

ANNUAL REPORT

2560 2017

THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED



รายงานประจำปี ANNUAL REPORT

2560
2017

THAI BRITISH SECURITY PRINTING PUBLIC COMPANY LIMITED

CONTENTS

Message from the Board of Directors	3
01. Vision and Business Overview	4
02. Financial Highlight	7
03. Business Structure	9
04. Risk Factors	16
05. Company Information	18
06. Shareholders	19
07. Dividend Payment Policy	19
08. Management Structure	20
09. Corporate Governance	38
10. Corporate Social Responsibility	56
11. Internal Control and Risk Management	69
12. Related Transactions	74
13. Management Discussion and Analysis	77
14. The Audit Committee's Report	80
15. Report on the Board of Directors' Responsibilities for Financial Statements	83
16. Financial Statements	84

(Mr. Bowon Vongsinudom)
Chairman



(Mr. Natapong Pinitpongskul)
Managing Director



MESSAGE FROM THE BOARD OF DIRECTORS

In 2017, the World's economy growth expanded in surrounding area, whereas, U.S. and Chinese economies encountered with the policy on interest increasing as expected under the consecutive growth of economy. On the other hand, EU economy still encountered with political uncertainty. For Thai economy, it was better than the previous year to expand and accelerate the exportation and tourism as well as serving to expand public investment and consumption of private sector.

For security printing business, there were many challenges in various dimensions caused by business condition and severe competitiveness in markets, especially plastic card market. In addition, behavioral changing of consumers towards digital era also affected to the main customer group of the company causing the company to improve our service patterns to be in digital formats increasingly in order to reduce the costs of operations and to improve convenience of our services. These factors highly affected to demands of security printing market. However, in 2017, the company still emphasized on improving our internal management in order to improve our capability in providing consecutive services regarding costs, efficiency on production and quality, whereas, the Company also held some special activities after receiving the right to manufacture Welfare Cards. In addition, the company also emphasized on business adjustment policy that must be consistent with tendency and policy on economic development of Thai government (Thailand 4.0). Accordingly, the company developed new security printing products and complete services, for example, Brand Protection Label, Solutions Business for Digital Data Management consisted of e-document management system, data management system, security management system, etc. In addition, the Company also expanded our business to other countries consecutively, whereas, the Company established a joint venture under the name of Myanmar Deco-TBSP Special Products Company Limited through our subsidiary, i.e., Thai British Security Printing Overseas Company Limited in Republic of the Union of Myanmar that has already manufactured products and provided services. Consequently, total profits of the Company and subsidiaries in

2017 were 1,333 million baht that was increased by 91 million baht or 7% proportion. The Company's net profit was 100 million baht that was increased by 13 million baht or 15% proportion

For economic perspective of 2018, it is expected to expanded exportation based on recovery of world's economy, expansion of investment in private and industrial sectors due to the investment driving of the government for some important investment projects under Thailand's Eastern Economic Corridor (EEC) in order to be consistent with policy on economic development of Thai government (Thailand 4.0) towards digital era. This was considered as another challenge of the Company to adjust our business structure and development to be consistent with direction of each business sector in this changing and challenging economic condition. The Company believes that our new businesses focusing on responding to digital demands and new customer base expansion will be able to grow strongly.

Moreover, the Company also attaches to operate our business under the Principles of Corporate Governance and transparent management. The Company establishes the anti-corruption policy as the practice for our business operation and organizational culture under our ideology. In 2016, the company expressed our intention on participating in Collective Anti-Corruption (CAC).

In addition, the Company always prioritizes a safe working environment for the good welfare of its employees, maintains the well-being of society and the environment as well as looks after all sectors of stakeholders.

The Board of Directors would like to express our appreciation to all shareholders, customers, employees, business partners, and all related persons of all sectors for supporting and reinforcing our operations consecutively. We would like to ensure that the Company still strives to develop our company to be developed continuously along with sustainable business growth under the Principles of Corporate Governance for the ultimate benefits of shareholders and beneficiaries who always give us reliability and trust.



01

Vision and Business Overview

Thai British Security Public Company Limited or TBSP is a service provider on security printing services started from producing all kinds of security printing media as well as plastic cards. In addition, the Company is also a Total Solutions Provider emphasizing on developing the use of modern technologies and innovations, personnel development, and consecutive improvement of work system to improve our potential to prevent all damages caused by counterfeit efficiently

Vision

“Being a world class Security Solutions Provider in terms of Qualities, Services and Productivities”

Mission

1. To expand new businesses to meet future market trends.
2. To develop high value added products & services beyond customer’s expectation.
3. To expand products to overseas market.
4. To strengthen overall supply chain management.
5. To focus on people development to fit with TBSP’s strategy and direction.
6. To support social and environmental responsibilities.

Values

- | | |
|---------------------|---|
| Trusted | : Being honest and trusted |
| The Best | : Having the best quality products and services |
| Service Mind | : Providing good services to satisfy customer’s requirement |
| Professional | : Skilled and expert staffs |

Major Changes

2017

- Purchased 1,666,000 shares of Thai British Dpost Company Limited (a subsidiary) from Data Post Pte Ltd. calculated to be 49% of paid-up capital on January 31st, 2018, therefore the company holds all shares of Thai British Dpost Company Limited.
- Invested in and established a joint venture on security printing business in Republic of the Union of Myanmar under the name of Myanmar Deco-TSBP Special Products Company Limited. As at January 2, 2018, the proportion of shareholding 40%.
- Received the Green Industry Level 4th Award (Green Culture) from the Ministry of Industry.
- Received the Excellence Award on Occupational Safety, Health, and Work Environment 2017 that is the 6th award consecutively received by the company and the 5th award consecutively received by our subsidiary, Thai British Dpost Company Limited.
- Registered on ordinary share price change from 10 baht to be 1 baht on April 21st, 2017.

2016

- Increased registered share capital of Thai British Security Printing Overseas Co., Ltd. from 1 million Baht to 37 million baht on October 5th, 2016.
- Received the 2016 Investors' Choice Award from Thai Investors Association on the full score of the assessment in the quality of the Annual General Meeting of Shareholders (AGM) arrangement for 4 consecutive years.
- Received the 2016 Outstanding Organization Award for Safety, Occupational Health and Working Environment for 5 consecutive years and Thai British DPost Company Limited (subsidiary) received the award for 4 consecutive years.
- Received the 2016 Thailand Kaizen Award "Bronze Award" from Technology Promotion Association (Thailand-Japan).

2015

- Changed the major shareholder from SCG Packaging Public Company Limited to Miss Sutida Mongkolsuthree on November 20, 2015.
- Established Thai British Security Printing Overseas Company Limited on April 30, 2015.
- Certified Japan Credit Bureau by JCB International Co., Ltd and Union Pay Cards by China Union Pay International Co., Ltd. for card printing and personalization.
- Received the 2015 Outstanding Organization Award for Safety, Occupational Health and Working Environment for 4 consecutive years and Thai British DPost Company Limited received the award for 3 consecutive years.
- Received 'Bronze Award' from Thai Print Awards 2015
- Received ESG100 Certificate for the outstanding business operation in term of environmental and social, and governance (ESG) aspects.

- Received certificate for good environment governance and green industry for the year 2015.

2014

- Became the first printing company certified ISO BCM 22301:2012. The Business Continuity Management which is the standard of an effective business continuity management to ensure the ongoing of business operations by Bureau Veritas.
- Received the 2014 CSR Recognition Award from the Stock Exchange of Thailand for 3 consecutive years.
- Received the NACC Integrity Award from the Office of the National Anti-Corruption Commission for the 2 consecutive years
- Received the 2014 Outstanding Organization Award for Safety, Occupational Health and Working Environment at the National Level for 3 consecutive years. Thai British DPost Company Limited received the award for 2 consecutive years from the Department of Labor Protection and Welfare.
- Received the 2014 Thailand Kaizen Award 'Bronze Award'

and Certificate in Project Kaizen category from the innovation on process improvement by Kaizen principle from Technology Promotion Association (Thailand-Japan).

2013

- Expanded to new services under Infozape brand which is offering the solutions for confidential document storage and shredding.
- Received the 2013 CSRI Recognition Award from the Stock Exchange of Thailand.
- Received CSR-DIW Continuous Award from the Department of Industrial Works for the 2nd years.
- Received the NACC Integrity Award from the Office of the National Anti-Corruption Commission.
- Received the 2013 Outstanding Organization Award for Safety, Occupational Health and Working Environment at the National Level for 2 consecutive years from the Department of Labour Protection and Welfare.
- Received the Golden Award in Kaizen Office category from Thailand Kaizen Award 2013 by Technology Promotion Association (Thailand-Japan).
- Applied and -certified in the assessment of TPM Excellence Award Category A from Japan Institute of Plant Maintenance (JIPM), Japan.

2012

- Received the CSRI Recognition Award in Rising Star category from the Stock Exchange of Thailand.
- Received the 3Rs Award, Zero Waste to Landfill Achievement Award, and the 2012 CSR-DIW Continuous Award from the Department of Industrial Works.

2010

- Became the first printing house in Thailand to obtain ISO/IEC 27001:2005 and CWA (CEN Workshop Agreement).

2007

- Strategic Partner in Printing and Data systems Development under a new company namely Thai British Dpost Co., Ltd..

2005

- Certified from VISA and MASTERCARD for card personalization of EMV (Euro-pay MasterCard-VISA).

