enable the company to compete and generate profit, which is part of being successful in the long term.

3.1 Shareholders: the company is engrossed with operating the business in order to create a stable development and a competitive position, by considering the risks at present and in the future, in order to gain value for shareholders of the company in the long term. The company shall disclose clear, fair, fast, timely, correct and complete information, and seriously strive to protect the assets of the company, including paying dividend, in order to let shareholders have the topmost satisfaction.

3.2 The Board of Directors and executives are the people who have access to all information to be able to make the best assessment how to take care of every group of company stakeholders, both insider stakeholders and outsider stakeholders, in an equal and fair manner.

3.3 Employees: the company always realizes that the employees of the company are the most important resource, so the company is prepared to support the personnel continuously, by emphasizing development of knowledge, abilities, skills, and the quality of an employee. The Company provides continuous and regular management training, both inside and outside, like training-on-the-job for new employees, or for employees who change position, or move to another department, etc. Besides that, the company also takes care of employees' welfare, with providing facilities, such as association provident fund, scholarships for employee's children, tourist trips, the arrangement rehearsals for the fire prevention and hazard protection systems, etc. This is done to support a good quality of life, which is suitable to live in society and have a chance to grow with the development of the company.

3.4 Customers: the company is determined to give customers topmost satisfaction, both in quality and service, for the company's products, including timely delivery, fully meeting the requirements of customers by paying attention to and being responsible to a customer. The annual satisfaction survey gives the customers an opportunity to share their opinions. The Company also manages a program to continuously promote relationships between customers and the company. It organizes trips, both domestic and abroad, invites customers to visit factories etc. Sales administrator has been set up to respond to complaints from customers.

3.5 Trade partners: the Company acknowledges the importance of treating trade partners in accordance with the commercial conditions and to treat them in accordance with contracts. The Company also has a Code of Conduct, which contains rules for fair and honest behavior.

3.6 Competitors: the Company follows the commercial competition rules, and does not use dishonest ways to destroy commercial rivals, but allows the market mechanism to work.

3.7 Creditor: the Company behaves in accordance with the conditions of business agreements, and maintains the duty to behave towards the creditor as a good debtor. The company also gives information in advance to creditors.

3.8 Government sector and other concerned parties: the Company always follows laws and regulations from the government and other concerned parties, and has no intention to disobey the aforementioned practices.

3.9 Communities, society and environment: the Company is concerned about communities, society and the environment, and manages these issues as follows;

- Waste water treatment system: the waste water treatment system of the company can process twice the amount of waste water as needed. At this moment BOD is not more than specified in the law. Over a period of 12 months, the average BOD of 2017 for the company was 9.5 milligram per liter (the law requires that the BOD at a temperature 20 C during 5 days does not exceed 20 milligrams per liter).

- Environmental and safety arrangements in work places by considering safety, occupational health and environment, and offering conveniences to employees and customers.

- Supporting the conservation of the environment.

- Supporting activities of students from educational institutes regularly and continuously, including the annual activities on children's day.

- Supporting activities of the government sector, both inside Samutprakarn province and Bangkok.

- Supporting public charity activities with government and other parties from the private sector.

- Supporting activities to support the Buddhism.

- Running welfare stores where economically priced goods are sold, and discounts are given to employees and customers from nearby communities, including general customers, etc.

#### 4. Disclosure and Transparency

Board of Directors recognizes an importance of information disclosure with completeness, accountability both in financial and general including significant information effecting market of the share by issuing such information to the investors and shareholders to all channels of the Stock Exchange of Thailand.

Regarding to the Investor Relation, the company has not yet set up an investor relation office since the Investor Relation activity is still small, but assigned Marketing Manager to communicate with the investors, institutes, shareholders as well as analysts and stakeholders. The investors can access the information through the company secretary at Tel no. 02-703-4444 or via website: [www.gmsauce.com](http://www.gmsauce.com)

In 2017, the company has disclosed sufficiently significant financial information in the financial statements in accordance with the Stock Exchange of Thailand and Office of Securities and Stock Exchange Commission and accounting standards by the information disclosure system of the Stock Exchange of Thailand. The financial statements has been audited and given and opinions without any condition by Certified Public Accountant, Audit Committee Meeting and Board of Director before disclosing to shareholders. Board of Directors have disclosed the responsibilities of Board of Directors to the financial report in the annual report as well.

The company has disclosed the summary of its Performance Result, Reviewed Financial Statements and quarterly & yearly Management Discussion and Analysis, the Declaration of Dividend Payment, fixing the date of Annual General Meeting of Shareholders

For more convenience to shareholders, sauce has set up the "shareholders" menu on company website since 2007 (In 2011 change to "Investor Relation").

Invitation letter for attending the annual general meeting of shareholders has been disclosed in advance one month prior to meeting date on company's website at "shareholder" menu. Shareholders will have opportunity to receive information before the meeting adequately. They can propose the additional agenda to the shareholders meeting according to the time provided by the company.

Sauce has improved the aforesaid information by disclosing via company's website which is always up to date.

Sauce has disclosed the significant information and news regularly. Shareholders and stakeholders will receive the information with completely via channels as follows

1. The Stock Exchange of Thailand's website
  - Quarterly and yearly financial statements
  - Annual report
  - Form 56-1
  - News (F45-1, MD &A, the declaration of dividend payment, Shareholder's resolution, Connected transaction, etc.)
2. Office of the Securities and Stock Exchange of Thailand Commission
3. Ministry of Commerce
4. Thai Newspaper (Invitation Letter to attend the Meeting, Balance sheet and loss and profit of account, the declaration of dividend payment etc.)
5. Company's website (www.gmsauce.com) Both Thai and English version.
6. Company Visit
7. Deliver the Invitation Letter to Shareholders by mail.

## 5. Responsibilities of the Board

### 5.1 Structure of the Board of Directors

The company's Board of Directors is comprised of qualified persons who possess knowledge, abilities and experience which are beneficial to the company. The election of Board members follows the resolutions of the Shareholder's Meetings, as well as the rules, regulations and the company's Articles of Association. The number of directors is appropriate to the company's business operations.

The Board of Directors has 9 members comprised of:

- 2 Non-Executive Directors, equal to 22.22% of the Board member
- 4 Executive Directors, equal to 44.44% of the Board member
- 3 Independent Directors, equal to 33.33% of the Board member

( Two Independent Directors have adequate expertise and experience to review creditability of the financial report )

The primary authorized directors with signatory authority on behalf of the company are Mr. Parinya Winyarat, Mr. Tanawat Winyarat, Mr. Bancha Winyarat must be signed by two authorized directors and affixed with the Company Seal.

### Qualifications of Independent Directors

1. An Independent Director must not hold more than 0.5 percent of the Company's shares with voting rights, or those of any affiliated or associated company.
2. An Independent Director must not take part in management and not be an employee. Staff member, or adviser who receives a regular salary; nor be in a profession such as auditor, lawyer, etc, that might effect the giving of impartial opinions to the company. Furthermore, the Independent Director must not be someone who has control over the company, the affiliated or the associated company, nor be a person with a conflict of interest, except in cases where he or she has resigned from any such position at least two year previously.
3. An Independent Director must have no direct or indirect business relationship that would restrict the Directors' Independence and impartiality, in an amount or value significant to the company's income, nor benefit, either directly or indirectly from the finances or management of the company, the affiliated or associated company, nor be a person with a conflict of interest that could affect him or her from giving an unbiased opinion.
4. An Independent Director must not be a close relative of any senior executives or a major shareholder of the company, the affiliated or associated company. Neither shall he be a person with a conflict of interest, nor be a representative acting to safeguard the interests of any.

### Term of Office

As required by our Articles of Association, in the General Shareholders Meeting, 1/3 of the directors have to be retired by rotation. The Directors of the public company limited have to be retired in the first and second year by random procedure, and the coming years, the directors who are entitled for the longest period have retired by rotation. The retired directors can be re-elected for another period. The Shareholders Meeting may vote any of directors for retirement before their term ending by the votes not less than 3/4 of total shareholders attending in the meeting and have the right to vote of which the total shares not less than half of total shareholders.

Regarding the term of office of the Audit of Committee shall hold office for a term of 2 years.

Directorship of the Board of Directors and Executives in other Companies

At present, not Sauce director or executive holds a directorship in more than three other listed companies, nor are any in the position of chairman, executive director with signatory authority in excess of three companies.

### Separation of the Chairman of The Board and the Managing Director

The Chairman of the Board, and the Managing Director is the same person because the Chairman is appointed to be in charge for the Managing Director.

### Corporate Secretary

Sauce has appointed Miss Sunee Winyarat Finance Manager as Corporate Secretary. She has suitable knowledge and experience to perform this function and assumes the of the Secretary to the Board of Directors and the Audit Committee.

### Board of Director

As of December 31,2016 Board of Directors of Thai Theparos Public Company Limited consists of 9 qualified persons as follows:

1. Mr. Parinya	Winyarat	Chairman of the Board and Managing Director
2. Mrs. Pornnapa	Winyarat	Director/Deputy Managing Director
3. Mr. Tanawat	Winyarat	Director/Deputy Managing Director
4. Mr. Bancha	Winyarat	Director/Deputy Managing Director
5. Miss Malee	Winyarat	Director
6. Mr. Bandit	Winyarat	Director
7. Mr. Phot	Kongputhi	Independent Director / Audit Committee Chairman
8. Vice Admiral Tanong	Sirirangsri	Independent Director and Audit Committee Member
9. Mr. Jirawit	Masrangsan	Independent Director and Audit Committee Member

### Recruitment of The Board of Directors

SAUCE do not have the nominating committee. The Board of Directors will propose the qualified person to the Shareholders Meeting for approval.

Independent Directors have adequate expertise and experience to creditability of the financial report at least 1 person.

Sauce has two independent directors namely ; Mr.Phot Kongputhi and Mr. Jirawit Masrangsan. They also have adequate expertise and experience to creditability of the financial report

There is no limit on percentage of the director's representatives in each of shareholders' groups.

As required by our regulation, Board of Directors consist of directors which not less than five persons and half of total directors have domicile in Thailand. The Board of Directors Election have been acted by the Shareholders Meeting. The shareholders has right to vote only one time (one share one vote). Every shareholder has to vote one person with all his votes, which can not separate any to other persons or other groups. In the General Shareholders Meeting, 1/3 of the directors have to be retired by rotation. The Directors of the public company limited have to be retired in the first and second year by random procedure, and the coming years, the directors who are entitled for the longest period have retired by rotation. The retired directors can be re-elected for another period. The Shareholders Meeting may vote any of directors for retirement before their term ending by the votes not less than 3/4 of total shareholders attending in the meeting and have the right to vote of which the total shares not less than half of total shareholders.

### 5.2 Committees

The Board has set up an Audit Committee to monitor the business operation.

The Company has no a remuneration committee, but uses a proper evaluation procedure; information from the same industry and size, also the Company operation result are considered.



**Audit Committee consist of 3 persons as follows:**

- |                                    |   |
|------------------------------------|---|
| 1. Mr. Phot Kongputhi              | Independent Director / Audit Committee Member   |
| 2. Vice Admiral Tanong Sirirangsri | Independent Director and Audit Committee Member |
| 3. Mr. Jirawit Masrangsarn         | Independent Director and Audit Committee Member |

The Audit Committee number 1 and 3 who have adequate expertise and experience to review creditability of the financial reports.

**Audit committee Duties and Responsibilities**

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, and to determine an independent of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on Securities and Exchange, the SET's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate independent persons to be the Company's auditors, and to propose such persons' remuneration, as well as to attend a non-management meeting with the auditors at least once a year;
5. To consider the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the SET's regulations, to be ensured that the said transactions are reasonable and made for the highest benefit of the Company;
6. To prepare the Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information to be disclosed in the Company's annual report:
  - the number of the Audit Committee meetings, and the attendance of such meetings by each member of the Audit Committee,
  - an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - an opinion on the adequacy of the Company's internal control system,
  - an opinion on the compliance with the law on Securities and Exchange, the SET's regulations, or the laws relating to the Company's business,
  - an opinion on the suitability of an auditor,
  - an opinion on the transactions that may lead to conflicts of interests,
  - an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and
7. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

**Board of Executive Director consist of 4 persons as follows:**

- |                           |   |
|---------------------------|---|
| 1. Mr. Parinya Winyarat   | Chairman of the Board and Managing Director |
| 2. Mrs. Pornnapa Winyarat | Director/Deputy Managing Director           |
| 3. Mr. Tanawat Winyarat   | Director/Deputy Managing Director           |
| 4. Mr. Bancha Winyarat    | Director/Deputy Managing Director           |

**Board of Executive Director's Duties and Responsibilities**

To oversight company's efficiency Corporate Governance and business strength, the business expansion and investment in accordance with the Board of Directors policies. To look after financial management and screening other issues that will be proposed to the Board of Directors for determination and also operate other assignment from the Board of Directors.

**5.3 Board of Director's Duties and Responsibilities**

The Board of Directors is responsible to SAUCE's shareholders.

The Board has roles and responsibilities as follow:

1. Supervise and manage the company so that it complies with the law and the company objectives, the Articles of Association and the resolutions of Shareholder's meeting.
2. Approve the Vision, Mission, Values and Statement of Business Conduct.
3. Monitor the company's performance and progress toward achieving objectives as well as compliance with the laws, regulations and related policies.