2002

- Thai Bank sold their shares in TBSP to Siam Pulp and Paper Public Company Limited. (Recently changed the company's name to the SCG Packaging Public Company Limited.

1999

- Achieved ISO14001 certification and became one of the world's leaders in Contactless Smart Card production.

1996

- TBSP started trading on the Stock Exchange of Thailand.

1995

- TBSP entered new market with the product of the preprinted stamp postcard.

1994

- Krung Thai Bank became a shareholder and TBSP was transformed into a Public Company.

1992

- TBSP shares held by Thai British Printing and Communication (BPCC) were bought by the local and at the same time the company started plastic card production for ATM, credit and smart cards.

1989

- The Company entered new markets with the production of the Thai passport.

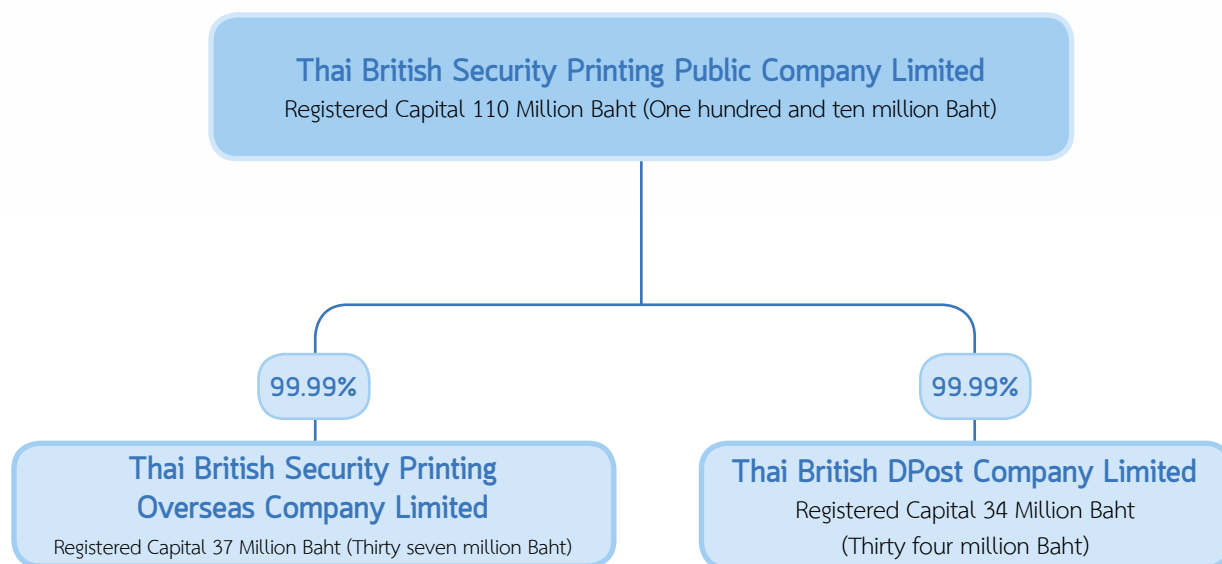
1982

- Four more Thai banks joined the company, Bangkok Metropolitan Bank, Bank of Ayudhya, Union Bank of Bangkok and Thailand Military Bank.

1978

- Company was established as a joint venture between The British Printing and Communication Corporation (Europe's largest printing group) and four Thai Banks, Kasikorn Bank, Siam Commercial Bank, Bank of Asia and Thai Danu Bank, to produce security documents, cheques and financial documents.

Shareholding Structure



Thai British Security Printing Overseas Company Limited

In the year, 2015, The Company established its subsidiary namely “Thai British Security Printing Overseas Company Limited” as the holding company for overseas security printing and related businesses expansion. Currently, the Company has a registered capital of 37 million Baht.

In the year 2017, the Company had jointly invested Security Printing in Myanmar under name of Myanmar Deco TBSP Special Products Company Limited. As at January 2, 2018, proportion 40% of total shares.

Thai British DPost Company Limited

In the year 2007, the Company formed a joint venture with Datapost Pte.Ltd (Singapore), the trade alliance in data printing and information arrangement service namely “Thai British Dpost Co.,Ltd (TBDP)” with the Company’s shareholding of 51%. At present, TBDP has a fully paid up registered capital of 34 million Baht and operate data printing and mailing of businesses.

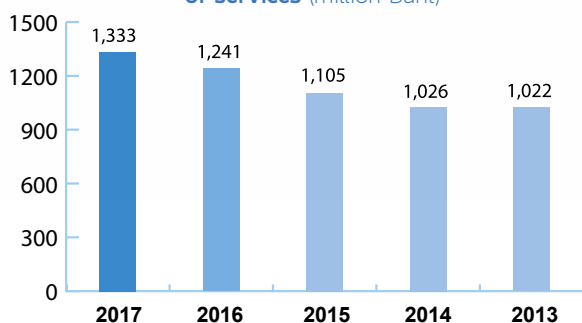
At January 31st, 2018. The Company has entered into the negotiation and signing of the share purchasing agreement. The Company has purchased 1,666,000 ordinary shares of TBDP from Datapost. Being the proportion of 49% of paid up capital, therefore the Company holds all shares of Thai British Dpost Company Limited.

02

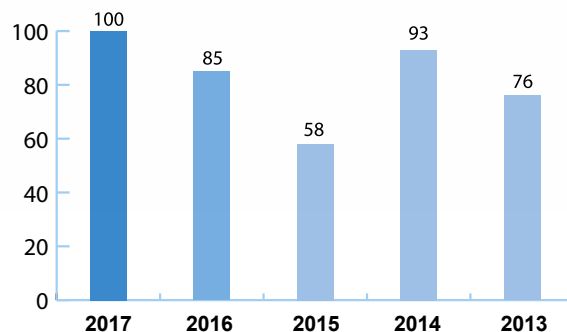
Financial Highlight

Thai British Security Printing Public Company Limited and its subsidiaries

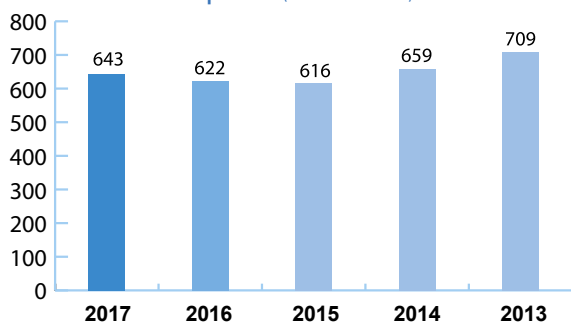
Revenue from sale of goods and rendering of services (million Baht)



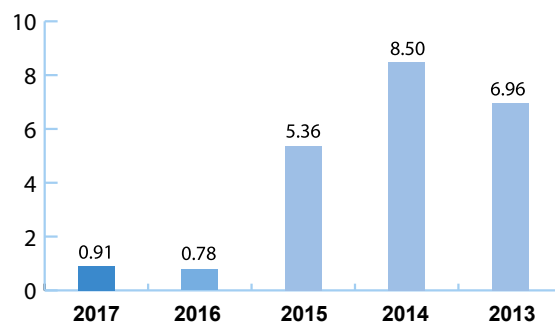
Net Profit (Loss) (million Baht)



Total equity attributable to owners of the parent (million Baht)



Earnings per share (Baht)



Remark : The net profit per share for 2013-2015 is calculated from the par value of 10 Baht. In year 2016-2017 is calculated from the Par value of 1 Baht.



Financial Highlight

Unit : (Baht'000)

Data from the Financial Statement	2017	2016	2015	2014	2013
Revenue from sale of goods and rendering of services	1,333,178	1,241,884	1,105,873	1,026,445	1,022,610
Total revenues	1,345,989	1,248,136	1,112,219	1,057,741	1,037,901
Cost of sale of goods and rendering of services	1,013,288	981,019	882,858	784,395	788,329
Gross profit	319,890	260,866	223,015	242,050	234,281
Operating expenses	192,601	163,570	150,712	153,217	152,210
Profit before interest, tax, depreciation and amortization (EBITDA)	197,961	165,156	132,664	166,867	141,800
Profit (loss) attributable to owners of the parent	100,284	85,289	58,951	93,537	76,567
Total current assets	445,992	547,779	532,498	642,975	699,063
Total assets	1,022,711	997,066	857,127	921,048	878,768
Total current liabilities	228,511	279,665	141,416	160,195	108,108
Total liabilities	360,183	356,744	223,815	245,472	153,635
Authorised shares capital	110,000	110,000	110,000	110,000	110,000
Issued and paid-up share capital	110,000	110,000	110,000	110,000	110,000
Total shareholders' equity	662,528	640,322	633,312	675,576	725,133
Total equity attributable to owners of the parent	643,911	622,044	616,556	659,743	709,519
Financial Ratio	2017	2016	2015	2014	2013
Total number of shares issued (Shares)	110,000,000*	11,000,000	11,000,000	11,000,000	11,000,000
Par value (Baht)	1	10.00	10.00	10.00	10.00
Book value per share (Baht)	5.85	56.55	56.05	59.98	64.50
Earnings per share (Baht)	0.91**	0.78 **	5.36	8.50	6.96
Dividends per share (Baht)	0.70***	7.00	5.50	8.50	13.00
Dividends payout ratio (%)	69.87	91.66	105.31	100.22	191.90
Return on revenue from sale of goods and rendering of services (%)	7.52	6.87	5.33	9.11	7.49
Return on equity (%)	15.57	13.77	9.24	13.66	10.83
Return on total assets (%)	9.81	9.20	6.63	10.40	8.82
EBITDA on total assets (%)	19.6	17.81	14.92	18.54	16.34
Debt to equity ratio (Times)	0.54	0.56	0.35	0.36	0.21
Price earnings ratio (Times) ****	17.14	20.13	25.75	21.82	21.55

Remark :

* AGM on April 20th, 2017 has approved the Change of Par value from 10 Baht in the quantity 11 million shares to be 1 baht became 110 million shares. The Company has registered Par value with the Ministry of Commerce on April 21st, 2017

** The net profit per share for 2013-2015 is calculated from the par value of 10 Baht. In year 2016-2017 is calculated from the Par value of 1 Baht.

*** The dividend includes interim dividend at the rate of 0.15 Baht per share. The dividend payment at the end of 0.55 Baht per shares in accordance to the resolution of the Board of Directors Meeting on February 19th, 2018, the dividend is not approved by the shareholders meeting.

**** The price is the year ended price at which a security is traded in the local board of SET

03

Business Structure



The Company is the leader in manufacturing and distributing security documents with products including cheques, passbooks, business forms, commercial printing and other security printing, as well as plastic cards. The Company also provides services regarding the management of other security data management include data printing, enveloping and mailing; one-stop services for managing documents, forms as well as stationary and equipment; brand protection solutions services; and membership management solutions services which is operating under number of standard certifications in line with international standards such as ISO/IEC 27001: 2005, Visa, MasterCard, JCB, CUP, ISO 14001:2004, ISO 9001:2008, ISO 22301:2012, TIS 18001:2001, OHSAS 18001:2007, and UN Global Compact. There are three manufacturing factories: Poo-Chao Saming Prai, Bangpoo, and InfoZafe, located in Samutprakarn.

Management Goals

Business

The Company focuses on growth strategies on pushing the sales volume and making profit from expanding the sale base – both national and international. TBSP, furthermore, has developed new products and services in order to create products that are able to respond to customer needs, and handle more changes in future technology so as to provide customers with a complete service as regards the management of data security.

Operation

The Company continues to adhere to TPM and TQM principles as backbone in improving developing the production process, and to adapt the automation system to increase efficiency, and reduce cost and work time. Every operating process is carried out following quality insurance in order to enhance the management competence so as to be more up-to-date, convenient, and rapid.

Human Resources

Bearing in mind the significance of the potential development of personnel, TBSP regularly develops and elevates the capability level of employees from every level to be suitable for the Company's policy and direction.

Social Responsibility

TBSP gives continued support to social activities covering every party of stakeholders with the objective of creating good relations as well as promoting environmentally-friendly business operations to become a green industry. The Company conducts its business with transparency under the Anti-Corruption Policy.



Income Structure

In 2017, the Company and its subsidiaries realized revenue from sale of goods and rendering services of 1,333 million Baht, representing an increase of 91 million Baht or 7% compared to 2016 by dividing in the following four main categories as follows;

Unit : (Baht'000)

Products	Income (Baht'000)			Portion(%)		
	2017	2016	2015	2017	2016	2015
Cheques and security documents	363,188	405,358	362,003	27.24%	32.64%	32.74%
Plastic cards	360,282	227,192	206,737	27.02%	18.30%	18.69%
Business forms and commercial printing documents	97,285	274,381	272,054	7.30%	22.09%	24.60%
Others (trading, service, and export sale)	512,423	334,952	265,079	38.44%	26.97%	23.97%
Total	1,333,178	1,241,884	1,105,873	100.00%	100.00%	100.00%

PRODUCTS AND SERVICES

'TBSP' focusing to be the leader in total solution of security printing and data management provider's



Cheque

As cheques are important documents, meticulous attention needs to be paid to every detail in order to prevent fraud starting from a selection of laser grade printing papers printed with magnetic ink character recognition, either with watermarks or for using in combination with other fraud prevention methods.

The Company provides all types of cheques; cheque book, continuous cheque. At present, the Company has developed a complete system for the production of cheques. To provide greater convenience for banking institutions, the Company has initiated the Fast Cheque Service, in which banks can readily place online orders via the E-Ordering system, thereby saving time and money. In addition, a special delivery service of cheques to differing branches of the banks ensures security and the prompt delivery of cheques to end customers.

Security Documents

Security documents are important and valuable. It is, therefore, extremely crucial to be fraud-free such as share certificates, certificates, commercial cash coupons, postal stamps and postcard, passbook. The Company commits itself to provide solutions to customers in need of protecting their products from illegal duplication or counterfeiting. The Company focuses on enhancing the quality of its products, adopting advanced printing techniques and a broad array of anti-counterfeiting technologies including printing ink, paper specialty and hologram foil. The state-of-the art of technology is combined with excellent quality service to better address customers' demands and expectation.

Therefore, the Company gains trust from the leading financial institutes, both in national and international, as well as the public and private to manufacture fraud- free document.





Plastic Cards

The Company has developed sophisticated printers and peripherals as well as a high level of security environment, enabling the Company to manufacture all types of excellent quality cards. In addition to normal plastic card, the Company's wide range of plastic card includes ATM card, debit card, credit card, EMV chip cards, complying with the Visa and Master Card, CUP, JCB standards, TBCC Chip and different time of smart cards, integrated photo ID cards, and barcode, member number or chips. Its service also extends to provide supporting documents and packing cards in envelopes to send to different channels.



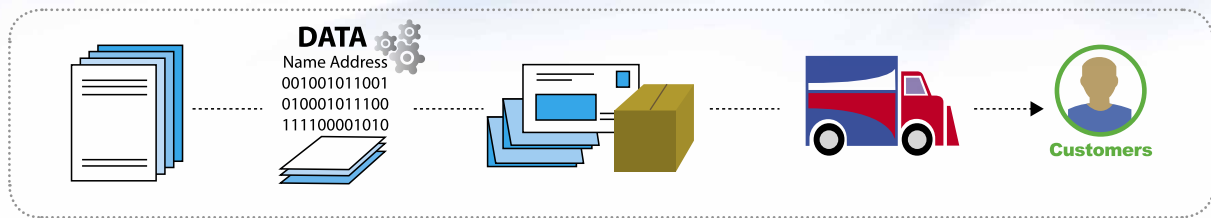
Business forms and Commercial document

With innovative machine and printing equipment, the Company is able to provide a printing service for business forms such as various continuous forms, commercial printing, brochures, one-part mailer, payroll slips and other commercial document.

Brand Protection Labels

Nowadays, products with high value being duplicated or counterfeited cause a great deal of damage to manufacturer's images and reputations, especially consumer goods necessary for everyday life. Bearing this in mind, the Company realizes the importance of counterfeit prevention labels and uses an advanced printing technique in combination with a wide array of counterfeit prevention technology for absolute confidence in the products on the part of the manufacturer and consumers.





Other Services

Data Printing, Enveloping and Mailing Service

The Company provides a complete efficient service for individual data printing and mailing such as statements, advertising letters, insurance policies, etc. Service starts from data pick up-delivery from clients, data check, and security data printing. This data is treated confidentially. Service also includes selecting data and mailing it to recipient clients. The Company also offers consultancy by experts on the techniques and programs suitable for each type of business, allowing the customers to enjoy the benefit of the world's cutting edge technological at reasonable price.



Document Solutions Management Service (DSMS)

It is inevitable that a large business needs a great deal of documents and forms resulting in a tremendous use of personnel and equipment resources in providing service. Therefore, in order to minimize work burdens that are not part of the company's core mission. Document Solutions Management Service (DSMS) offer one-stop services such as document management, forms, and stationaries and other equipment, starting from printing consultancy, printing design, manufacturing, purchasing, provision, quality control, storing, database storing, product delivery, destroying important documents and list making. The Company applies a modern IT system in printing management so that customers can benefit from easy and fast service at reduced total cost. With the complete database system, customers will find it easy to follow and make decisions.

1. Complete service to enhance efficiency in document and printing management.
2. Reduce expense on renting a warehouse.
3. Reduce expense on provision, storage, product delivery and manpower.
4. Flexibility and convenience owing to advance service.

Document Storage and Information Shredding Service (InfoZafe)

'InfoZafe' is an important document storage and information shredding service. At present, information is regarded as highly significant for the operation of business in every kind as corporate information could impact competitiveness; personal information of employees; confidential information related to customers and need for protection. Every organization is responsible for protecting and properly managing their information, both when it is in use as well as when it expires. The organization is required to safely destroy them to ensure that it will not be released outside and cause economic damage to the Company.

The Company offers services of storing significant documents and permanently destroying information both in the form of confidential documents and electronic data such as hard disk, and magnetic tape by using up-to-date and secure methods. The security systems such as access control system, CCTV, barcode system and RFID can keep track of data storage for 24 hours and ensure that customers' important documents are destroyed properly.



New Businesses

The Company develops new products and services to meet with demands of our customers and market trend as follows:

1. Brand Protection Solution

Currently, the problem on imitation or counterfeit of products with high value affects and damages many brands regarding their reputation and image. With this reason, the Company finds the importance of providing complete services for preventing such imitation for our customers consisted of Brand Protection Label using advanced printing technology integrated with technology for preventing many forms of counterfeit that is professional field of the Company in order to ensure both manufacturers and consumers. In addition, the company also applies IT technology to provide information and enable customers to follow up and inspect such information at any time and any place through our digital information storage system with high correctness and security. Moreover, it also helps to improve efficiency on preventing counterfeit while facilitating our customers through our Web Ordering System in order to underline our status as the leader of security printing business.