4. Set up company's policies.
5. Ensure the existence of an effective internal control system and appropriate risk management framework.
6. Ensure effective audit system executed by both internal and external auditors.
7. Approve quarterly, and annual financial report; ensure that the reports are prepared under generally accepted accounting standards.

8. Ensure the disclosure of information correctly, completely and transparently.
9. Ensure protect the conflict of interest.
10. Consider and screen the other issues which will propose to shareholder meeting for consideration.

#### Policy on Corporate Governance

The Board of Directors realize on the importance of good corporate governance, which is for accountability, business competency, and confidence of shareholders, investors and all related party. The Board has set the policy to cover all important aspect as follow :

Equally and fairly treat to shareholders and all stakeholders.

Focus in the additional long term value of the Company, carefully manage, be competence and efficient for maximum benefit of the shareholders. Precaution on any conflict of interests, and be responsible on own decisions and actions.

Do business with accountability, and auditable. Enough information should be accessible for all related party.

#### Inside Information Rules and Practices

Our inside information rules and practices are not disclosed inside information before the information to be disclosed to public which the management have to report the company securities movement in management accounts in every movement as well. The management are forbidden to trade all of their accounts 1 month before and 2 weeks after the information is disclosed and made to public. The company is strictly perform according to inside trading practices of the Securities and Stock Exchange Commission.

#### Internal Control

The company maintains an internal control structure and monitors that structure to ensure that the company's operations comply with established policies and procedures. The objectives of the internal control structure are to provide reasonable, but not absolute, assurance as to the integrity and reliability of financial statements, protect asset from unauthorized use of disposition, and ensure that

#### 5.4 Board of Directors' Meetings

The Board of Directors set periodical meetings in February, March, May, August, and November. Special meeting can be called as required. The agenda is clearly set in advance and including the review of operation.

The secretary issues invitation with agenda and information 7 days in advance. A regular meeting consumes 2.5-3 hours. In 2017, there are 5 regular meetings with all the directors attend except Mr. Bandit Winyarat Attended 4 out of 5 Board of Directors' Meeting in 2017 (business trip overseas) and Mr. Bancha Winyarat Attended 4 out of 5 Board of Directors' Meeting in 2017 (business trip overseas).

#### 5.5 Remuneration for Directors and the Management

Remuneration for Directors: On approval by the Annual General Meeting of the shareholders, the Company set the remuneration for Directors and additional salary for the Audit Committee.

Remuneration for the Management: The Board set the remuneration for the Management. The Executive Director will have salary and bonus in addition to the remuneration.

The Company has provided all remuneration for Directors and the Management for the year 2016 as follow:

	Person	Remuneration for Directors	*Salary/Bonus & other	Total
Directors	9	4,515,000.00	14,799,986.00	19,314,986.00
Management	5	-	6,599,210.00	6,599,210.00
Directors and Management	14	4,515,000.00	21,399,196.00	25,914,196.00

\*Salary / bonus / consultant fee / contribution to provident fund / contribution to social security fund / peridium

**Corporate Governance of associate**

SAUCE has submitted our Directors to be Directors in the associate's Board of Directors as follows:

- |                                 |               |                         |
|---------------------------------|---------------|-------------------------|
| 1. Yamasa (Thailand) Co., Ltd.: | 1 Director :  | 1. Mr. Tanawat Winyarat |
| 2. Exter (Thailand) Ltd.:       | 2 Directors : | 1. Mr. Tanawat Winyarat |
|                                 |               | 2. Mr. Bancha Winyarat  |

**Auditor's remuneration****1. Audit fees**

The Company paid for the audit fees as follows:

	2017	2016
Paid to the Company's auditor for the fiscal year		
in the amount of Baht	-	-
Paid to the Auditing firm for the fiscal year		
in the amount of Baht	1,100,000.00	950,000.00
Total the audit fees	1,100,000.00	950,000.00

**2. Non-audit fees**

The Company has not paid for the non-audit fees to the Company's auditor or the Auditing firm, person, the related parties the Auditor and the Auditing firm for the fiscal year.

# Corporate Social Responsibility : CSR

## Corporate Social Responsibilities: CSR)

SAUCE strongly recognizes the interests of all stakeholders including, investors, employees, the community and the environment. These are translated into the company's Corporate Social Responsibility policy, principles and directions and laid influential grounds of employees and executives' practices.

This policy is a guideline for shared practice comprised of 7 categories.

### 1. Ethical Business Operation

We are committed to ensure that our business is fairly conducted according to ethical, professional and legal standard. The company embraces the guidelines of the good corporate governance by following on Corporate Governance of the Stock Exchange of Thailand (SET).

### 2. Anti-Corruption

Our company is operated with transparency and has no involvement with any kinds of corruption. We have a commitment to full legal compliance. Moreover, there are reliable external and internal inspection agencies to monitor our business.

Members of Board of Director, executives and all employees are strictly obliged to company rules, regulations and business integrity to impede business bribery. Violators are subject to the highest punishment.

### 3. Respect on Human Right

We emphasize on booting a standard human right, human right and freedom. Our employees are equally treated with respect and no subjection on gender and diversity. Furthermore, we are against child labor employment.

### 4. Labor justic and Employee Responsibility

We promote a quality of life of our employees to meet labor standards by enforcing a fair treatment and an equality of opportunity in employment, a standard social welfare and a safe working environment.

## Occupational Health and Safety Policy

"Working safely and attentively for no accidents"

In addition, we have continually engaged in a project named "Employees' Children Tuition Fee Fund" which was first established in 1992 by Mrs.Kim-Siew Sae-Tung (a wife of Mr.Chai Sae-Kow, a founder of a company). This fund is conducted aiming to support a tuition fee of our employees' children who have a good record on studying and pleasant behaviors.

### 5. Consumer Responsibility

- The company has set up a Hotline Number service to gather comments and complaints about our products and sale service from customers for further improvement.

- We continuously develop alternative methods and means that can effectively help extend our production and manufacturing quality to certify international standard; Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP) and ISO 9001:2008.

## Quality Policy

"Produce high-quality and safe products according to food regulations to serve our customers' needs and satisfaction."

## HAL-Q Policy

"Produce quality and health-concern condiment, without any restricted contaminants as Islamic provision."

- We have invested and utterly utilized our resources in Research and Development (R&D) to bring high quality products to consumers.

### 6. Environmental Conservation

- We are aware of environmental issues that can affect human life and well-being. Therefore, the company has implemented green technology and environmental friendly production process. We carefully use and reduce the consumption of energy resources. We have initiated waste and water recycling project.

## Environmental Management System (EMS) Policy

"1. Continually manage and develop an Environmental Management System

2. Operate under relevant environmental rules and regulations

3. Carefully manage the use of energy resources and lessen pollution from its source "

## Energy Conservation Worthily Policy

"consume resources and energy; continuously develop under a related conservation energy law"

- We have adopted a new "Green Carton" packaging which is a packaging innovation for environment reduce the use of natural resources. It's also lighter and stronger.

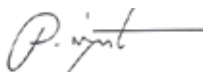
- Our employees are implanted the concept of the energy and environmental conservation. They have played a part in reducing energy consumptions.

### 7. Community or Society Development

We actively establish an engagement among our local community, society, country and Thai citizens. The company has valued the importance of supporting and creating our stakeholders' advantages. We attempt to engage ourselves to our community and society, where we belong to and largely share cultivation. Therefore our CSR's vision reflects through diverse projects and activities.

SAUCE is continuing with our full determination and capacity to drive and sustain our CSR strategies and projects. We are looking forward to delivering the great prospect to and our community, society and Thai citizens.

This Corporate Social Responsibility policy will become effective on December 4th, 2013.



(Parinya Winyarat)  
Chairman of the Board



## CSR ACTIVITIES – SAUCE has organized projects and CSR activities as follows :

By the way, we have many projects and activities on the social responsibility from the company.

### Employees' Children Scholarship

In 2017, The 25th Employees' Children Scholarship held its ceremony on 20 May 2017. There were 59 scholarships total amount 209,000 Baht to support the child's education with good academic performance.



### Supporting in the Children's Day at Klongsamsuk School, Samutprakarn

The Children's Day at Klongsamsuk School on 13 January 2017, The company supported Golden Mountain products, presents, scholarships and luncheon for the activity total amount 20,000 Baht.



### Donate water dispensers and water purifiers to schools that are in short supply

In 2017, the company donated the water dispensers and the water purifiers to 3 schools total amount 90,363 Baht, as follows;

- Ban Nong Khon Prachasan School, Phitsanulok on 26 June 2017.
- Ban Tabae Ngam School, Phitsanulok on 26 July 2017.
- Wat Dongsawong School, Lop Buri on 7 September 2017.



### Community Activity with Bangpoo Municipality, Samutprakarn

On 11 August 2017, the company joined the community activity with Bangpoo Municipality to give a royal charity for expression of loyalty and awareness in Divine Grace on the occasion of Her Majesty the Queen's Birthday.



### The development of the quality of life and sustainable living follow the king way project

The company aims to develop and cultivate hygiene food and health for its youth. Supporting for agricultural and vegetable garden to feed into the kitchen under the sufficiency economy, to encourage self-reliance and eat non-toxic foods. Moreover, to improve drinking water system and hygiene toilet. In 2017, there were 2 schools in this project total amount 120,996 Baht, as follows;

- Ban Nong Khon Prachasan School, Phitsanulok on 26 June 2017.
- Ban Khun Samut Thai School, Samutprakarn on 17 November 2017.





## Donate money to the fund raising for Intensive Care Unit (ICU) and medical equipments to Samutprakarn hospital

On 20 September 2017, the management team gave cash 200,000 Baht to Samutprakarn hospital.



## kitchen

On 30 August 2017, the company gave products value 22,000 Baht to Thammasat volunteer kitchen to cook for officers in the 100 day anniversary of the royal merit-making of His Majesty King Bhumibol Adulyadej.



## Mourning to His Majesty King Bhumibol Adulyadej

On 18 August 2017, the management team and employees went to give sandalwood flowers to the city hall of Samutprakarn province. On 13 October 2017, the company arranged activity for the 1 year anniversary mourning to His Majesty King Bhumibol Adulyadej at Thaitheparos PLC.



## Be a part of doing good thing for society

On 13-16 January 2017, the company and "Party Sri Tham" volunteer group gave 360 sets of survival bag value 69,000 Baht to flood victims in Tambon Koh Mak, Amphoe Pak Phayun, Phatthalung. In addition, donated money value 160,000 Baht for renovating of kitchen and canteen in Amphoe Cha Uat, Nakhon Si Thammarat. Total amount is 229,000 Baht.



## Help flood victims in Sakon Nakhon, Thailand

On 1-4 August 2017, the company with MCOT Sakon Nakhon and rescue team gave money to the flood victim assistant center for buying food raw materials and cooking for flood victims. Moreover, donated rescue boats to related department for help flood victims cover every district in Sakon Nakhon. Total amount is 197,415 Baht.



## Internal Control and Risk Management

### Internal control and Risk management

#### Internal control

#### Auditor Committee's Opinion

The company maintains an internal control structure and monitors that structure to ensure that the company's operations comply with established policies and procedures. The objectives of the internal control structure are to provide reasonable, but not absolute, assurance as to the integrity and reliability of financial statements, protect asset from unauthorized use of disposition, and ensure that transactions are executed in accordance with the authorization management.

The board of directors of Thaitheparos Public Company Limited at a meeting No. 1/2018 held on February 19, 2018. The board of directors assigned the Audit Committee to evaluate the internal control system of the company in 2017. The Audit Committee has the question to the management related 5 parts of the internal control program as follows :

1. Organization and environment
2. Risk management
3. Management operation control,
4. Information technology & communication program and
5. Monitoring program.

To ensure internal control system and internal audit program. In an Audit Committee's opinion, "internal control system of Thaitheparos Public Company Limited is adequate , appropriate and efficacious",

## Audit Committee's Report

To : The Shareholders of Thai Theparos Food Products Public Company Limited

The Audit Committee of Thaitheparos Public Company Limited has been assigned by the Board of Director. During the accounting period for the year ended December 31, 2017, there are 4 audit committee meetings and all of them attend meeting.

Audit Committee Responsibilities are as follow :

1. To review the quarterly and the yearly financial statement of the company in 2017. In our opinion, Thaitheparos Public Company Limited 's financial statement is correct ,complete and credible. Also the company prepared financial statement under Accounting Standard as indicated in The Accounting Act B.E. 2543 ,the Declaration of the Securities and Stock Exchange Committee , the Declaration of the Stock Exchange of Thailand including disclose correctly and sufficiently detailed information of financial statement.

2. To ensure internal control system and internal audit program . In our opinion, internal control system of Thaitheparos Public Company Limited is adequate , appropriate and efficacious.

3. To ensure Good Corporate Governance, the Audit Committee ensure the company to follow the Good Corporate Governance Practice and give opinion that Thaitheparos Public Company Limited have follow the declaration of the Securities and Stock Exchange Committee including relevant law and disclose information adequately, correctly, completely as well as emphasizing to do business strictly and accountability.

Considering in conflicts of interest transaction for the year 2017, audit committee give an opinion that connected transaction of Thaitheparos Public Company Limited. is fairly transaction It will not give any benefit to person with a conflict of interests. It is an appropriate transaction and utmost usefulness for the company.