2. Business Process Outsourcing (BPO)

Based on the tendency of the business world in economy with challenging and changing condition, customers emphasize on reducing costs in all work process and underlining their main business process as well as improving efficiency of their work process to be more rapid and correct. This is the origin of the Company's new business emphasizing on responding to demands of customers in today world. The Company will provide complete services on managing such work process for customers by applying modern IT technology to develop systems aiming to cover Supply Chain System thoroughly. To make perspective of customers' businesses to be managed efficiently based on improving work process and quality personnel as well as correctness of safety of works that can reduce more costs of customers than their own management and to enable customers to spend their time in developing and improving their products and services efficiently, the company finds those business opportunities to provide them complete services for their convenience as well as for maintaining existing customer base and expanding new customer base. The major tools for such operations are as follows:

- Digital Document Solution helping to improve convenience of customers for managing digital database used in sending e-documents to destinations and real-time marketing communication.
- Information Management Solution for improving convenience of customers started from managing important database through various processes to storing and destroying information as well as Membership Registration and digital data management with registration system data storage, and data analysis that can provide convenience and rapidness while reducing the duration of data management of customers for improving Customer Relationship Management)
- Security Management Solution helping to manage security and display data recording as well as control the right of individual via Biometric Authentication in order to build security system for organizations that are our customers efficiently.

Marketing and Competition

The overview of the year 2016 has indicated that even though situations in the country started to ameliorate, resulting in the greater expansion of Thailand's economy, the market conditions of the security printing industry experienced only slight growth as many business industries has adopted electronic technology superseded traditional methods. This impact is expected to continue and grow in the near future. The digital economy policy of government will play a larger role and cause greater impact as well.

Domestic Market

Overview of Cheque and Security Documents

Cheque and security printing products consists of bank cheques, share certificates, certificates, cash coupons, passbook, postage stamps, and passports. It is a business with only a few competitors since there are a number of rules and regulations as regards production control whereby the production process requires a security system and advanced printing technology in order to protect the confidential information of customers

In 2017, there was clearly an important change of Thailand's financial institutions caused by replacement of digital technology driving financial institutions to adjust themselves rapidly regarding cost reduction and improvement of competitiveness as well as factors on government promotion on digital, for example, Prompt Pay and QR Code payment. Consequently, financial institutions had to adjust their service formats to support such demands, develop Digital Banking service, and reduce the number of branches. Factors caused by such situation directly affected to and caused slowing down of check and security printing market.

Overview of the Plastic Card

The overview plastic card printing over the previous year, although there was a severe competition on price, plastic card printing market still expanded due to many government projects, for example, Welfare Card Project that was the special project of government with demand over than 12 million cards for giving to citizens with low income. The Company is authorized to be one of the manufacturers to manufacture this Welfare Cards for the government.

Since demand of Debit Chip Cards was slowing down due to slowing down of financial institutions in adjusting themselves to meet with Thai Bank Chip Card Standard according to the resolution of the Bank of Thailand and caution on spending of customers as well as the notification on new criteria with serious strictness on approving credit cards issued by the Bank of Thailand, the growth of credit cards was also slow down.

However, the Company expected that plastic card market will increasingly expand due to impulsion of National e-Payment Policy that helps to drive the use of electronic cards for payment in the future as well as increase of Electronic Data Capture for more convenience on payment and spending.

The Overseas Market

There was a challenge of Oversea market on some competitions regarding price and duration among local and foreign manufacturers. The percentage of the Company's products exported to other countries was calculated to be XX% of the Company's total sale volume that increased from the last year by XX% due to the company's Proactive Sale Policy and market expansion towards ASEAN countries with high economic growth rate and higher demands on security printing products, for example, Myanmar, Vietnam, Cambodia, etc.





04

Risk Factors

The Company's major risks and risk management strategies are as follows;

1. Safety, Health and Environment Risk

Since the Company conducts its business in printing industry that relies upon machinery and chemicals substances, it can be susceptible to safety and health risks, for the physical and mental impact on injured persons may affect the Company's reputation and costs. The Company realized that "employees are a significant factor and valuable resource", the Company puts an emphasis on the health and safety of both employees and business partners using proactive measures in order to prevent risks leading to further damage.

The Company conducts an analysis of the characteristics of unsafe working conditions, explores risk points, danger points, and defines preventative measures and solutions, compile a safety workplace safety as well as create understanding among employees, business partners and related parties.

2. Compliance Risk

Compliance risks are including risk of non-compliance to both internal and external regulations such as law, rules of local departments or department of industrial works, government policies, the corruption, the Code of Conduct and the activities that affect the reputation or obligation related to third party. The incomplete or non-compliance practices to the regulations which might be changed all the time, may affect to the Company's reputation, the penalization, and the loss of business opportunity.

The Company adheres strictly to the law, rules, and regulations by conducts risk assessment as regards non-compliance to law, rules and regulations, and the risk management measures with the appointed persons responsible for closely following the tendency and change in new laws, rules, and regulations, the Company has regular monitoring and review timeframe, to ensure that the Company takes no risk regarding to this matter.

The Company continuously developed the compliance framework to strengthen management and control system starting from the practical process to the follow-up process, to comply with the risk appetite "zero breaches of any laws/pacts.

Additionally, the Company considered the importance of the anti-corruption and creation organization culture. Throughout the year 2017, the Company conducted the various activities to encourage the anti-corruption practices and the communication to all employees' levels such as the training of the Code of Conduct and the anti-corruption, the "Ethics e-testing" under the core values, the Code of Conduct, the anti-corruption policy scopes, and the self-evaluation on the anti-corruption compliance to continuously create awareness, knowledge and the prevention against corruption

3. Reputation and Intellectual Property Risk

The Company, as the business operator of security printing, places the utmost importance on the safety of information of its customers. The Company conducts itself according to Information Security Management System ISO/IEC 27001:2005 in the matter of stability and the security of information of the whole organization. Technology is employed to build confidence among customers in preventing the leakage of confidential business information.

4. Hazard Risk

Hazard Risk are including 1) Natural disasters that has tendency to occur and increase in severity and it will be affect to the overall economy, the damage to life and property and may affect to the cessation of the Company's operating process or the partners' business in the value chain. The Company, thus, highlights readiness prior to the disasters such as floods, storm surges, and severe fires. 2) Manmade disaster such as sedition, incendiary, protest, terrorism etc.

The Company has appointed the risk owner who is responsible for planning, assessing the risks caused by natural and manmade disasters to ensure the following-up and monitoring system of the occurrence of the disasters by using information from reliable sources provided by the public sector and organizations in accordance to the Corporate Business Continuity Management (BCM) which provides systematic procedures, clear responsibilities and the business continuity plan to prepare for the situation and ready to handle and manage the various situations in a timely manner. The customer are assured the stable business operation.

5. Input Risk

According to consecutive increase of pulp price of the world market since 2017 to 2018, pulp price in Thailand and overseas market has been increasing consecutively. It is expected that pulp price will be increasing in 2018 affecting to the cost of paper. Accordingly, it is important to negotiate and bargain with sellers to gain appropriate pulp price, quantity, and delivery duration in order to gain low total cost whereas the situation of paper price is fluctuated.

6. Process Risk

The Company encounters ordinary risk caused by the cessation of machinery. Nonetheless, the Company operates under the systematic maintenance management by conducting machine maintenance methods to be ensuring more efficient under condition-based maintenance and time-based maintenance. The engineering department is responsible to improve the machine condition for more effectiveness, the relevant skill training sessions and assessments are regularly held for maintenance staff.

The Company arranged a monitoring meetings to evaluate the production capability, capacity, and technology, internal and external situation according to Business Continuity Management (BCM) in order to provide backup plan in case of the emergency to ensure that it will not impact to the customers or the business operation

The Company has a risk from change of major shareholder which held more than 25% of the Company's shares. On November 20, 2015, Miss Sutida Mongkolsuthree held 32% of company's shares. Therefore, there is a risk regarding the vote of major shareholder at the General Meeting, which may have an impact on the consideration of the important agenda.

7. Financial Risk

The Company encounters ordinary risk caused risk caused by the change of Interest Rate, Foreign Currency Exchange Rate as well as customers or contract partners are unable to pay off debt to the Company group according to agreed conditions. The Company does not hold or issue derivative financial instruments for profit or commercial contracting.

7.1 Interest Rate Risk

The Company has no substantial risk arising from the change in interest rate.

7.2 Foreign Currency Exchange Rate Risk

The Company encounters risk as regards the foreign currency exchange rate derived from the purchase and sale of products in foreign currency. The Company has made a forward exchange contract whereby such item will be effective not over one year to prevent the risk of financial debt in foreign currency.

7.3 Credit Risk

Credit risk is risk which customers or contract partners are unable to pay off debt to the Company group according to agreed conditions when the period is complete. The Company has a credit management policy whereby the Credit Committee is established. The Credit Committee organizes a follow-up meeting every month, analyzes the financial status of every client and specifies the credit limit suitable for buying and selling. The Committee also organizes a meeting with clients and follow-up on credit by analyzing the age of a debtor on a regular basis.

7.4 Liquidity Risk

The Company controls the risk derived from a lack of liquidity by sufficiently maintaining the level of cash and items equivalent to cash for the Company's operation to alleviate the impact caused by fluctuation in cash flows.

8. Business Environment Risk

The Company manages risk regarding marketing competition and change in consumers' behavior of adopting electronic materials substituted the traditional paper, conduct the risk assessment in the situation of economy downturn due to the major customers of the Company are in financial sector

The Company emphasis on the development, research, and study of technology to develop new products and services to serve the changing of customers' behaviors and support the entering to the digital disruption and to develop the operating systems to reduce mistakes in work, strengthen capability in providing service, expand the customer base to be more cover various industries such as insurance segment, retail segment and other countries together with improve the management to be more efficient in achieving competitive production cost.

05

Company Information

Company's Name	Thai British Security Printing Public Company Limited		
Stock Code	TBSP		
Registration No.	0107537002311 (Former No. Bor.Mor.Jor.478)		
Head Office	Poochao – Saming Prai Factory 41/1 Moo 10, Soi Wat Suansom, Poochao – Saming Prai Road, Samrongtai Subdistrict, Phrapradaeng District , Samutprakarn 10130 Tel : 0-2754-2650 Fax : 0-2183-2763	Legal Advisor	48-51 Floor, Empire Tower 1, South Sathorn Road, Yannawa Subdistrict, Sathorn District , Bangkok 10120 Tel : 0-2677-2000 Fax : 0-2677-2222 SCG Legal Counsel Limited 1 Siam Cement Road, Bangsue Subdistrict, Bangsue District, Bangkok 10800 Tel : 0-2586-5777 0-2586-5888 Fax : 0-2586-2976
1st Branch	Bangpoo Factory Bangpoo Industrial Estate, 837 Moo 4, Soi 12, Pattana 1 Road, Praksa Subdistrict, Muang District, Samutprakarn 10280 Tel : 0-2709-4201-9 Fax : 0-2709-4200	Details of the Company's subsidiaries The Company holds more than 50% - 2 Companies - *Thai British DPost Company Limited	
2nd Branch	Sales Office and Infozaf Plant 406/1 Moo 9, Sukhumvit Road, Teparak Subdistrict, Muang District, Samutprakarn 10270 Tel : 0-2380-1320 , 0-2380-4188 Fax : 0-2380-1326-7	Registered Capital	34 Million Baht (Thirty four million Baht)
Type of Business	Security Printing	Paid-up Capital	34 Million Baht (Thirty four million Baht)
Registered Capital	110 Million Baht (One hundred and ten million Baht)	Amount of Shares	
Paid-up Capital	110 Million Baht (One hundred and ten million Baht)	• Common share	3,400,000 shares, Par value 10 Baht
Amount of Shares		• Preferred share	-None-
• Common share	110,000,000 shares Par value 1 Baht (One Baht)	Ownership Interest	
• Preferred share	-None-	• Common share	1,733,999 shares or 99.99%
Registrar	Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindaeng Subdistrict,Dindaeng District, Bangkok 10400 Tel : 0 2009-9000 Fax : 0-2099-9991	Head Office	837 Moo 4, Soi 12, Pattana 1 Road, Praksa Subdistrict, Muang District, Samutprakarn 10280 Tel : 0-2709-4201, 0-2709-4214 Fax : 0-2709-4200, 0-2709-4213
Auditors of the Company	Miss Siripen Sukcharoenyingyong Certificated Public Account Registration No. 3636 or Miss Sureerat Thongarunsang Certificated Public Account Registration No. 4409 or Miss Thanyalux Keadkeaw Certificated Public Account Registration No. 8179 or KPMG Phoomchai Audit Ltd.	Type of Business	Personalized data printing, enveloping and mailing services
		Thai British Security Printing Overseas Company Limited	
		Registered Capital	37 Million Baht (Thirty seven million Baht)
		Paid-up Capital	37 Million Baht (Thirty seven million Baht)
		Amount of Shares	
		• Common share	3,700,000 shares, Par value 10 Baht
		• Preferred share	-None-
		Ownership Interest	
		Common share	3,699,997 shares or 99.99%
		Head Office	406/2 Moo 9, Sukhumvit Road, Teparak Subdistrict, Muang District, Samutprakarn 10270 Tel : 0-2380-1320 , 0-2380-4188 Fax : 0-2380-1326-7
		Type of Business	Holding Company
		Others	The Company holds more than 10% - None -

Remark : *At January 31st, 2018. The Company has increased the Company's Shareholding from 51% to be 99.99%

Investors may obtain further information of the Company from Annual Registration Statement (56-1 form) provided on www.sec.or.th or on the Company's website (www.tbsp.co.th)

06

Shareholders

First 10 shareholders as at December 29, 2017

No.	Shareholders	No. of shares	% of Shares
1	Miss Sutida Mongkolsuthree	35,336,000	32.12%
2	T.K.S. Technology Public Company Limited	21,879,810	19.89%
3	SCG Packaging Public Company Limited	19,567,240	17.79%
4	Mrs. Nantiya Santikan	5,420,000	4.93%
5	Mr.Krissana Suwanpraipattana	5,420,000	4.93%
6	Miss Patcharin Tuangthisombut	5,340,000	4.86%
7	Mr. Ek Tantavichien	5,340,000	4.86%
8	Miss Patchana Tuangthisombut	2,497,910	2.27%
9	Miss Piyada Kunsongkiat	1,475,000	1.34%
10	Mr.Prasert Wongwaiwit	1,153,320	1.05%

07

Dividend Payment Policy

According to the resolution of the Board of Directors meeting number 4/2016 held on 14 November 2016, the dividend payment policy has been stipulated as follows:

“The Company has a policy to pay dividend at the minimum rate of 40% of the net profit according to the separate financial statement. However, it also depends on the investment plan, necessity and appropriateness in the future.

The subsidiaries to pay dividend according to the operating result whereby the Board of Directors will consider such for presenting at the shareholder meeting for approval.”

Dividend Payment

Dividend Payment	2017	2016	2015	2014	2013
1. Net profit (million Baht)	110.2	84.0	57.5	93.3	74.5
2. No. of shares (million shares)	110	11.0	11.0	11.0	11.0
3. Dividend (Baht/share)	0.70*	7.00	5.50	8.50	13.0
3.1 Interim Dividends (baht per share)	0.15	0.175	-	-	-
3.2 Final Dividends (baht per share)	0.55	0.525	5.5	8.5	13.0
4. Total amount of dividend payment (million Baht)	77.0	77.0	60.5	93.5	143.0
5. Dividend payout ratio (%)	69.9	91.66	105.3	100.2	191.9

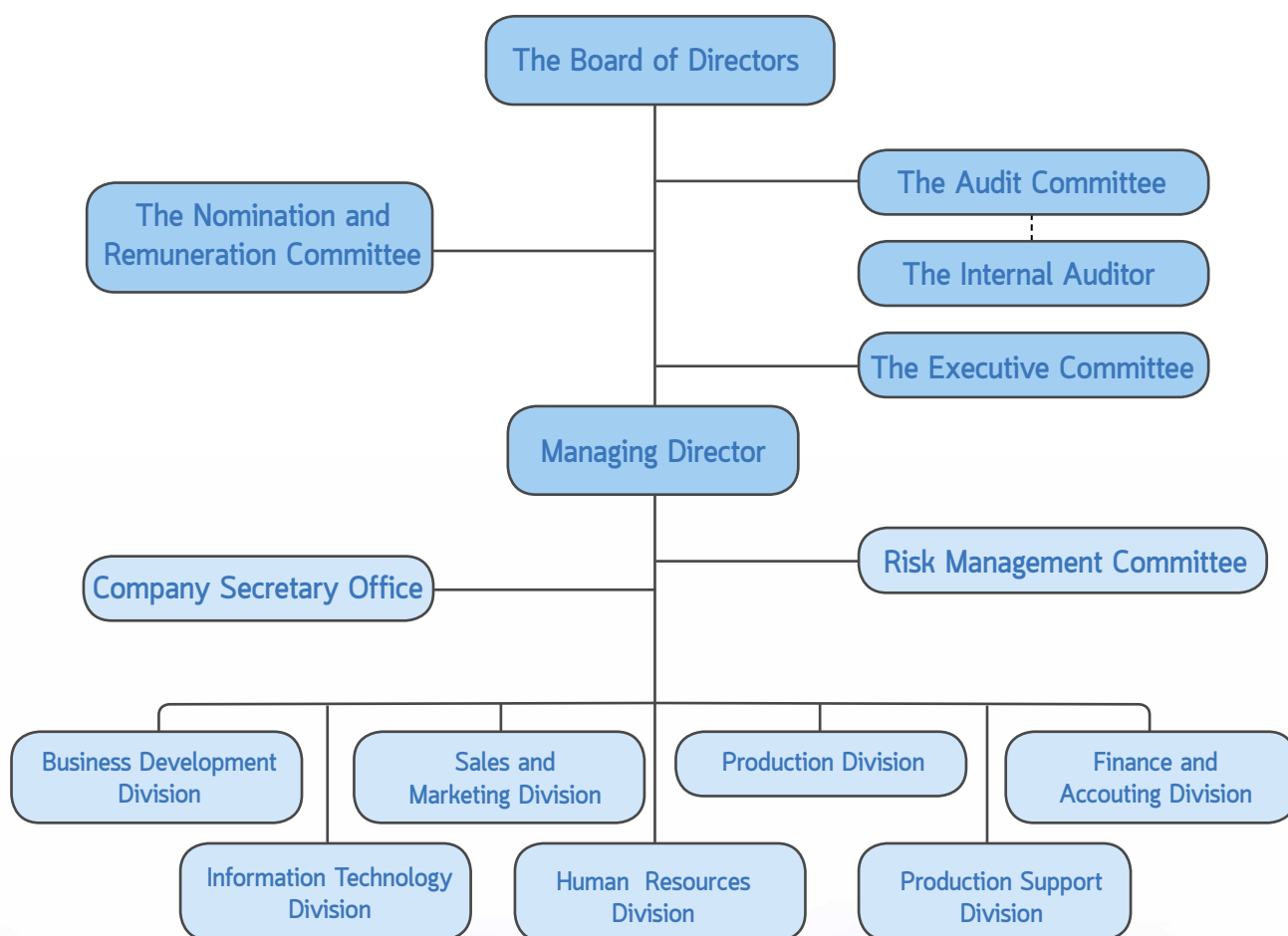
Remark : The dividends for the year 2013-2015 calculated at par value 10 baht per share, for the year 2016-2017 calculated at par value 1 baht per share