4. To Select Auditor for the year 2018. The Audit Committee select and offer to the Board of Director concerning auditor appointment including auditor's fee which is suitable for the company. In our opinion, the shareholders Meeting is hereby advised to elect Mrs. Siripen Sukchareonyingyong, CPA Registration No. 3636 or Mr. Charoen Phosamritlert, CPA Registration No. 4068 or Mrs. Wilai Buranakittisophon CPA Registration No. 3920 of KPMG Phoomchai Audit (Thailand) Co. Ltd. As the auditor of the company for the year 2018.

The above mentioned auditors are independent. They do not have any relevant to the company and do not give any services except audit of accounting.

During the year 2017, Audit Committee attended the meeting with Auditor of company independently in order to ask for their opinions for any matter 4 times.

5. In our opinion, audit committee operating are independent. The Board of Directors have reported the operating results to the audit committee continual. There are not any events which may cause important effects to the company's operating results.

On behalf of the Audit Committee



Mr. Phot Kongputhi  
Independent Director and Audit Committee Member

19 February 2018



## Related party transactions

The company has no related parties transaction with shareholders or by common shareholders or directors. Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Company were as follows:

Name of entities	Yamasa (Thailand) Co., Ltd. (. Yamasa Corporation Limited Japan, 49% shareholding )		
Nature of relationships	Associate, 26% shareholding Mr. Tanawat Winyarat is co director		
		2017	2016
		(in thousand Baht)	
Transactions	Sales of goods	42,341	42,024
Pricing policies	Market price		
The necessary	The purpose of Foundation Yamasa (Thailand) Limited is to, distribute Japanese Soy Sauce in the South East Asia region and authorized Thai Theparos Public Company Limited to be the sole manufacturer in Thailand		
		2017	2016
		(in thousand Baht)	
Transactions	Rental income	138	138
	Rent warehouse	416	201
Pricing policies	Contractually agreed price which compared to the lease of the company nearby.		
The necessary	The Company entered into a building granted - lease agreement for use as a office with Yamasa (Thailand) Limited which total area of 43 square metres. In order to save the transportation costs and it is convenient for management because they are in the same area.		
Name of entire	Exter ( Thailand) Ltd.(Exter BV Netherland 60% shareholding)		
Nature of relationship	Associate, 40% shareholding Mr. Tanawat Winyarat and Mr. Bancha Winyarat are co director		
		2017	2016
		(in thousand Baht)	
Transactions	Purchase of raw materials	23,070	22,956
	Sales of goods	27,088	23,379
Pricing policies	Market price		
The necessary	The purpose of Foundation Exter (Thailand) Limited is to, export "EXTER" reaction flavour in European countries and South East Asia region and authorized Thaitheparos Public Company Limited to be the sole manufacturer of the main raw material in Thailand.		
		2017	2016
		(in thousand Baht)	
Transactions	Rental income	1,695	1,489
	Other income		
	Water utility charge	184	204
	Electricity charge	2,423	1,897
	steam charge	5,281	4,717
	Other	2,744	1,255

Pricing policies	Contractually agreed price which compared to the lease of the company nearby.		
The necessary	Sauce entered into a building granted - lease agreement for use as an office and factory with Exter Thailand totally 880 square meters which it is benefits for mutual companies on transportation cost saving as well as management and utilities' convenience.		
		2017	2016
Transactions	Loan to associated company	-	1,200
	interest	42	130
Pricing Policy	MLR (KBANK)+1.0%		
The necessary	Sauce provided loan to Exter Thailand for our mutual benefits on monetary liquidity of Exter Thailand with the reasonable loan interest.		

Audit Committee give an opinion relating to the related party transaction according to the Audit Committee's report dated February 22, 2018 as follows.

"Considering in conflicts of interest transaction for the year 2017, audit committee give an opinion that connected transaction of Thaitheparos Public Company Limited. is fairly transaction. It will not give any benefit to person with a conflict of interests. It is an appropriate transaction and utmost usefulness for the company."

# Management Discussion and Analysis

Management Discussion and Analysis Translation  
For the year ended December 31, 2017 and December 31, 2016

## Operating and Financial Status

### Overview

Operating Results in 2017 is lower than 2016 resulting from the economic which caused the net profit to be lowered. Revenue from sale of goods has decreased for traditional trade channel and promotional expenses has increased. The revenue from sales of goods from seasoning sauce, soy sauce, chilli sauce, vinegar, oyster sauce and srirachilli have increased.

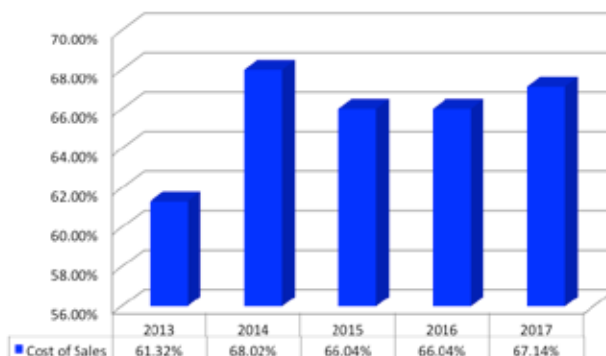
While as cost of sales of goods and selling expenses has increased due to high competition.

(in million Baht)	2017	%	2016	%	Change	%
	Jan.-Dec.		Jan.-Dec.			
Domestic Sales	1,478.27	54.06	1,468.77	55.77	9.50	0.65
Modern Trade Sales	733.96	26.84	694.60	26.37	39.36	5.67
Industrial Sales	176.85	6.47	170.99	6.49	5.86	3.43
Sales to associate	68.64	2.51	64.96	2.47	3.68	5.67
International Sales	276.94	10.13	234.43	8.90	42.51	18.13
Revenue from sale of goods	2,734.66	100.00	2,633.75	100.00	100.91	3.83
Cost of sale of goods	1,836.15	67.14	1,739.36	66.04	96.79	5.56
Selling Expense	348.98	12.76	298.56	11.34	50.42	16.89
Administrative Expenses	148.63	5.44	157.62	5.98	(8.99)	(5.70)
Net Profit form operation	345.37	12.63	377.02	14.31	(31.65)	(8.39)
Reversal of impairments losses for land not used in operation			37.98		(37.98)	(100.00)
Net Profit	345.37		415.00		(69.63)	(16.78)

Net profit Compared 5 years (Million Baht)



Cost of Sales (% of sales) Compared 5 years



Operating review

## Profitability

Thai TheparosPlc earn net profit for year ended December 31, as follow:-

	2017	2016	Change	%
Net profit (Million Baht)	345.37	415.00	(69.63)	(16.78)
Gross Profit Margin %	32.86	33.96	(1.10)	
Net Profit Margin %	12.52	15.32	(2.80)	
Return on Equity %	14.64	17.34	(2.70)	
Return on Total Assets %	13.11	15.63	(2.52)	

The Company earn net profit in 2017 decreased by 16.78 % or Bt. 69.63 million compared to 2016 :-

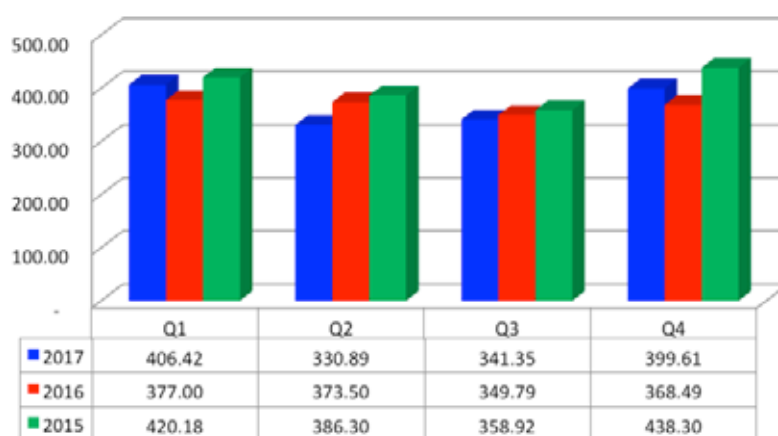
(Million Baht)	2017 Jan.-Dec.	%	2016 Jan.-Dec.	%	Change	%
Traditional Sales	1,034.15	37.82	1,099.67	41.75	(65.52)	(5.96)
Cash Van Sales	260.50	9.53	252.27	9.58	8.23	3.26
Trading firm	180.55	6.60	114.39	4.34	66.16	57.84
Other	3.07	0.11	2.44	0.09	0.63	25.82
1. Domestic Sales	1,478.27	54.06	1,468.77	55.77	9.50	0.65
Modern Trade Sales	733.96	26.84	694.60	26.37	39.36	5.67
Industrial Sales	176.85	6.47	170.99	6.49	5.86	3.43
Sales to associate	68.64	2.51	64.96	2.47	3.68	5.67
International Sales	276.94	10.13	234.43	8.90	42.51	18.13
Total revenue from sale of goods	2,734.66	100.00	2,633.75	100.00	100.91	3.83
2. Cost of sale of goods	1,836.15		1,739.36		96.79	5.56
% of total sale of goods	67.14%		66.04%		1.10%	
3. Selling expenses	348.98		298.56		50.42	16.89
% of total sale of goods	12.76%		11.34%		1.42%	
4. Administrative expenses	148.63		157.62		(8.99)	(5.70)
% of total sale of goods	5.44%		5.98%		(0.54%)	
5. Other income						
Reversal of allowance for impairments loss			47.48		(47.48)	(100.00)
Interest income	4.31		6.66		(2.35)	(35.29)
Other income	19.28		21.55		(2.27)	(10.53)
Total Other income	23.59		75.69		(52.10)	(68.83)

Domestic sales increased by 0.65% or Bt. 9.50 million Bt. from that of 2016 mostly from decreased 5.96% or 65.52 million Bt. in credit traditional trade channel and increased 3.26% or 8.23 million Bt. in cash van channel but increased 57.84% or Bt. 66.16 million in trading firm channel. Due to traditional sales were closed, some customer change to buy from modern trade more, and for the year 2017, economic has no progress.

(Million Baht)	2017 Jan.-Dec.	%	2016 Jan.-Dec.	%	Change	%
Traditional Sales	1,034.15	69.96%	1,099.67	74.87%	(65.52)	(5.96)
Cash Van Sales	260.50	17.62%	252.27	17.18%	8.23	3.26
Trading firm	180.55	12.21%	114.39	7.79%	66.16	57.84
Other	3.07	0.21%	2.44	0.16%	0.63	25.82
Domestic Sales	1,478.27	100.00%	1,468.77	100.00%	9.50	0.65

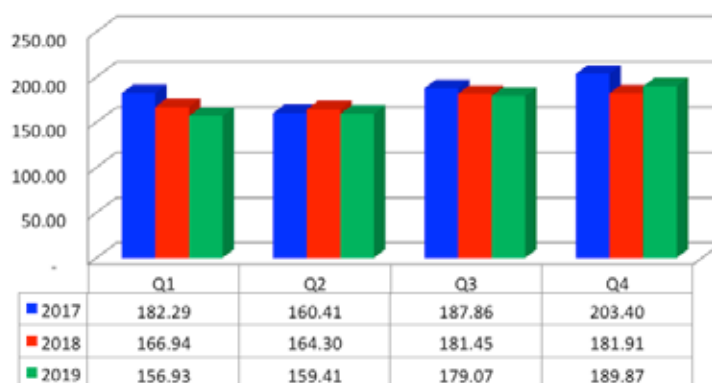


### Domestic sales by Quarterly (Million Baht)



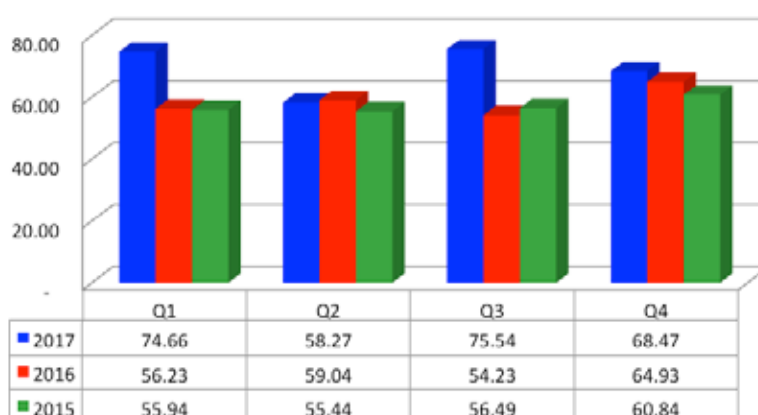
But increased 5.67 or Bt.39.36 million in modern trade channel.

### Modern Trade sales by Quarterly (Million Baht)



International sales increased by 18.13% or Bt. 42.51million .Due to the increasing from Asia and Europe .

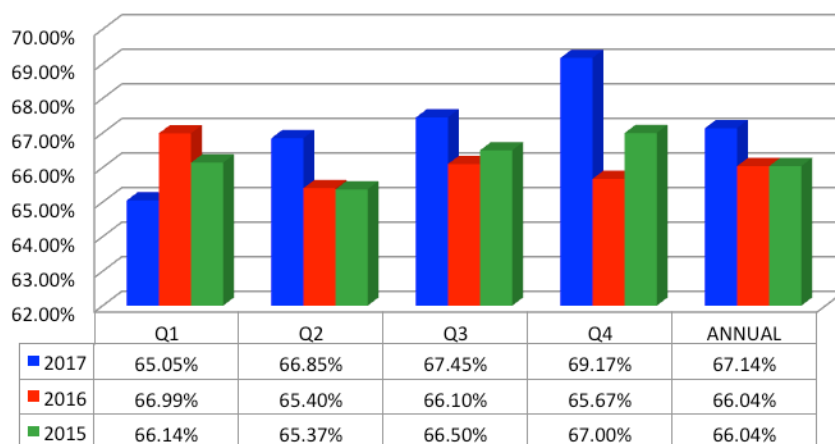
### International sales by Quarterly (Million Baht)



Sales to associate increased by 5.67% or Bt. 3.68 million from that of 2016 due to Exter (Thailand) Limited increased Bt. 3.36 million or 14.63% and Yamasa (Thailand) Company Limited increased Bt. 0.32 million or 0.75%.