*Board of Directors has resolved to propose to the Annual General Meeting of Shareholders for the year 2018 to approve the dividend payment for the year 2017 at the rate of Baht 0.70 per share, the interim dividend already paid at a rate of 0.15 Baht per share



08 Management Structure

Organization Chart(as at February 19, 2018)



Remark : means Reporting line

8.1 Board of Directors

Composition of the Board of Directors (As at February 19, 2018)

The Board of Directors comprises, knowledgeable and competent persons who are responsible for drawing up corporate policy and collaborating with the top executives in making operating plans, both short-term and long-term, including financial policy, risk management policy, and organizational overview. The Board, which plays an important role in overseeing, monitoring and assessing the performance of the Company and top executives on an independent basis, comprises the following names;

1. Mr. Bowon Vongsinudom	Chairman of the Board of Directors and Independent Director
2. Mr. Krit Umpote	Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee, and Independent Director
3. Mr. Kuasak La-orsuwan	Member of the Audit Committee and Independent Director
4. Mr. Chaiwat Utaiwan	Member of the Audit Committee, Member of The Nomination and Remuneration Committee, and Independent Director
5. Mr. Prasert Wongwaiwit	Member of the Nomination and Remuneration Committee
6. Mr. Panthep Supachaiyakit	Member of the Nomination and Remuneration Committee
7. Mr. Richard David Han	Director
8. Mr. Sittichai Chantravadee	Chairman of the Nomination and Remuneration Committee and Independent Director
9. Mr. Surasak Amawat	Member of the Executive Committee
10. Miss Sutida Mongkolsuthree	Chairman of the Executive Committee
11. Mr. Natapong Pinitpongskul	Member of the Executive Committee and the Managing Director

The names of directors authorized to sign for and on behalf of the Company are any two of three directors, namely, Miss Sutida Mongkolsuthree, Mr. Surasak Amawat and Mr. Natapong Pinitpongskul. Any two of the authorized directors jointly sign their names together with the affixed seal of the company.

There are 10 non-executive directors.

There is one executive director, who is the company's Managing Director.

The five independent directors are Mr. Bowon Vongsinudom, Mr. Krit Umpote, Mr. Kuasak La-orsuwan, Mr. Chaiwat Utaiwan, Mr. Sittichai Chantravadee. The qualifications of the Company's independent director are complied with Notification of the Capital Market Supervisory. In this regard, the Company disclosed the qualification of independent directors on the Annual Report page 53



The Sub-Committees

Directors			The Audit Committee	The Nomination and Remuneration Committee	The Executive Committee
1.*/#	Mr. Bowon	Vongsinudom	-	-	-
2.#	Mr. Krit	Umpote	Chairman	Member	-
3.#	Mr. Kuasak	La-orsuwan	Member	-	-
4.#	Mr. Chaiwat	Utaiwan	Member	Member	-
5.	Mr. Prasert	Wongwaiwit	-	Member	-
6.	Mr. Panthep	Supachaiyakit	-	Member	-
7.	Mr. Richard David Han		-	-	-
8.#	Mr. Sitthichai	Chantravadee	-	Chairman	-
9.	Mr. Surasak	Amawat	-	-	Member
10.	Miss Sutida	Mongkolsuthree	-	-	Chairman
11.**	Mr. Natapong	Pinitpongskul	-	-	Member

Remark *Chairman of the Board of Directors **Managing Director #Independent Director

The Attendance of Directors in 2017

(1 January 2017 – 31 December 2017)

Directors			The Board of Directors (11 directors) Total 4 times/year	The Audit Committee (3 members) Total 6 times/year	The Nomination and Remuneration Committee (5 members) Total 3 time/year	The Executive Committee (3 members) Total 5 times/year	The 2016 Annual General Meeting of Shareholders (11 members) Total 1 time/year
1.	Mr. Bowon	Vongsinudom	4/4	-	-	-	1/1
2.	Mr. Krit	Umpote	4/4	6/6	2/2	-	1/1
3.	Mr. Kuasak	La-orsuwan	4/4	6/6	-	-	1/1
4.	Mr. Chaiwat	Utaiwan	2/4	3/6	1/2	-	1/1
5.	Mr. Prasert	Wongwaiwit	3/4	-	2/2	-	1/1
6.	Mr. Panthep	Supachaiyakit	4/4	-	2/2	-	1/1
7.	Mr. Richard David Han		2/4	-	-	-	1/1
8.	Mr. Sitthichai	Chantravadee	4/4	-	2/2	-	1/1
9.	Mr. Surasak	Amawat	3/4	-	-	5/5	-
10.	Miss Sutida	Mongkolsuthree	4/4	-	-	4/5	1/1
11.	Mr. Natapong	Pinitpongskul	4/4	-	-	5/5	1/1

Remark - The five independent directors are No. 1, 2, 3, 4 and 8



The Company's Board of Directors

as at February 19, 2018 comprised 11 directors as follows:



Mr. Bowon Vongsinudom

Chairman of the Board of Directors
(Independent Director)

Mr. Bowon Vongsinudom

Age 64 Years Nationality Thai

▶▶▶ Education

- 1975 B.Eng. in Chemical Engineering, Chulalongkorn University
- 1980 M.Eng. in Chemical Engineering, Chulalongkorn University
- 1992 MM, Sasin, Chulalongkorn University
- 2004 NDC 2547

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2008 Director Accreditation Program (DAP) 76/2008
- 2015 Director Certification Program (DCP) 209/2015

▶▶▶ Current position in TBSP

Chairman of the Board Directors

▶▶▶ Date of first appointment

December 15, 2015 (2 years 2 months)

▶▶▶ Other current positions (Director / Executive)

- Listed Companies (4 company)
 - Since 2015 Independent director, WP Energy Public Company Limited.
 - Since 2015 Director, Prima Marine Public Company Limited.
 - Since 2016 Chairman of the Board of Director, Prima Marine Public Company Limited.
 - Since 2017 Independent director, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee, Thai Vegetable Oil Public Company Limited.
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 2010 Vice Chairman, The Federation of Thai Industries
 - Since 2011 Committee and Executive Director, Plastics Institute of Thailand
 - Since 2012 Chairman of the Board Directors, PTT Phenol Company Limited.
 - Since 2014 Director, Metropolitan Waterworks Authority
 - Since 2015 Advisor of Board Director, Chemical Engineering, The Engineering Institute of Thailand
 - Since 2015 Director, UAC Advance Polymer & Chemical Company Limited
 - Since 2015 Member of Council of Trustee, Petroleum Institute of Thailand (PTIT)
 - Since 2016 Director, Bangkok Industrial Gas Company Limited
- Holding directorship in other incorporation doing business of similar nature and competing with the Company - None

▶▶▶ Experiences

- 2009 - 2010 Senior Executive Vice President and Operations and Acting Executive Vice President - Supply Planning & Business Development, PTT Aromatic & Refining Public Company Limited
- 2010 - 2011 President & CEO, Acting Senior Vice President — Operation, PTT Aromatic & Refining Public Company Limited
- 2009 - 2014 Executive Vice President, Downstream Petroleum Business Group PTT Public Company Limited
- 2011 - 2013 President, PTT Global Chemical Public Company Limited
- 2013 - 2014 President & CEO, PTT Global Chemical Public Company Limited
- 2011 - 2014 Director, PTT Global Chemical Public Company Limited
- 2012 - 2014 Director, Thai Tank Terminal Company Limited
- 2013 - 2014 Director, Vinythai Public Company Limited
- 2014 - 2016 Chairman of the Board of Director, Water Institution for Sustainability, The Federation of Thai Industries.
- 2014 - 2016 Chairman, Clusterpetrochemical, The Federation of Thai Industries.
- 2016 - 2017 Independent director and Member of the Audit Committee, Golden Lime Public Company Limited.
- Since 2017 Director, State Railway of Thailand.

▶▶▶ Attendance

Board of Directors Meetings: 4 times, attended 4 times

▶▶▶ Number of shares held

- None

▶▶▶ Forbidden qualification:

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.



Mr. Krit Umpote

Director, Chairman of
the Audit Committee and Member of
the Nomination
and Remuneration Committee
(Independent Director)

Mr. Krit Umpote (Independent Director)
Age 77 Years Nationality Thai

*** Education

- 1965 Bachelor of Business Administration (Commerce), Thammasat University
- 1966 Bachelor of Business Administration (Accounting), Thammasat University
- 1969 Master of Public Administration, National Institute of Development Administration (NIDA)
- 1975 M.S.B.A., Indiana University, U.S.A.
- 1994 Strategic Human Resource Management, Harvard Business School
- 1996 Advanced Management Program, Harvard Business School

*** Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2000 Director Certification Program (DCP) 2000
- 2010 Advanced Audit Committee Program (AAP) 3/2010
- 2014 IOD Chartered Director

*** Current position in TBSP

Director, Chairman of the Audit Committee and
Member of the Nomination and Remuneration Committee

*** Date of first appointment

October 9, 1995 (22 Years 4 Months)

*** Other current positions (Director / Executive)

Listed company (1 company)

- 2015 Independent Director, Thiensurat Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) -None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company -None

*** Experiences

- 1996-2000 Senior Executive Vice President Krung Thai Bank Public Company Limited
- 1999-2001 Chairman, Krung Thai Asset Management Company Limited
- 2000-2011 Vice President for Training and Development, Dhurakij Pundit University

*** Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Audit Committee Meetings: 6 times, attended 6 times
- Nomination and Remuneration Committee Meetings: 2 times, attended 2 times

*** Number of shares held : -None

*** Forbidden qualification:

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.



Mr. Kuasak La-orsuwan

Director and Member of
the Audit Committee
(Independent Director)

Mr. Kuasak La-orsuwan (Independent Director)
Age 69 Years Nationality Thai

*** Education

- 1974 B.A. Economics, University of the Thai Chamber of Commerce
- 1978 M.B.A. (Management), University of West LA, U.S.A.

*** Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2012 Director Accreditation Program (DAP) 98/2012
- 2017 Director Certification Program (DAP) 236/2017

*** Current positions in TBSP

Director and Member of the Audit Committee

*** Date of first appointment

November 22, 2000 (17 Years 2 Months)

*** Other current positions (Director / Executive)

- Listed companies- None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) - None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company - None

*** Experiences

- 2002-2004 Senior Vice President, Human Resource Department, Thai Military Bank Public Company Limited
- 2004-2006 Executive (N-2) Chief of General Administration, Thai Military Bank Public Company Limited
- 2006-2009 Senior Vice President, Thai Military Bank Public Company Limited

*** Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Audit Committee Meetings: 6 times, attended 6 times

*** Number of shares held 12,000 shares, equivalent to 0.01% (included spouse or minor children)

*** Forbidden qualification:

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.

Mr. Chaiwat Utaiwan (Independent Director)

Age 64 Years Nationality Thai

Education

- 1965 Bachelor of Business Administration (Commerce), Thammasat University
- 1975 Bachelor of Science in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University
- 1979 Master of Science (Mathematics and Computer Science), University of Louisville, Kentucky, U.S.A
- 1987 Master of Business Administration (Executive), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 2006 Capital Market Academy Leadership Program, Class 3/2006, Capital Market Academy (CMA)
- Public Director Certification Program (PDI), Class 12, Public Director Institute, King Prajadhipok's Institute
- Top Executive Program in Commerce and Trade (TEPCoT), Class 6 Commerce Academy, University of the Thai Chamber of Commerce
- Poom Palung Pandin Course for Top Executive, Class 1, Chulalongkorn University
- Top Executive Program in Thailand Energy Academy Program, Class 4, Thailand Energy Academy (TEA), 2008
- 2008 The Joint State-Private Sector Regular Course, Class 20, National Defence College, National Defence Studies Institute
- 2016 Thailand Insurance Leadership Program, Class 6, OIC Advanced Insurance Institute
- Political and Electoral Development Program, Class 8, Political and Electoral Development Institute

Seminar on role and responsibility of director

Thai Institute of Directors Association (IOD) 2000

- 2012 Role of the Chairman Program (RCP)
- 2002 Director Certification Program (DCP), Class 18/2002

Current position in TBSP

Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee

Date of first appointment

March 24, 2016 (1 year 10 Months)

Other current positions (Director / Executive)

Listed company (2 company)

- Since 2014 Director and Member of the Executive Committee, Member of the Corporate Governance Committee, Member of the Risk Management Committee, and Managing Director, TTW Public Company Limited
- Since 2015 Director and Member of the Executive Committee, CK Power Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 2011 Chairman of the Board of Directors, Suvarnabhumi Airport Hotel Company Limited
 - Since 2014 Chairman of the Board of Directors, Islamic Bank of Thailand
 - Since 2014 Director and Managing Director, Pathum Thani Water Company Limited
 - Since 2014 Director, Thai Water Operations Company Limited
 - Since 2016 Director, Thai Institute of Directors Association (IOD)
- Holding directorship in other incorporation doing business of similar nature and competing with the Company -None

Experiences

- 2001-2007 Chairman of the Executive Committee and President, AIG Retail Bank Public Company Limited
President and Chief Executive Officer, AIG Finance (Thailand) Public Company Limited
- 2007-2011 President and Chief Executive Officer, Siam City Bank Public Company Limited
- 2011-2012 Vice President, Bangkok Metro Networks Limited
Director and Member of the Executive Committee, Government Savings Bank
- 2011-2014 Director, Member of the Executive Committee, Member of Risk Management Committee and Managing Director, Bangkok Metro Public Company Limited

Attendance

- Board of Directors Meetings: 4 times, attended 2 times
- Audit Committee Meetings: 6 times, attended 3 times
- Nomination and Remuneration Committee Meetings: 2 times, attended 1 times

Number of shares held : 50,000 shares (equivalent to 0.05%)**Forbidden qualification:**

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.

Mr. Prasert Wongwaiwit

Age 58 Years Nationality Thai

Education

- 1983 Bachelor of Architecture, Chulalongkorn University
- 1984 Master of Public Administration (Public Personnel), University of Southern California, U.S.A.

Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2005 Director Accreditation Program (DAP) 40/2005

Current positions in TBSP

Director and Member of Nomination and the Remuneration Committee

Date of first appointment

November 26, 2002 (15 Years 2 Months)

Other current positions (Director / Executive)

- Listed companies - None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 1994 Managing Director, Baan Yaowapha Company Limited
- Holding directorship in other incorporation doing business of similar nature and competing with the Company - None

Experiences

- 1994-2001 Marketing Director, Lang Suan Property Company Limited

Attendance

- Board of Directors Meetings: 4 times, attended 3 times
- Nomination and Remuneration Committee Meetings: 2 times, attended 2 times

Number of shares held : 1,153,320 shares (equivalent to 1.05%)**Forbidden qualification:**

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.

**Mr. Chaiwat Utaiwan**

Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee (Independent Director)

**Mr. Prasert Wongwaiwit**

Director and Member of the Nomination and Remuneration Committee



Mr. Panthep Supachaiyakit

Director, Member of the Nomination and Remuneration Committee

Mr. Panthep Supachaiyakit

Age 64 years Nationality Thai

*** Education

- 1976 Bachelor of Engineering (Mechanical), Chulalongkorn University
- 1985 Master of Business Administration (Marketing Management), University of Chicago, U.S.A.

*** Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2013 Director Accreditation Program (DAP) 102/2013
- 2016 Director Certification Program (DCP) 230/2016

*** Current positions in TBSP Director, Member of the Nomination and Remuneration Committee

*** Date of first appointment July 24, 2012 (5 Years 6 Months)

*** Other current positions (Director / Executive)

- Listed companies - None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) - None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company - None

*** Experiences

- 2004-2008 Managing Director, Passenger Car and Light Truck Business Tires, Michelin Siam Company Limited
- 2009-2012 Managing Director, The Siam Fibre-Cement Company Limited
- 2009-2012 Managing Director, The Fibre-Cement Products (Lampang) Company Limited
- 2012 Chief Marketing Officer, SCG Building Materials Company Limited
- 2012-2014 Managing Director, Thai Paper Company Limited
- 2012-2016 Director, Thai Union Paper Public Company Limited
- 2012-2016 Director, Thai Paper Public Company Limited
- 2012-2016 Director, Phoenix Pulp & Paper Public Company Limited
- 2012-2016 Chairman of Board Thai British Dpost Co.,Ltd

*** Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Nomination Committee Meeting: 2 times, attended 2 times

*** Number of shares held -None

*** Forbidden qualification:

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.



Mr. Richard David Han

Director

Mr. Richard David Han

Age 61 Years Nationality Dutch

*** Education

- 1980 B.A. (Business Administration), Westminster University, London, United Kingdom
- 1981 M.B.A. (Marketing), City University, London, United Kingdom

*** Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2006 Director Accreditation Program (DAP) 57/2006
- 2006 Understanding the Fundamental of Financial Statements (UFS) 4/2006

*** Current positions in TBSP Director

*** Date of first appointment August 21, 1998 (19 Years 5 Months)

*** Other current positions (Director / Executive)

- Listed companies (1 company)
 - Since 1989 Executive Vice Chairman & Chief Executive Officer, Hana Microelectronics Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) - None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company - None

*** Experiences

- 1982-1989 Founder & Managing Director, Hana (U.K.)

*** Attendance

- Board of Directors Meetings: 4 times, attended 2 times

*** Number of shares held -None

*** Forbidden qualification:

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.