From the above reasons, the total sales increased by 3.83% or Bt. 100.91 million in 2017.

### Cost of sales of goods (% of sales) by Quarterly



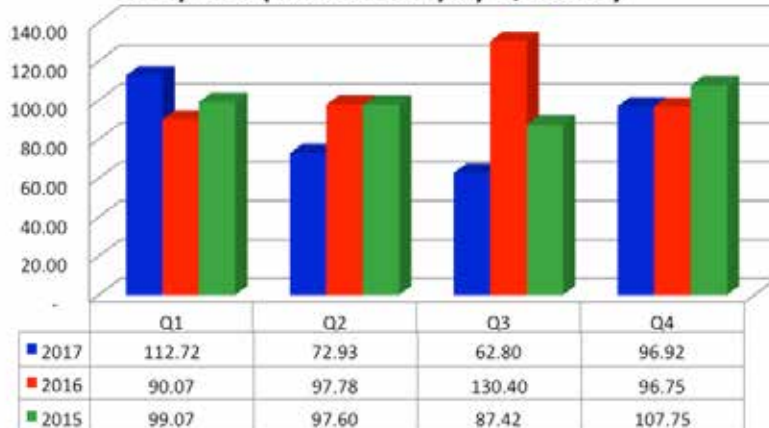
Cost of sales increased 1.10% from 66.04% of total sales in 2016 to 67.14% in 2017. It was due to giveaway products for promotional were increased.

The selling expenses of sales increased from 11.34% in 2016 to 12.76% in 2017 or increased by 1.42% of total sales or Bt. 50.42 million. This represents the increase in sales promotional expenses and advertising expenses.

The administrative expense decreased from 5.98% in 2016 to 5.44% in 2017 decreased 0.54% or decreased by Bt. 8.99 million mostly result come from allowance for doubtful accounts.

From the above reasons, the net profit decreased from Bt. 415 million in 2016 to Bt. 345.37 million in 2017, decreased by 16.78% or Bt. 69.63 million from that of 2016.

### Net profit (Million Baht) by Quarterly



Sauce has earning before income tax (EBT) for year ended December 31, as follows:-

	2017 Jan.-Dec.	2016 Jan.-Dec.	Change	%
Earning before income tax expense	427.65	517.93	(90.28)	(17.43)
EBT Margin %	15.50	19.12	(3.62)	

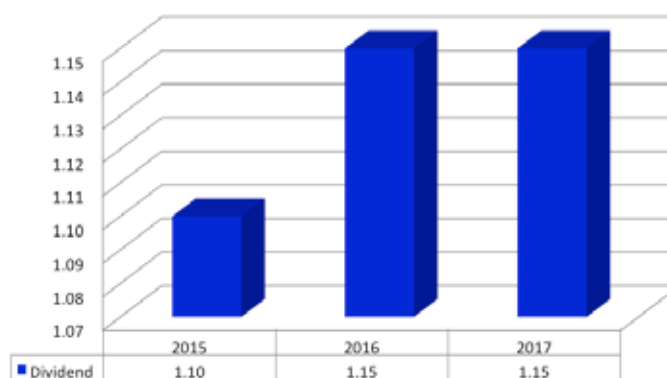
**Dividend Policy**

Minimum of 50% of net profit annually and will be paid in next year.

**Dividend Payment**

At the annual general meeting of the shareholders of the Company held on 21 April 2017, the shareholders approved the appropriation of dividend for 2016 and 2010 operation of Baht 1.15 per share, amounting to Baht 414.00 million (payout ratio 99.76% ). The dividend was paid to shareholders on May 17, 2017.

	2017	2016	Change	%
Dividends paid ( Million Baht)	414.00	414.00	0.00	0.00
Dividends per share (Baht)	1.15	1.15	0.00	0.00
Net profit (Last year)	415.00	391.84	23.16	5.91
Dividends pay out ratio (%)	99.76%	105.66%	(5.90)%	

**Dividend payment by Annually (Baht)****Report and Analysis of Financial Position****Financial Structure****Debt Equity Ratios**

The debt equity ratio was 0.12 in 2017 and 0.11 in 2016. The financial structure was suitable to the size of operations and business equal to 2016.

	31 December 2017		31 December 2016	
	Million Baht	%	Million Baht	%
Total liabilities	285.51	10.94	265.09	9.97
Equity	2,324.89	89.06	2,393.41	90.03
<b>Total assets</b>	<b>2,610.40</b>	<b>100.00</b>	<b>2,658.50</b>	<b>100.00</b>
Trade accounts payable	92.00	3.53	84.85	3.19
Accrued income tax	36.54	1.40	46.86	1.76
Other accounts payable	115.13	4.41	95.26	3.59
Non current liabilities	41.84	1.60	38.12	1.43
<b>Total liabilities</b>	<b>285.51</b>	<b>10.94</b>	<b>265.09</b>	<b>9.97</b>
Issued and paid-up share capital	360.00	13.79	360.00	13.54
Premium on ordinary shares	615.60	23.58	615.60	23.16
Fair value change in investment	0.08	0.00	(0.03)	(0.00)
Legal reserve retained earning	60.00	2.30	60.00	2.26
Unappropriated retained earning	1,289.21	49.39	1,357.84	51.07
<b>Total equity</b>	<b>2,324.89</b>	<b>89.06</b>	<b>2,393.41</b>	<b>90.03</b>

The company has longtermdebt resulting from loan of any kind. Most of liabilities are current liabilities. Most of company's capital come from shareholders.

**Liquidity****Cash flows**

(Million Baht)	2017	2016	Change	%
Cash flows from operating activities	388.69	464.55	(75.86)	(16.33)
Net cash uses in investment activities	20.90	(43.95)	64.85	(147.55)
Net cash uses in financing activities	(414.00)	(414.00)	0.00	0.00
Net increase (decrease) in cash and cash equivalents	(4.41)	6.60	(11.01)	(166.82)
(Million Baht)	2017	2016	Change	%
Current assets	1,213.90	1,273.95	(60.05)	(4.71)
Current liabilities	243.67	226.97	16.70	7.36
Current ratio (Time)	4.98	5.61	(0.63)	(11.24)
Collection Period (days)	38	39	(1)	(2.56)
Inventories Turnover Period (days)	77	68	9	13.24
Cash Cycle Period (days)	97	90	7	7.78

**Current ratio**

Current ratio in 2017 is 4.98 times, decreased from 5.61 times in 2016. This result from the increase of current liabilities by Bt.16.70 million, most of these are accrued expense, and the decrease of current assets by Bt. 60.05million, most of these are trade account payable, accrued expenses.

Sauce still enjoys high current ratios with no shortage of cash flow. The collection period was 38 days which less than 2016 by 1 days. The inventories turnover period was 77 days which more than 2016 by 9 day. Cash cycle period was 97 days which more than 2016 by 7 days.

As at December 31, 2017, we have total cash and cash equivalents more than Bt. 335.24 million, in addition, have clear credit limit with the major banks more than Bt. 32.50 million, to support the Company for emergency. The company had unutilized credit facilities totaling Baht 97.50 million.

**The ability to pay debt and practice according to the loan**

The company has no debt resulting from loan of any kind. Most of liabilities are current liabilities from trade account payable and accrued expenses. The company has performed its duty as a good debtor and paid debt in Accordance with customer's trade agreement.

**Quality of Assets****Change in Assets**

As at December 31, 2017 Sauce has Bt.2,610.40million of total assets, the growth decreased 1.81% compare to Bt. 2,658.50 million as at December 31, 2016

(Million Baht)	2017	2016	Change	%
Current assets	1,213.90	1,273.95	(60.05)	(4.71)
Non current assets	1,396.50	1,384.55	11.95	0.86
Total assets	2,610.40	2,658.50	(48.10)	(1.81)
Current assets / Total assets %	46.50	47.92	(1.42)	
Non current assets / Total assets %	53.50	52.08	1.42	
Total assets %	100.00	100.00		

As at December 31, 2017, Sauce has current assets as 46.50%, and non current assets as 53.50% of total assets compare to 47.92% and 52.08% as at December 31, 2016

**Main Part of Assets**

	December 31, 2017		December 31, 2016	
	Million Baht	%	Million Baht	%
Property, plant and equipment	1,133.92	43.44	1,129.89	42.50
Inventories	436.59	16.73	351.71	13.23
Cash and cash equivalent	335.24	12.84	339.65	12.78
Trade accounts	298.20	11.42	272.90	10.27
Unused land	189.90	7.27	189.90	7.14
Current investments	117.58	4.50	267.47	10.06
Investments in associates	22.61	0.87	19.44	0.73
Other long-term investment	20.55	0.79	20.41	0.77
Deferred tax assets	14.15	0.54	13.57	0.51
Advance payment for raw materials	13.55	0.52	30.75	1.16
Other accounts	12.74	0.49	10.27	0.38
Intangible assets	8.61	0.33	4.26	0.16
Bank deposits under commitment	4.60	0.18	4.60	0.17
Other non-current assets	2.16	0.08	2.48	0.09
Loan ot associate				
Current portion of loan to associate		-	1.20	0.05
<b>Total assets</b>	<b>2,610.40</b>	<b>100.00</b>	<b>2,658.50</b>	<b>100.00</b>



Concerning accounts receivable, the Company has set aside an adequate allowance for doubtful accounts. As at December 31, 2017, we have total allowance for doubtful accounts amounting to Bt. 1.37 million and Bt.1.39 respectively.

(Million Baht)	2017	2016	Change	%
Related parties	19.58	16.41	3.17	19.32
Other parties	279.99	257.88	22.11	8.57
Total	299.57	274.29	25.28	9.22
Less allowance for doubtful accounts	(1.37)	(1.39)	0.02	(1.44)
<b>Net trade accounts receivable</b>	<b>298.20</b>	<b>272.90</b>	<b>25.30</b>	<b>9.27</b>

Inventories no the obsolescence and deterioration.

(Million Baht)	2017	2016	Change	%
Finished goods	88.60	81.59	7.01	8.59
Work in progress	110.84	117.66	(6.82)	(5.80)
Raw materials	235.48	152.03	83.45	54.89
Raw materials in transit	0.51	-	0.51	
Supplies	1.16	0.43	0.73	169.77
<b>Total inventories</b>	<b>436.59</b>	<b>351.71</b>	<b>84.88</b>	<b>24.13</b>

Long-term investment will be due in 2022 for the amount of Bt. 20 million.

(Million Baht)	2017	2016	Change	%
Debentures	20.00	20.00	-	-
Investment in marketable equity security	0.55	0.41	0.14	34.15
<b>Total long-term investment</b>	<b>20.55</b>	<b>20.41</b>	<b>0.14</b>	<b>0.69</b>

#### Allowance for impairment losses

Unused land

(Million Baht)	2017	2016	Change	%
Unused land at cost	204.07	204.07	-	-
Less allowance for impairment losses	(14.17)	(14.17)	-	-
<b>Net</b>	<b>189.90</b>	<b>189.90</b>	<b>-</b>	<b>-</b>

The land not used in operation had been acquired for the purpose of plant expansion in 1994. The Company had reconsidered the purpose and cancelled the expansion project since the current plant is able to support the growth of the company.

The carrying value of the unused land as at 31 December 2016 is based on an Independent professional appraisal carried out in the year 2016

Based on the appraisal report from independent professional appraisers dated 28 September 2016, using the Market Comparison Approach by the fair market value, the revalued unused land was estimated at Baht 189.90 million. Therefore, the Company recorded the reversal of allowance for impairment losses amounted to Baht 47.48 million as other income in the statement of comprehensive income for the year ended 31 December 2016.



# THAITHEPAROS PUBLIC COMPANY LIMITED

## Financial Statements




# Report of The Board of Directors' Responsibilities For Financial Report

Financial Statements of Thaitheparos PLC. are prepared in accordance with generally accepted accounting principles under the Accounting Act B.E. 2543 which included Accounting Standards issued under the Accounting Professions Act B.E.2547 and the regulations of the Securities and Stock Exchange Committee related to the preparation and presentation of financial report under the Securities and Stock Exchange Act B.E. 2535 including the declaration of Trade Registered Department subject to "Fixing the abbreviation transactions needed in the Financial Statements B.E. 2544" dated 14 February 2001 according to the act under section 11 paragraph 3 of the Accounting Act B.E. 2543.

The Board of Directors is responsible for the Financial report of Thaitheparos PLC. to ensure that it is presented the financial position, revenues, expenses and cash flows with actual and reasonable by recording accounting data correctly, completely and sufficiently in order to maintain the assets and also protect fraud or irregularities. The preparation of Financial report, the Board of Directors has considered Accounting Policy with reasonable and generally accepted accounting principals including disclose important data in the Financial Statement Notes adequately which the auditor has provided the opinion of Thaitheparos PLC.'s Financial Statement in the Audit report of Certified Public Accountant.

On behalf of The Board of Directors



(Mr. Parinya Winyarat)  
Chairman of The Board



(Mr. Tanawat Winyarat)  
Director

19 February 2018

# Audit report of Certified Public Accountant



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## Independent Auditor's Report

To the Shareholders of Thaiheparos Public Company Limited

### Opinion

I have audited the financial statements in which the equity method is applied and separate financial statements of Thaiheparos Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 December 2017, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### Basis for Opinion

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 in which the Equity Method is Applied and Separate Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements in which the equity method is applied and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

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

The valuation of land not used in operations

Refer to Notes 3(f) and 10 to the financial statements

The key audit matter	How the matter was addressed in the audit
<p>The net book value of the land not used in operations as at 31 December 2017 is Baht 189.90 million (at cost of Baht 204.07 million, less allowance for impairment loss of Baht 14.17 million) which was assessed based on assessment of valuation by external appraisal valuer.</p> <p>Determining the recoverable amounts of fair value less cost of disposal of the asset requires a number of significant judgments and estimates, the valuation model is complex and since the carrying value of the Company's assets is significant, this is the most significant area which my audit is focused on.</p>	<p>My audit procedures included;</p> <ul style="list-style-type: none"> <li>- understanding the process and assessment of the valuation by the management who have direct responsibility in this area and assessing design and the implementation of the controls;</li> <li>- evaluating the qualifications, competence and independence of the external appraisal valuer;</li> <li>- considering the appropriateness of main assumptions which used in the valuation by comparing with internal and external factors and relevant supporting document;</li> <li>- observation of the land not used in operations at the location;</li> <li>- assessing the appropriateness of the disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>



Recoverability of trade accounts receivable	
Refer to Notes 3(c) and 7 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Company has a variety of distribution channels covering wholesalers (Yi Pua), retailers (Car Units), modern trade, restaurants, food stores, manufacturing factories industry as well as export and oversea customers. The Company's customers are mostly a large number of wholesalers (Yi Pua) which are significant to total sales and the amount of trade accounts receivable of the Company.</p> <p>Significant judgments and estimates is required in determining the recoverability of trade accounts receivable and the amount of provision and since the net book value of the Company's trade accounts receivable is significant, this is the most significant area which my audit is focused on.</p>	<p>My audit procedures included;</p> <ul style="list-style-type: none"> <li>- understanding the processes of the determination of allowance for doubtful accounts which was specific considered from the list of defaulting receivables;</li> <li>- assessing design and implementation of the controls and the future expectation of receivables' payments from the list;</li> <li>- inspecting and assessing the correctness of the aging report by sampling test invoices and recalculating;</li> <li>- sampling test the subsequent cash receipts after the end of the year from the defaulting and slow-payment receivables which were overdue more than 3 months;</li> <li>- assessing the appropriateness of the disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

#### *Other Information*

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

My opinion on the financial statements in which the equity method is applied 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 financial statements in which the equity method is applied 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 in which the equity method is applied and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements in which the Equity Method is Applied and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied 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 financial statements in which the equity method is applied and separate financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 in which the equity method is applied and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements in which the equity method is applied and separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied 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 equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. I remain solely responsible for my audit opinion.

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

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

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

(Siripen Sukcharoenyingyong)  
Certified Public Accountant  
Registration No. 3636



KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2018

# Statement of Financial Position

## Thaitheparos Public Company Limited Statements of financial position

		Financial statements in which the equity method is applied		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
<b>Assets</b>	<i>Note</i>				
<i>(in Baht)</i>					
<i>Current assets</i>					
Cash and cash equivalents	5	335,241,123	339,654,889	335,241,123	339,654,889
Current investments	6	117,583,944	267,474,836	117,583,944	267,474,836
Trade accounts receivable	4, 7	298,198,143	272,904,215	298,198,143	272,904,215
Current portion of loan to associate	4	-	1,200,000	-	1,200,000
Inventories	8	436,589,581	351,712,003	436,589,581	351,712,003
Advance payment for raw materials purchased		13,550,108	30,745,464	13,550,108	30,745,464
Other receivables	4	12,739,937	10,254,110	12,739,937	10,254,110
<b>Total current assets</b>		<b>1,213,902,836</b>	<b>1,273,945,517</b>	<b>1,213,902,836</b>	<b>1,273,945,517</b>
<i>Non-current assets</i>					
Bank deposits under commitment	6	4,603,000	4,603,000	4,603,000	4,603,000
Investments in associates	9	22,606,030	19,440,575	13,199,413	13,199,413
Other long-term investments	6	20,550,460	20,407,988	20,550,460	20,407,988
Land not used in operations	10	189,904,000	189,904,000	189,904,000	189,904,000
Property, plant and equipment	11	1,133,922,352	1,129,894,199	1,133,922,352	1,129,894,199
Intangible assets	12	8,602,384	4,258,028	8,602,384	4,258,028
Deferred tax assets	13	14,153,838	13,572,432	14,930,641	13,572,432
Other non-current assets	4	2,157,755	2,469,196	2,157,755	2,469,196
<b>Total non-current assets</b>		<b>1,396,499,819</b>	<b>1,384,549,418</b>	<b>1,387,870,005</b>	<b>1,378,308,256</b>
<b>Total assets</b>		<b>2,610,402,655</b>	<b>2,658,494,935</b>	<b>2,601,772,841</b>	<b>2,652,253,773</b>

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





# Statement of Comprehensive Income

Thaitheparos Public Company Limited  
Statement of comprehensive income

		Financial statements in which the equity method is applied For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2017	2016	2017	2016
		(in Baht)			
Income	4				
Revenue from sale of goods	18	2,734,663,093	2,633,754,783	2,734,663,093	2,633,754,783
Other income	19	23,587,561	75,690,627	23,587,561	75,690,627
Total income		2,758,250,654	2,709,445,410	2,758,250,654	2,709,445,410
Expenses	21				
Cost of sale of goods		1,836,149,141	1,739,356,033	1,836,149,141	1,739,356,033
Distribution costs		348,983,693	298,562,965	348,983,693	298,562,965
Administrative expenses		148,630,440	157,616,546	148,630,440	157,616,546
Total expenses		2,333,763,274	2,195,535,544	2,333,763,274	2,195,535,544
Share of profit on investment in associates	9	3,165,455	4,017,674	-	-
Profit before income tax expense		427,652,835	517,927,540	424,487,380	513,909,866
Income tax expense	22	(82,279,818)	(102,926,066)	(81,503,015)	(102,926,066)
Profit for the year		345,373,017	415,001,474	342,984,365	410,983,800
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Change in fair value of available-for-sale investments	22	113,978	(1,116,421)	113,978	(1,116,421)
Other comprehensive income for the year, net of income tax		113,978	(1,116,421)	113,978	(1,116,421)
Total comprehensive income for the year		345,486,995	413,885,053	343,098,343	409,867,379
Basic earnings per share	23	0.96	1.15	0.95	1.14

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

# Statement of changes in equity

## Thaitheparos Public Company Limited Statement of changes in equity

Financial statements in witch the equity method is applied							
		Additional paid in capital		Retained earnings		Other component of equity	
						Fair value changes in available-for-sale	
	Note	Issued and paid-up Share capital	Premium on ordinary shares	Legal reserve	Unappropriated	investments	Total equity
(in Baht)							
Year ended 31 December 2016							
Balance at 1 January 2016		360,000,000	615,600,000	60,000,000	1,356,838,497	1,082,811	2,393,521,308
Transaction with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	24	-	-	-	(414,000,000)	-	(414,000,000)
Total transaction with owners, recorded directly in equity		-	-	-	(414,000,000)	-	(414,000,000)
Comprehensive income for the year							
Profit		-	-	-	415,001,474	-	415,001,474
Other comprehensive income		-	-	-	-	(1,116,421)	(1,116,421)
Total comprehensive income for the year		-	-	-	415,001,474	(1,116,421)	413,885,053
Balance at 31 December 2016		360,000,000	615,600,000	60,000,000	1,357,839,971	(33,610)	2,393,406,361

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

**Thaitheparos Public Company Limited**  
**Statement of changes in equity**

		Financial statements in which the equity method is applied				
		Additional	Retained earnings		Other component	
		paid in capital			of equity	
					Fair value	
					changes in	
					available-for-sale	
Note	Issued and paid-up	Premium on	Legal reserve	Unappropriated	investments	Total equity
	Share capital	ordinary shares				
(in Baht)						
Year ended 31 December 2017						
Balance at 1 January 2017	360,000,000	615,600,000	60,000,000	1,357,839,971	(33,610)	2,393,406,361
Transaction with owners, recorded directly in equity						
Distributions to owners of the Company						
Dividends to owners of the Company	24	-	-	-	(414,000,000)	(414,000,000)
Total transaction with owners, recorded directly in equity		-	-	-	(414,000,000)	(414,000,000)
Comprehensive income for the year						
Profit		-	-	-	345,373,017	345,373,017
Other comprehensive income		-	-	-	113,978	113,978
Total comprehensive income for the year		-	-	-	345,373,017	345,486,995
Balance at 31 December 2017		<u>360,000,000</u>	<u>615,600,000</u>	<u>60,000,000</u>	<u>1,289,212,988</u>	<u>2,324,893,356</u>

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

**Thaitheparos Public Company Limited**  
**Statement of changes in equity**

		Separate financial statements				
		Additional paid in capital	Retained earnings		Other component of equity	
					Fair value changes in available-for-sale investments	Total equity
Note	Issued and paid-up share capital	Premium on ordinary shares	Legal reserve	Unappropriated		
				(in Baht)		
<b>Year ended 31 December 2016</b>						
Balance at 1 January 2016	360,000,000	615,600,000	60,000,000	1,354,615,009	1,082,811	2,391,297,820
<b>Transaction with owners, recorded directly in equity</b>						
<b>Distributions to owners of the Company</b>						
Dividends to owners of the Company	24	-	-	-	(414,000,000)	(414,000,000)
Total transaction with owners, recorded directly in equity		-	-	-	(414,000,000)	(414,000,000)
<b>Comprehensive income for the year</b>						
Profit		-	-	-	410,983,800	410,983,800
Other comprehensive income		-	-	-	(1,116,421)	(1,116,421)
Total comprehensive income for the year		-	-	-	410,983,800	409,867,379
Balance at 31 December 2016	<u>360,000,000</u>	<u>615,600,000</u>	<u>60,000,000</u>	<u>1,351,598,809</u>	<u>(33,610)</u>	<u>2,387,165,199</u>

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



**Thaitheparos Public Company Limited**  
**Statement of changes in equity**

		Separate financial statements				Other component	
		Additional		Retained earnings		of equity	
		paid in capital				Fair value	
						changes in	
		Issued and paid-up	Premium on			available-for-sale	
Note	share capital	ordinary shares	Legal reserve	Unappropriated	investments	Total equity	
(in Baht)							
<b>Year ended 31 December 2017</b>							
Balance at 1 January 2017	360,000,000	615,600,000	60,000,000	1,351,598,809	(33,610)	2,387,165,199	
<b>Transaction with owners, recorded directly in equity</b>							
<i>Distributions to owners of the Company</i>							
Dividends to owners of the Company	24	-	-	-	(414,000,000)	-	(414,000,000)
Total transaction with owners, recorded directly in equity		-	-	-	(414,000,000)	-	(414,000,000)
<b>Comprehensive income for the year</b>							
Profit		-	-	-	342,984,365	-	342,984,365
Other comprehensive income		-	-	-	-	113,978	113,978
Total comprehensive income for the year		-	-	-	342,984,365	113,978	343,098,343
Balance at 31 December 2017		<u>360,000,000</u>	<u>615,600,000</u>	<u>60,000,000</u>	<u>1,280,583,174</u>	<u>80,368</u>	<u>2,316,263,542</u>

# Statement of cash flows

## Thaitheparos Public Company Limited

### Statement of cash flows

	Financial statements in which the equity method is applied		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2017	2016	2017	2016
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	345,373,017	415,001,474	342,984,365	410,983,800
Adjustments to reconcile profit to cash receipts (payments)				
Tax expense	22 82,279,818	102,926,066	81,503,015	102,926,066
Depreciation and amortisation	123,046,535	119,390,675	123,046,535	119,390,675
Reversal of impairment losses on assets	(477,532)	-	(477,532)	-
Unrealised loss on exchange	20,004	18,487	20,004	18,487
Reversal of impairment losses on land not used in operations	10 -	(47,476,000)	-	(47,476,000)
Share of profit on investment in associates	9 (3,165,455)	(4,017,674)	-	-
Bad and doubtful debts expense (reversal)	(5,019,008)	3,574,483	(5,019,008)	3,574,483
Loss on write-off of inventories	683,993	1,198,006	683,993	1,198,006
Loss on disposal of machines and equipments	4,225,595	1,217,032	4,225,595	1,217,032
Employees' benefits	6,772,181	5,428,190	6,772,181	5,428,190
Gain from sales of current investments	-	(2,030,940)	-	(2,030,940)
Dividends received	(412,985)	(15,219)	(412,985)	(15,219)
Interest income	19 (4,309,496)	(6,650,152)	(4,309,496)	(6,650,152)
	549,016,667	588,564,428	549,016,667	588,564,428
<i>Change in operating assets and liabilities</i>				
Trade accounts receivable	(25,289,470)	26,950,581	(25,289,470)	26,950,581
Inventories	(85,561,571)	(43,283,229)	(85,561,571)	(43,283,229)
Advance payment for raw materials purchased	17,195,356	(11,614,155)	17,195,356	(11,614,155)
Other receivables	2,361,744	(5,335,983)	2,361,744	(5,335,983)
Other non-current assets	311,441	617,488	311,441	617,488
Trade accounts payable	7,157,016	2,251,086	7,157,016	2,251,086
Other payables	19,770,647	7,476,033	19,770,647	7,476,033
Non-current provisions for employee benefits	(3,053,430)	(4,855,850)	(3,053,430)	(4,855,850)
<b>Net cash generated from operating</b>	<b>481,908,400</b>	<b>560,770,399</b>	<b>481,908,400</b>	<b>560,770,399</b>
Tax paid	(93,219,388)	(96,215,683)	(93,219,388)	(96,215,683)
<b>Net cash from operating activities</b>	<b>388,689,012</b>	<b>464,554,716</b>	<b>388,689,012</b>	<b>464,554,716</b>

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

**Thaitheparos Public Company Limited**  
**Statement of cash flows**

		Financial statements in which the equity method is applied		Separate financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
Note		2017	2016	2017	2016
		(in Baht)			
<i>Cash flows from investing activities</i>					
Decrease in current investments		149,890,892	3,953,249	149,890,892	3,953,249
Proceeds from sales of current investments		-	65,954,747	-	65,954,747
Increase in investments in associate		-	(8,000,000)	-	(8,000,000)
Proceeds from sales of equipments		926,729	4,189,094	926,729	4,189,094
Acquisition of machines and equipments		(130,366,584)	(114,715,646)	130,366,584	(114,715,646)
Acquisition of intangible assets		(5,628,725)	(3,457,811)	(5,628,725)	(3,457,811)
Proceeds from repayment of loans to related party	4	1,200,000	1,200,000	1,200,000	1,200,000
Dividends received		412,985	15,219	412,985	15,219
Interest received		4,461,925	6,910,941	4,461,925	6,910,941
<b>Net cash from (used in) investing activities</b>		<b>20,897,222</b>	<b>(43,950,207)</b>	<b>20,897,222</b>	<b>(43,950,207)</b>
<i>Cash flows from financing activity</i>					
Dividends paid to owners of the Company	24	(414,000,000)	(414,000,000)	(414,000,000)	(414,000,000)
<b>Cash used in financing acitivity</b>		<b>(414,000,000)</b>	<b>(414,000,000)</b>	<b>(414,000,000)</b>	<b>(414,000,000)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(4,413,766)</b>	<b>6,604,509</b>	<b>(4,413,766)</b>	<b>6,604,509</b>
Cash and cash equivalents at 1 January		339,654,889	333,050,380	339,654,889	333,050,380
<b>Cash and cash equivalents at 31 December</b>	5	<b>335,241,123</b>	<b>339,654,889</b>	<b>335,241,123</b>	<b>339,654,889</b>
<i>Supplemental disclosures of cash flows information:</i>					
Total addition of plant and equipment					
during the years	11	130,465,110	114,342,013	130,465,110	114,342,013
<i>Add Settlement of payables for plant and equipment</i>					
previously purchased		616,855	990,488	616,855	990,488
<i>Less Payables on purchase of plant and equipment</i>		(715,381)	(616,855)	(715,381)	(616,855)
		<b>130,366,584</b>	<b>114,715,646</b>	<b>130,366,584</b>	<b>114,715,646</b>

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

Thaitheparos Public Company Limited  
Notes to the financial statements  
For the year ended 31 December 2017

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# Note to the Financial statements



**Thaitheparos Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 19 February 2018.

## 1 General information

Thaitheparos Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 208 Moo 6, Taibarn Road, Tambol Taibarn, Amphur Muang, Samutparkan, Thailand. Its branch is in Lampang.

The Company was listed on the Stock Exchange of Thailand in 20 January 1995.

The Company’s major shareholder during the financial year was the Winyarat Family which holds a 79.91% shareholding.

The principal activities of the Company are the manufacture and distribution of sauces and condiments.

## 2 Basis of preparation of the financial statements

### (a) Statement of compliance

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Company has made a preliminary assessment of the potential initial impact on the financial statements in which the equity method is applied and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation, limited as explained in note 15

### (c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

### (d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**Thaitheparos Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

*Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 7	Measurement of allowance for doubtful accounts: assessing primarily on analysis of payment histories and future expectations of customer payments;
Note 10	Impairment test: key assumptions underlying recoverable amounts of land not used in operations; and
Note 15	Measurement of defined benefit obligations: key actuarial assumptions

*Measurement of fair values*

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 10 Land not used in operations; and
- Note 25 Financial instruments

### **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

*(a) Foreign currencies*

**Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

**Thaitheparos Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

*(b) 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.

*(c) 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.

*(d) Inventories*

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

Costs are calculated using the following principles:

Finished goods,	
raw materials and suppliers	- at cost (first in, first out method)
Work in progress	- at cost (average method)

Cost 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.

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.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

*(e) Investments*

*Investments in associates*

Investments in associates in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the financial statements in which the equity method is applied are accounted for using the equity method.

*Investments in other debt and equity securities*

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the first in first out method applied to the carrying value of the total holding of the investment.

**Thaitheparos Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

(f) *Land not use in operations*

Land not use in operations is measured at cost less impairment loss.

(g) *Property, plant and equipment*

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any 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 in 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 Company, 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 declining balance method basis over the estimated useful lives of each component of an item of property, plant and equipment acquired before 1 January 2012. The percentages apply for declining balance methods are as follows:

	Percentage
Land improvements	20
Building and building improvements	5
Machinery and equipment	20
Furniture, fixtures and office equipment	20 - 33
Vehicles	10 - 20

Depreciation is charged to profit or loss on 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:

Building and building improvements	10 - 20 years
Machinery and equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 10 years
Vehicles	5 - 12 years

No depreciation is provided on freehold land, spare parts or assets under construction.

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

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*(h) Intangible assets*

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Amortisation*

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

Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Trademarks	3 - 10 years
Computer software	5 years

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

*(i) Impairment*

The carrying amounts of the Company'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 unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

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

*Calculation of recoverable amount*

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

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

*(j) Trade and other accounts payable*

Trade and other accounts payable are stated at cost.



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*(k) Employee benefits*

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in OCI. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*(l) Provisions*

A provision is recognised if, as a result of a past event, the Company 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.

*(m) Revenue*

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

*Sale of goods*

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.

*Rental income*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

**Thaitheparos Public Company Limited**  
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*Interest and dividend income*

Interest income is recognised in profit or loss as it accrues. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

(n) *Lease payments*

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(o) *Income tax*

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the 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 and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its 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.

(p) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(q) *Segment reporting*

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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**4 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Yamasa (Thailand) Co., Ltd.	Thailand	Associate, 26% shareholding
Exter (Thailand) Limited.	Thailand	Associate, 40% shareholding
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Market price
Rental income	Contractually agreed price
Interest income	Market rate
Management income	Contractually agreed price
Other income	Mutually agreed price
Sales of building improvement and equipment	Mutually agreed price
Purchase of raw materials	Market price
Service expenses	Mutually agreed price

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	(in thousand Baht)	
<b>Associate – Yamasa (Thailand) Co., Ltd.</b>		
Sales of goods	42,341	42,024
Gain from sales of building improvement and equipment	-	558
Rental income	554	339
Other income	160	169
<b>Associate – Exter (Thailand) Limited.</b>		
Sales of goods	27,088	23,379
Rental income	1,695	1,489
Interest income	42	130
Other income	10,632	8,073
Purchase of raw materials	23,070	22,956
Service expenses	429	1,890
<b>Key management personnel</b>		
Key management personnel compensation		
Short-term employee benefit	25,349	24,751
Post-employment benefits	551	164
Other long-term benefits	14	24
Total key management personnel compensation	<u>25,914</u>	<u>24,939</u>

**Thaitheparos Public Company Limited**  
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Balances as at 31 December with related parties were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	(in thousand Baht)	
<b>Associate - Yamasa (Thailand) Co., Ltd.</b>		
Trade accounts receivable	4,413	6,067
Other non - current assets	72	-
Other payables	20	20
<b>Associate - Exter (Thailand) Limited.</b>		
Trade accounts receivable	15,167	10,346
Other receivables	-	3
Long term loans to related party	-	1,200
Other non-current assets	1,407	1,819
Trade accounts payable	-	5,631
Other payables	200	200

Movements during for the years ended 31 December of loan to related party were as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	(in thousand Baht)	
<i>Loan to related party</i>		
<i>Year ended 31 December</i>		
<b>Associate - Exter (Thailand) Limited.</b>		
At 1 January	1,200	2,400
Decrease	(1,200)	(1,200)
<b>At 31 December</b>	<u>-</u>	<u>1,200</u>

*Significant agreements with related parties*

*Lease agreements*

On 1 June 2011, the Company entered into a building granted-lease agreement for use as office and factory with an associated company, Exter (Thailand) Limited, covering 10 years from 1 June 2011 to 31 May 2021. The Company will receive monthly rental of Baht 79,200 for the 1<sup>st</sup> year to the 3<sup>rd</sup> year, receive monthly rental of Baht 105,600 for the 4<sup>th</sup> year to the 5<sup>th</sup> year, and receive monthly of Baht 158,400 for the 6<sup>th</sup> year to the 10<sup>th</sup> year. In this regard, the associated company paid the rental deposit of Baht 200,000.

On 27 April 2016, the Company entered into a building granted-lease agreement for use as a warehouse with an associated company, Yamasa (Thailand) Co., Ltd., covering 10 years starting from 1 May 2016 to 30 April 2026. The Company will receive monthly rental of Baht 28,664 for the 1<sup>st</sup> year to the 5<sup>th</sup> year, receive monthly rental of Baht 35,830 for the 6<sup>th</sup> year to the 10<sup>th</sup> year.

On 1 October 2016, the Company entered into a building granted-lease agreement for use as an office with an associated company, Yamasa (Thailand) Co., Ltd., covering 1 years starting from 1 October 2016 to 30 September 2017. The Company will receive monthly rental of Baht 11,520. In this regard, the associated company paid the rental deposit of Baht 20,000.

On 1 October 2017, the Company entered into a building granted-lease agreement for use as an office with an associated company, Yamasa (Thailand) Co., Ltd., covering 1 years starting from 1 October 2017 to 30 September 2018. The Company will receive monthly rental of Baht 11,520. In this regard, the associated company paid the rental deposit of Baht 20,000.

*Loan agreement*

The Company ("Lender") had loan agreement with Exter (Thailand) Limited ("Borrower"), amounting to Baht 6.0 million, which will be repayable in 5 equal annual installments commencing on 20 May 2013 up to 20 May 2017. This loan bears interest at the rate of 7.5% p.a. for the 1<sup>st</sup> year to the 3<sup>rd</sup> year, and at the rate of MLR of certain local financial institution plus 1.0% p.a. for the remaining years. However, the Company received full repayment amount in June 2017.

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**5 Cash and cash equivalents**

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Cheques on hand	8,281	503
Cash on hand	1,814	1,444
Cash at banks - current accounts	6,844	8,044
Cash at banks - savings accounts	258,302	279,664
Fixed deposits with maturity less than 3 months	60,000	50,000
<b>Total</b>	<b><u>335,241</u></b>	<b><u>339,655</u></b>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Thai Baht (THB)	334,663	339,020
United States Dollars (USD)	578	635
<b>Total</b>	<b><u>335,241</u></b>	<b><u>339,655</u></b>

**6 Other investments**

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
<i>Current investments</i>		
Fixed deposits with maturity more than 3 months	122,187	272,078
Less Fixed deposits with maturity more than 3 months under commitment	(4,603)	(4,603)
<b>Total</b>	<b><u>117,584</u></b>	<b><u>267,475</u></b>
<i>Long-term investments</i>		
Debentures	20,000	20,000
Investment in marketable equity security	550	408
<b>Total</b>	<b><u>20,550</u></b>	<b><u>20,408</u></b>

As at 31 December 2017, fixed deposits at bank of Baht 4.60 million (2016: Baht 4.60 million) were pledged to secure the use of electricity and raw material purchased.

The debenture of Baht 20 million which was invested in during 2017 was issued by TMB Bank Public Company Limited and is classified as a held to maturity debt instrument with a term of 10 years 6 months maturity on 29 November 2027 with the issuer's early redemption right and bears interest of 3.50% per annum for the whole term of the debenture.



**Thaitheparos Public Company Limited**  
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**7 Trade accounts receivable**

		Financial statements in which the equity method is applied/ Separate financial statements	
	Note	2017	2016
		(in thousand Baht)	
Related parties	4	19,580	16,413
Other parties		279,993	257,885
<b>Total</b>		<b>299,573</b>	<b>274,298</b>
Less allowance for doubtful accounts		(1,375)	(1,394)
<b>Net</b>		<b>298,198</b>	<b>272,904</b>
Current		296,823	271,821
Non-current		1,375	1,083
<b>Total</b>		<b>298,198</b>	<b>272,904</b>
Reversal of doubtful debts expenses for the year		(19)	(1,426)

Aging analyses for trade accounts receivable were as follows:

		Financial statements in which the equity method is applied/ Separate financial statements	
		2017	2016
		(in thousand Baht)	
<b>Related parties</b>			
Within credit terms		10,156	10,325
Overdue:			
Less than 3 months		6,535	6,088
3-6 months		2,889	-
		19,580	16,413
<b>Other parties</b>			
Within credit terms		184,980	198,598
Overdue:			
Less than 3 months		93,625	57,709
3-6 months		13	495
Over 12 months		1,375	1,083
		279,993	257,885
Less allowance for doubtful accounts		(1,375)	(1,394)
		278,618	256,491
<b>Net</b>		<b>298,198</b>	<b>272,904</b>

The normal credit term granted by the Company ranges from 30 days to 90 days.

Trade accounts receivable of the Company consist of wholesalers (Yi Pua), retailers (Car Units), modern trade, restaurants, food stores, manufacturing factories industry as well as export and overseas customers.

The currency denomination of trade accounts receivable as at 31 December was as follows:

		Financial statements in which the equity method is applied/ Separate financial statements	
		2017	2016
		(in thousand Baht)	
Thai Baht (THB)		286,608	262,463
United States Dollars (USD)		10,869	8,822
Singapore Dollars (SGD)		-	891
Australia Dollars (AUD)		413	544
United Kingdom Pound Sterling (GBP)		308	184
<b>Total</b>		<b>298,198</b>	<b>272,904</b>

**Thaitheparos Public Company Limited**  
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**8 Inventories**

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Finished goods	88,600	81,594
Work in progress	110,839	117,656
Raw materials	235,478	152,037
Raw materials in transit	514	-
Supplies	1,159	425
<b>Total</b>	<b>436,590</b>	<b>351,712</b>

**9 Investments in associates**

	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	19,441	7,423	13,199	5,199
Share of net profits of associates	3,555	4,018	-	-
Addition	-	8,000	-	8,000
Dividend income	(390)	-	-	-
<b>At 31 December</b>	<b>22,606</b>	<b>19,441</b>	<b>13,199</b>	<b>13,199</b>

Investments in associates as at 31 December 2017 and 2016, and dividend income for the years then ended, were as follows:

Financial statements in which the equity method is applied/ Separate financial statements											
	Type of business	Ownership									
		Interest		Paid-up capital		Cost		Equity		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(%)		(in thousand Baht)							
Associates											
Yamasa (Thailand) Co., Ltd.	Distribution of condiments	26	26	20,001	20,001	5,199	5,199	9,083	7,767	390	-
Exter (Thailand) Limited.	Manufacture and distribution of reaction flavours	40	40	40,000	40,000	16,000	16,000	13,523	11,674	-	-
Total				60,001	60,001	21,199	21,199	22,606	19,441	390	-
Less allowance for impairment				-	-	(8,000)	(8,000)	-	-	-	-
Net				60,001	60,001	13,199	13,199	22,606	19,441	390	-

None of the Company's associates are publicly listed and consequently do not have published price quotations. All of the Company's associates are incorporated in Thailand.

**Thaitheparos Public Company Limited**  
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The following summarised financial information on equity-accounted investees is not adjusted for the percentage ownership held by the Company:

	Reporting date	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net Profit
<i>(in thousand Baht)</i>											
<b>2017</b>											
<b>Associates</b>											
Yamasa (Thailand) Co., Ltd.	31 December	26	43,770	3,106	46,876	11,885	232	12,117	96,650	90,679	5,971
Exter (Thailand) Limited	31 December	40	67,006	28,195	95,201	49,353	7,698	57,051	118,022	114,206	3,816
<b>Total</b>			<b>110,776</b>	<b>31,301</b>	<b>142,077</b>	<b>61,238</b>	<b>7,930</b>	<b>69,168</b>	<b>214,672</b>	<b>204,885</b>	<b>9,787</b>
<b>2016</b>											
<b>Associates</b>											
Yamasa (Thailand) Co., Ltd.	31 December	26	39,485	3,592	43,077	12,542	247	12,789	91,786	90,168	1,618
Exter (Thailand) Limited	31 December	40	51,956	20,830	72,786	28,458	9,995	38,453	84,877	76,419	8,458
<b>Total</b>			<b>91,441</b>	<b>24,422</b>	<b>115,863</b>	<b>41,000</b>	<b>10,242</b>	<b>51,242</b>	<b>176,663</b>	<b>166,587</b>	<b>10,076</b>

10 Land not used in operations

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

	2017	2016
<i>(in thousand Baht)</i>		
Land not used in operations at cost	204,073	204,073
Less allowance for impairment loss	(14,169)	(14,169)
<b>Net</b>	<b>189,904</b>	<b>189,904</b>

The land not used in operations had been acquired for the purpose of plant expansion in 1994. The Company had reconsidered the purpose and cancelled the expansion project since the current plant is able to support the growth of the Company.

The carrying value of the unused land as at 31 December 2017 is based on as independent professional appraisal values carried out in the year 2016.

Based on the appraisal report dated 28 September 2016, by the independent appraisal valuer, using the Market Comparison Approach, the land not used in operations was valued at Baht 189.90 million. Therefore, the Company recorded the reversal of allowance for impairment loss amounted to Baht 47.48 million as other income in the statements of comprehensive income for three-month and nine-month periods ended 30 September 2016.

**Measurement of fair value**

*Fair value hierarchy*

The fair value of land not used in operations was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for land not used in operations of Baht 189.90 million (2016: 189.90 million) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

**Valuation technique and significant unobservable inputs**

The following table shows the valuation technique used in measuring the fair value of land not used in operations, as well as the significant unobservable inputs used.

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Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market approach: The valuation model considers the selling price by using Weighted Quality Score (WQS) method. Factors that affect pricing include location, land size, utility and land utilisation.	<ul style="list-style-type: none"> <li>• Economic fluctuations</li> <li>• Change around land location's area.</li> <li>• Land use condition</li> </ul>	<p>The estimated fair value increase (decrease) if:</p> <ul style="list-style-type: none"> <li>• The growth of Thailand economic was higher (lower).</li> </ul>

**11 Property, plant and equipment**

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

	Land and land improvements	Building and building improvements	Machinery and equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Spare parts	Construction in progress	Advance payment for machinery purchased	Total
<i>Cost</i>									
At 1 January 2016	113,574	570,492	1,801,021	63,811	141,079	24,319	22,708	1,559	2,738,563
Additions	-	-	3,845	1,818	168	5,813	29,312	74,863	115,819
Transfers	-	8,276	31,717	665	11,086	(5,820)	(26,206)	(19,718)	-
Disposals	-	(1,177)	(30,974)	(6,160)	(11,710)	-	-	-	(50,021)
<b>At 31 December 2016 and 1 January 2017</b>	<b>113,574</b>	<b>577,591</b>	<b>1,805,609</b>	<b>60,134</b>	<b>140,623</b>	<b>24,312</b>	<b>25,814</b>	<b>56,704</b>	<b>2,804,361</b>
Additions	126	-	3,054	3,496	5	8,137	34,273	81,374	130,465
Transfers	-	8,890	164,387	1,240	2,438	(3,302)	(50,447)	(123,206)	-
Disposals	-	-	(63,023)	(1,780)	(5,939)	-	-	-	(70,742)
<b>At 31 December 2017</b>	<b>113,700</b>	<b>586,481</b>	<b>1,910,027</b>	<b>63,090</b>	<b>137,127</b>	<b>29,147</b>	<b>9,640</b>	<b>14,872</b>	<b>2,864,084</b>

*Depreciation and impairment losses*

At 1 January 2016	273	244,664	1,222,563	45,095	88,388	-	-	-	1,600,983
Depreciation charge for the year	6	18,919	89,565	3,688	5,920	-	-	-	118,098
Disposals	-	-	(30,167)	(5,109)	(9,338)	-	-	-	(44,614)
<b>At 31 December 2016 and 1 January 2017</b>	<b>279</b>	<b>263,583</b>	<b>1,281,961</b>	<b>43,674</b>	<b>84,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,674,467</b>
Depreciation charge for the year	2	19,051	91,547	4,314	6,848	-	-	-	121,762
Reversal of impairment losses	-	-	(447)	-	-	-	-	-	(447)
Disposals	-	-	(59,240)	(1,587)	(4,793)	-	-	-	(65,620)
<b>At 31 December 2017</b>	<b>281</b>	<b>282,634</b>	<b>1,313,821</b>	<b>46,401</b>	<b>87,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,730,162</b>

**Net book value**

At 1 January 2016	113,301	325,828	578,458	18,716	52,691	24,319	22,708	1,559	1,137,580
<b>At 31 December 2016 and 1 January 2017</b>	<b>113,295</b>	<b>314,008</b>	<b>523,648</b>	<b>16,460</b>	<b>55,653</b>	<b>24,312</b>	<b>25,814</b>	<b>56,704</b>	<b>1,129,894</b>
<b>At 31 December 2017</b>	<b>113,419</b>	<b>303,847</b>	<b>596,206</b>	<b>16,689</b>	<b>50,102</b>	<b>29,147</b>	<b>9,640</b>	<b>14,872</b>	<b>1,133,922</b>

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2017 amounted to Baht 667 million (2016: Baht 618 million).





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

	Financial statements in which the equity method is applied (Charged) / Credited to:		
	At 1 January 2017	Profit or loss  (in thousand Baht)	Other comprehensive income  (in thousand Baht)
<i>Deferred tax assets</i>			
Land not used in operations	2,834	-	-
Accrued promotion expenses	-	1,906	-
Employee benefit obligations	7,624	744	-
Others	3,478	(1,331)	(8)
<b>Total</b>	<b>13,936</b>	<b>1,319</b>	<b>(8)</b>
<i>Deferred tax liabilities</i>			
Marketable securities	-	-	(20)
Others	(364)	(709)	-
<b>Total</b>	<b>(364)</b>	<b>(709)</b>	<b>(20)</b>
<b>Net</b>	<b>13,572</b>	<b>610</b>	<b>(28)</b>

	Financial statements in which the equity method is applied (Charged) / Credited to:		
	At 1 January 2016	Profit or loss  (in thousand Baht)	Other comprehensive income  (in thousand Baht)
<i>Deferred tax assets</i>			
Land not used in operations	12,329	(9,495)	-
Employee benefit obligations	7,510	114	-
Others	3,128	342	8
<b>Total</b>	<b>22,967</b>	<b>(9,039)</b>	<b>8</b>
<i>Deferred tax liabilities</i>			
Marketable securities	(271)	-	271
Others	(394)	30	-
<b>Total</b>	<b>(665)</b>	<b>30</b>	<b>271</b>
<b>Net</b>	<b>22,302</b>	<b>(9,009)</b>	<b>279</b>

	Separate financial statements (Charged) / Credited to:		
	At 1 January 2017	Profit or loss  (in thousand Baht)	Other comprehensive income  (in thousand Baht)
<i>Deferred tax assets</i>			
Land not used in operations	2,834	-	-
Accrued promotion expenses	-	1,906	-
Employee benefit obligations	7,624	744	-
Others	3,478	(1,331)	(8)
<b>Total</b>	<b>13,936</b>	<b>1,319</b>	<b>(8)</b>
<i>Deferred tax liabilities</i>			
Marketable securities	-	-	(20)
Others	(364)	68	-
<b>Total</b>	<b>(364)</b>	<b>68</b>	<b>(20)</b>
<b>Net</b>	<b>13,572</b>	<b>1,387</b>	<b>(28)</b>

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	At 1 January 2016	Separate financial statements (Charged) / Credited to:		At 31 December 2016
		Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Land not used in operations	12,329	(9,495)	-	2,834
Employee benefit obligations	7,510	114	-	7,624
Others	3,128	342	8	3,478
<b>Total</b>	<b>22,967</b>	<b>(9,039)</b>	<b>8</b>	<b>13,936</b>
<i>Deferred tax liabilities</i>				
Marketable securities	(271)	-	271	-
Others	(394)	30	-	(364)
<b>Total</b>	<b>(665)</b>	<b>30</b>	<b>271</b>	<b>(364)</b>
<b>Net</b>	<b>22,302</b>	<b>(9,009)</b>	<b>279</b>	<b>13,572</b>

**14 Other payables**

	Note	Financial statements in which the equity method is applied/ Separate financial statements	
		2017	2016 (in thousand Baht)
Accrued promotion expenses		32,789	11,774
Accrued bonus		30,365	31,978
Accrued advertising expenses		11,359	14,006
Other payables - Revenue department		10,441	8,959
Accrued export expenses		10,102	9,458
Accrued repair expenses		1,206	1,946
Other payables - Related parties	4	220	220
Others		18,645	16,913
<b>Total</b>		<b>115,127</b>	<b>95,254</b>

**15 Non-current provisions for employee benefits**

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016 (in thousand Baht)
<b>Statement of financial position</b>		
<b>Non-current provisions for:</b>		
Post-employment benefits	34,727	31,433
Other long-term employee benefits	7,112	6,687
<b>Total</b>	<b>41,839</b>	<b>38,120</b>
<i>Year ended 31 December</i>		
<b>Statement of comprehensive income:</b>		
<b>Recognised in profit or loss:</b>		
Post-employment benefits	5,278	3,936
Other long-term employee benefits	1,494	1,492
<b>Total</b>	<b>6,772</b>	<b>5,428</b>
<b>Recognised in other comprehensive income:</b>		
Cumulative actuarial gain recognised	(4,785)	(4,785)

## Thaitheparos Public Company Limited

## Notes to the financial statements

## For the year ended 31 December 2017

## Post-employment benefit plan

The Company operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

## Other long-term employee benefits

Other long-term employee benefit obligation was based on the length of service of employee and actuarial assumptions.

Movement in the present value of the defined benefit obligations

	Financial statements in which the equity method is applied/ Separate financial statements			
	Post-employment benefits		Other long-term employee benefits	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	31,433	31,328	6,687	6,220
<b>Include in profit or loss:</b>				
Current service cost	4,533	3,838	1,336	1,289
Interest on obligation	745	728	158	148
Actuarial gains	-	(630)	-	55
	<u>5,278</u>	<u>3,936</u>	<u>1,494</u>	<u>1,492</u>
<b>Other</b>				
Benefit paid	<u>(1,984)</u>	<u>(3,831)</u>	<u>(1,069)</u>	<u>(1,025)</u>
	<u>(1,984)</u>	<u>(3,831)</u>	<u>(1,069)</u>	<u>(1,025)</u>
<b>At 31 December</b>	<u><b>34,727</b></u>	<u><b>31,433</b></u>	<u><b>7,112</b></u>	<u><b>6,687</b></u>

## Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
Discount rate (%)	2.18	2.37
Salary increased rate (%)	5.50	5.50
Employee turnover rate (%)	0 - 34	0 - 34
Retirement age (Year)	55	55

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2017, the weighted - average duration of the defined benefit obligation was 21.37 years (2016: 21.32 years).

## Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Financial statements in which the equity method is applied/ Separate financial statements	
	<i>(in thousand Baht)</i>	
	Increase	Decrease
<b>At 31 December 2017</b>		
Discount rate (1% movement)	(2,600)	2,946
Future salary growth (1% movement)	2,449	(2,203)
Turnover rate (1% movement)	(2,806)	1,850
Life expectancy (1 year)	112	(111)
<b>At 31 December 2016</b>		
Discount rate (1% movement)	(2,420)	2,735
Future salary growth (1% movement)	2,252	(2,030)
Turnover rate (1% movement)	(2,582)	1,685
Life expectancy (1 year)	145	(144)

## Thaitheparos Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2017

## 16 Share capital

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

	Par value per share (in Baht)	2017		2016	
		Number	Amount (thousand shares / thousand Baht)	Number	Amount
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
<b>At 31 December</b>					
- ordinary shares	1	<u><b>600,000</b></u>	<u><b>600,000</b></u>	<u><b>600,000</b></u>	<u><b>600,000</b></u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>	<u>360,000</u>
<b>At 31 December</b>					
- ordinary shares	1	<u><b>360,000</b></u>	<u><b>360,000</b></u>	<u><b>360,000</b></u>	<u><b>360,000</b></u>

*Share premium*

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

## 17 Reserves

Reserves comprise:

*Appropriations of profit**Legal reserve*

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not 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 not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

*Other components of equity**Fair value changes in available-for-sale investments*

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

*Movements in reserves*

Movements in reserves are shown in the statements of changes in equity.

## 18 Segment information

Management considers that the Company operates in a single line of business, namely sauce segment, therefore, only one major business segment.

*Geographical information*

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based principally in Thailand.

Thaitheparos Public Company Limited  
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	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	(in thousand Baht)	
Thailand	2,503,680	2,431,850
International	276,942	234,433
<b>Total</b>	<b>2,780,622</b>	<b>2,666,283</b>
Less volume rebates	(45,959)	(32,528)
<b>Net</b>	<b>2,734,663</b>	<b>2,633,755</b>

19 Other income

		Financial statements in which the equity method is applied/ Separate financial statements	
	note	2017	2016
		(in thousand Baht)	
Reversal of impairments losses for land not used in operation	10	-	47,476
Interest income		4,309	6,650
Others		19,279	21,565
<b>Total</b>		<b>23,588</b>	<b>75,691</b>

20 Employee benefit expenses

	Financial statements in which the equity method is applied/ Separate financial statements	
	2017	2016
	(in thousand Baht)	
<i>Management</i>		
Wages and salaries	20,188	18,024
Pension costs - defined benefit plans	565	188
Pension costs - defined contribution plans	565	577
Others	4,596	6,150
	<u>25,914</u>	<u>24,939</u>
<i>Other employees</i>		
Wages and salaries	184,395	182,606
Pension costs - defined benefit plans	5,866	5,177
Pension costs - defined contribution plans	5,746	5,583
Others	41,054	40,134
	<u>237,061</u>	<u>233,500</u>
<b>Total</b>	<b>262,975</b>	<b>258,439</b>

Defined benefit plans

Details of the defined benefit plans are given in note 15.

Defined contribution plans

The defined contribution plans comprise provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at the rate of 5% of their basic salaries and by the Company at the rate of 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.



## Thaitheparos Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2017

## 21 Expenses by nature

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Included in cost of sales of goods:				
Changes in finished goods and work in progress	(189)	(40,513)	(189)	(40,513)
Raw materials and consumables used	1,498,042	1,442,494	1,498,042	1,442,494
Employee benefit expenses	135,249	133,609	135,249	133,609
Depreciation and amortisation	103,469	98,294	103,469	98,294
Goods for sale promotion	125,836	73,736	125,836	73,736
Others	(26,258)	31,736	(26,258)	31,736
Total	<u>1,836,149</u>	<u>1,739,356</u>	<u>1,836,149</u>	<u>1,739,356</u>
Included in distribution costs:				
Marketing expenses	152,717	116,671	152,717	116,671
Distribution expenses	123,563	115,008	123,563	115,008
Employee benefit expenses	22,545	20,800	22,545	20,800
Others	50,159	46,084	50,159	46,084
Total	<u>348,984</u>	<u>298,563</u>	<u>348,984</u>	<u>298,563</u>
Included in administrative expenses:				
Employee benefit expenses	105,181	104,030	105,181	104,030
Depreciation and amortisation	16,807	17,991	16,807	17,991
Others	26,642	35,596	26,642	35,596
Total	<u>148,630</u>	<u>157,617</u>	<u>148,630</u>	<u>157,617</u>

## 22 Income tax

## Income tax recognised in profit or loss

		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2017	2016	2017	2016
		(in thousand Baht)			
Current tax expense					
Current year		82,890	93,917	82,890	93,917
Deferred tax expense					
Movements in temporary differences	13	(610)	9,009	(1,387)	9,009
		(610)	9,009	(1,387)	9,009
Total income tax expense		82,280	102,926	81,503	102,926

Income tax recognised in other comprehensive income

	Financial statements in which the equity method is applied/ Separate financial statements					
	Before tax	2017 Tax (expense) benefit	Net of Tax	Before tax	2016 Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Fair value changes available-for-sale investments	142	(28)	114	(1,395)	279	(1,116)

**Thaitheparos Public Company Limited**  
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*Reconciliation of effective tax rate*

	Financial statements in which the equity method is applied			
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		427,653		517,928
Income tax using the Thai corporation tax rate	20	85,530	20	103,586
Share of profit on investments in associates		(633)		(804)
Income not subject to tax		(82)		(3)
Expenses additionally deductible for tax purposes		(4,578)		(1,120)
Expenses not deductible for tax purposes		1,266		1,267
Temporary difference which deferred Tax was recognised		777		-
<b>Total</b>	<b>19</b>	<b>82,280</b>	<b>20</b>	<b>102,926</b>

	Separate financial statements			
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		424,487		513,910
Income tax using the Thai corporation tax rate	20	84,897	20	102,782
Income not subject to tax		(82)		(3)
Expenses additionally deductible for tax purposes		(4,578)		(1,120)
Expenses not deductible for tax purposes		1,266		1,267
<b>Total</b>	<b>19</b>	<b>81,503</b>	<b>20</b>	<b>102,926</b>

*Income tax reduction*

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

**23 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht/thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	345,373	415,001	342,984	410,984
Number of ordinary shares outstanding	360,000	360,000	360,000	360,000
Earnings per share (basic) (in Baht)	0.96	1.15	0.95	1.14

**Thaitheparos Public Company Limited**  
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**24 Dividends**

At the annual general meeting of the shareholders of the Company held on 21 April 2017, the shareholders approved the payment of dividends of Baht 0.11 per share and Baht 1.04 per share, totaling Baht 1.15 per share, amounting to Baht 414 million from the profit from operations in 2010 and 2016, respectively. The dividend was paid to shareholders on 17 May 2017.

At the annual general meeting of the shareholders of the Company held on 22 April 2016, the shareholders approved the payment of dividends of Baht 0.10 per share and Baht 1.05 per share, totaling Baht 1.15 per share, amounting to Baht 414 million from the profit from operations in 2011 and 2015, respectively. The dividend was paid to shareholders on 17 May 2016.

**25 Financial instruments**

*Financial risk management policies*

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

*Capital management*

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

*Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows.

As at 31 December, the financial assets, which may be affected by interest rate risk, as classified by maturity consisted of:

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

	Effective interest rate (% per annum)	Within 3 months	3 Months- 1 Years (in thousand Baht)	More than 1 Years	Total
<b>2017</b>					
<b>Current</b>					
Cash at bank - at call	0.10 - 1.15	318,302	-	-	318,302
Fixed deposit at bank	0.90 - 1.55	-	122,187	-	122,187
<b>Non-current</b>					
Debentures	3.50	-	-	20,000	20,000
<b>Total</b>		<b>318,302</b>	<b>122,187</b>	<b>20,000</b>	<b>460,489</b>
<b>2016</b>					
<b>Current</b>					
Cash at bank - at call	0.10 - 1.50	329,664	-	-	329,664
Fixed deposit at bank	0.90 - 1.50	-	272,078	-	272,078
<b>Non-current</b>					
Debentures	4.5	-	-	20,000	20,000
Loan to associate	7.5	-	1,200	-	1,200
<b>Total</b>		<b>329,664</b>	<b>273,278</b>	<b>20,000</b>	<b>622,942</b>

**Thaitheparos Public Company Limited**  
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*Foreign currency risk*

The Company is exposed to foreign currency risk relating to trade receivables and trade payables in foreign currencies but there is no policy on foreign currencies risk hedging as the Company's financial assets and financial liabilities in foreign currencies are not significant amounts.

At 31 December, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Financial statements in which the equity method is applied/ Separate financial statements	
	Note	2017	2016
		(in thousand Baht)	
United States Dollars			
Cash and cash equivalents	5	578	635
Trade accounts receivable	7	10,869	8,822
Trade accounts payable		(1,070)	(11)

		Financial statements in which the equity method is applied/ Separate financial statements	
	Note	2017	2016
		(in thousand Baht)	
<b>Eurozone Dollars</b>			
Other payables		(406)	-
<b>Australia Dollars</b>			
Trade accounts receivable	7	413	544
<b>United Kingdom Pound (GBP)</b>			
Trade accounts receivable	7	308	184
<b>Singapore Dollars</b>			
Trade accounts receivable	7	-	891
<b>Gross statement of financial position exposure</b>		<b>10,692</b>	<b>11,065</b>

*Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection.

*Liquidity risk*

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

*Carrying amount and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**Thaitheparos Public Company Limited**  
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**Financial statements in which the equity method is applied/separate financial statements**  
**Carrying amount**  
**Fair value**  
**Level 1      Level 2      Total**  
*(in thousand Baht)*

**31 December 2017**

*Non-current*

Equity securities available for sale	550	550	-	550
Debt securities held to maturity	20,000	-	20,550	20,550

**31 December 2016**

*Non-current*

Equity securities available for sale	408	408	-	408
Debt securities held to maturity	20,000	-	20,130	20,130

The Company uses the methods and assumptions in estimating the fair value of investment in common shares, which there are no available quoted market prices approximates the fair value, based on the underlying net asset base of the investment.

**Measurement of fair values**

*Valuation techniques and significant unobservable inputs*

The following tables show the valuation techniques used in measuring Level 2 fair values. For financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in note 2 (d).

**Financial instruments measured at fair value**

Type	Valuation technique
Debt securities held to maturity	Discounted cash flow: The fair value is estimated considering a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.

**26. Commitments with non-related parties**

	<b>Financial statements in which the equity method is applied/ Separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Contracted but not provided for:		
Building improvement	-	394
Machinery and equipment	23,836	63,438
Software	-	1,976
<b>Total</b>	<b>23,836</b>	<b>65,808</b>
<i>Other commitments</i>		
Bank guarantees	4,603	4,603

**Bank guarantees**

The Company has a commitment with a bank in respect of a letter of guarantee issued by the bank in connection with the Company's use of electricity and raw material purchased. This letter of guarantee has been collateralised by pledge of fixed deposits (see note 6).



**Thaitheparos Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**  
**27 Reclassification of accounts**

Certain accounts in the 2016 financial statements, which are included in the 2017 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2017 financial statements as follow:

	2016		
	Financial statements in which the equity method is applied/separate financial statements		
	Before reclass.	Reclass.	After reclass.
	(in thousand Baht)		
<i>Statement of financial position as of 31 December</i>			
Inventories	351,478	234	351,712
Other receivables	11,965	(1,711)	10,25
Property, plant and equipment	1,128,417	1,477	1,129,894
<i>Statement of comprehensive income for the year ended 31 December</i>			
Revenue from sales of goods	(2,666,283)	32,528	(2,633,755)
Cost of goods sold	1,731,993	7,363	1,739,356
Distribution costs	338,454	(39,891)	298,563
		<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the nature of transactions.

# SRIRAJA PANICH

## *The Taste of the Original*



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# เพราะทุกจาน มีเรื่องราว




## บริษัท ไทยเทพรส จำกัด (มหาชน)

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