Mr. Sitthichai Chantravadee (Independent Director)

Age 68 Years Nationality Thai

➤➤➤ Education

- 1972 Bachelor of Accountancy (Accounting), Chulalongkorn University
- 1977 Master of Accountancy (Accounting), Chulalongkorn University

➤➤➤ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2006 Director Accreditation Program (DAP) 49/2006
- 2006 Director Certification Program (DCP) 69/2006
- 2006 Audit Committee Program (ACP) 12/2006
- 2009 Monitoring Fraud Risk Management (MFM) 1/2009
- 2009 Monitoring the Internal Audit Function (MIA) 5/2009
- 2009 Monitoring the System of Internal Control and Risk Management (MIR) 6/2009
- 2009 Monitoring the Quality of Finance Reporting (MFR) 7/2009
- 2015 Director Certification Program Update (DCPU) 5/2015
- 2015 Advanced Audit Committee Program (AACP) 22/2015

➤➤➤ Current positions in TBSP Director and Chairman of the Nomination and Remuneration Committee**➤➤➤ Date of first appointment** March 22, 2012 (5 Years 10 Months)**➤➤➤ Other current positions (Director / Executive)**

- Listed companies (2 companies)
 - Since 2002 Independent Director, Member of Audit Committee, and Member of Risk Management Committee, Sammakorn Public Company Limited
 - Since 2011 Independent Director and Member of Audit Committee, CS Loxinfo Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 2012 Director, Thai Cane Paper Public Company Limited
- Holding directorship in other incorporation doing business of similar nature and competing with the Company- None

➤➤➤ Experiences

- 1996-2000 Director, Corporate Accounting Division, The Siam Cement Public Company Limited
- 2000-2010 Director, Internal Audit Office, The Siam Cement Public Company Limited
- 2001-2003 Chairman of The Institute of Internal Auditors of Thailand
- 2012-2014 Member of the Remuneration Committee, Thai Cane Paper Public Company Limited
- 2013-2014 Member of the Audit Committee, Thai Cane Paper Public Company Limited

➤➤➤ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Nomination and Remuneration Committee Meetings: 2 times, attended 2 times

➤➤➤ Number of shares held -None**➤➤➤ Forbidden qualification:**

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.

Mr. Surasak Amawat

Age 52 Years Nationality Thai

➤➤➤ Education

- 1988 Bachelor of Engineering (Mechanical), Chulalongkorn University
- 2004 M.B.A. (Management), Kasetsart University

➤➤➤ Seminar on role and responsibility of director

-None

➤➤➤ Current positions in TBSP Director and Member of the Executive Committee**➤➤➤ Date of First Appointment** March 19, 2015 (2 years 10 months)**➤➤➤ Other current positions (Director / Executive)**

- Listed companies - None
- Other business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 2012 Managing Director, Siam Cellulose Co., Ltd.
 - Since 2014 Managing Director, Phoenix Pulp & Paper Public Company Limited
 - Managing Director, Thai Union Paper Public Company Limited
 - Managing Director, Phoenix Utility Company Limited
 - Managing Director, Thai Paper Co., Ltd
 - Director, Siam Nippon Industrial Paper Company Limited
 - Since 2015 Director, Thai British Security Printing Overseas Company Limited
- Being director of subsidiaries of SCG Packaging Public Company Limited as assigned by SCG.
- Holding directorship or management position in other incorporation doing business of similar nature and competing with the Company - None

➤➤➤ Experiences

- 2001-2003 Production Support Department Manager, Thai Paper Co., Ltd.
- 2003-2004 Production Department Manager, Thai Paper Co., Ltd.
- 2004-2010 Engineering & Project Department Manager, Thai Paper Co., Ltd.
- 2010-2012 Director & General Manager, Thai Containers Saraburi Co., Ltd.

➤➤➤ Attendance

- Board of Directors Meetings: 4 times, attended 3 times
- Executive Committee Meetings: 5 times, attended 5 times

➤➤➤ Number of shares held -None**➤➤➤ Forbidden qualification:**

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.

**Mr. Sitthichai Chantravadee**

Director and Chairman of the
Nomination and Remuneration
Committee
(Independent Director)

**Mr. Surasak Amawat**

Director and Member of
the Executive Committee



Miss Sutida Mongkolsuthree

Director and Chairman of
the Executive Committee

Miss Sutida Mongkolsuthree

Age 37 Years Nationality Thai

▶▶▶ Education

- 2004 Bachelor of Accounting, Finance and Banking (2nd Class Honor) Chulalongkorn University
- 2008 Master of Science in International Management, Queen Mary, University of London, United Kingdom
- 2016 - Certification of New Democratic Leadership Program, King Prajadhipok Institute
- Certification of Academy of Business Creativity program, Sripatum University
- Certification of Young Federation of Thai Industries program (Young F.T.I.) Elite #1, The Federation of Thai Industries

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Director

- 2009 Company Secretary Program (CSP)
- 2017 Director Certification Program (DCP) 233/2017

Thai Listed Companies Association

- 2009 Fundamental Practice for Corporate Secretary (FPCS)
- 2011 TLCA Executive Development Program (EDP), 7th Session

▶▶▶ Current positions in TBSP Director and Chairman of the Executive Committee

▶▶▶ Date of first appointment July 30, 2013 (4 Years 6 Months)

▶▶▶ Other current positions (Director / Executive)

- Listed companies (1 company)
 - Since 2014 Chief Executive Officer (CEO) Synnex (Thailand) Public Company Limited
 - Since 2015 Board of Governance Committee, Operational Risk Committee, Legal Risk Management Committee, and Corporate Communication and Corporate Image Committee, Synnex (Thailand) Public Company Limited
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company) - None
- Holding directorship in other incorporation doing business of similar nature and competing with the Company - None

▶▶▶ Experiences

- 2004-2006 Management Trainee (Securities Analyst), UOB Kay Hian Securities (Thailand) Public Company Limited
- 2009-2012 Corporate Secretary, Synnex (Thailand) Public Company Limited
- 2012-2013 Finance Department Manager & Corporate Secretary Synnex (Thailand) Public Company Limited
- 2013-2014 Chief Financial Officer (CFO) & Corporate Secretary, Synnex (Thailand) Public Company Limited
- 2013-2015 Member of Financial Risk Committee, Synnex (Thailand) Public Company Limited

▶▶▶ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Executive Committee Meeting: 5 times, attended 4 times

▶▶▶ Number of shares held 35,336,000 (equivalent to 32.12%)

▶▶▶ Forbidden qualification:

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.

Mr. Natapong Pinitpongskul

Age 53 Years Nationality Thai

▶▶▶ Education

- 1986 Bachelor of Science, Food Technology, Kasetsart University
- 1994 Master of Science, Packaging Technology, Michigan State University, U.S.A.
- 2007 Master of Business Administration, General Administration, Webster University, U.S.A.

▶▶▶ Seminar on role and responsibility of director

Thai Institute of Directors Association

- 2014 Director Certification Program (DCP) 184/2014

▶▶▶ Current positions in TBSP Director, Member of the Executive Committee and Managing Director

▶▶▶ Date of first appointment August 1, 2013 (4 Year 6 Months)

▶▶▶ Other current positions (Director / Executive)

- Listed companies -None
- Other Business (Non-listed companies not doing business of similar nature and competing with the Company)
 - Since 2013 Managing Director, Thai British DPost Company Limited
 - Since 2015 Managing Director, Thai British Security Printing Overseas Company Limited
- Holding directorship in other incorporation doing business of similar nature and competing with the Company - None

▶▶▶ Experiences

- 2000 Corrugated Sheet Production Techniques Manager, Thai Containers Ltd.
- 2001 Packaging Technology Department Manager, Thai Containers Ltd.
- 2001-2005 Marketing Planning Department Manager, Thai Containers Group Co., Ltd.
- 2005-2007 Marketing Division Manager, Thai Containers Group Co., Ltd.
- 2008 Sales Division Manager, Thai Containers Group Co., Ltd.
- 2008-2010 General Manager, Thai Containers Songkhla (1994) Co., Ltd.
- 2010-2013 General Director, New Asia Industries Co., Ltd., Vietnam

▶▶▶ Attendance

- Board of Directors Meetings: 4 times, attended 4 times
- Executive Committee Meetings: 5 times, attended 5 times

▶▶▶ Number of shares held - None

▶▶▶ Forbidden qualification:

- No record of committing an act of dishonesty against property.
- No record of entering into any transaction which may cause conflict of interest against the Company.



Mr. Natapong Pinitpongskul

Director, Member of the Executive
Committee and Managing Director



Report on Changes in Securities Holding of Directors

(as at December 31, 2017)

No	Directors	Ordinary Shares (Shares)		
		Own	Spouse or Minor children	Increased (Decreased) during Jan.-Dec. 2017
1.	Mr. Bowon Vongsinudom	-	-	-
2.	Mr. Krit Umpote	-	-	-
3.	Mr. Kuasak La-orsuwan	-	12,000	-
4.	Mr. Chaiwat Utaiwan	50,000	-	-
5.	Mrs. Prasert Wongwaiwit	1,153,320	-	-
6.	Mr. Panthep Supachaiyakit	-	-	-
7.	Mr. Richard David Han	-	-	-
8.	Mr. Sittichai Chantravadee	-	-	-
9.	Mr. Surasak Amawat	-	-	-
10.	Miss Sutida Mongkolsuthree	35,336,000	-	-
11.	Mr. Natapong Pinitpongskul	-	-	-

Remark: The Company has the registered capital 110,000,000.00 Baht, paid up capital 110,000,000.00 Baht and total of 110,000,000 ordinary shares. As at April 21, 2017. The Company has Changed in par value of Company's Common shares from 10 Baht to 1 Baht per share

8.2 Management Executives (6 executives)

as at February 19, 2018



Mr. Natapong Pinitpongskul

Managing Director

Information Technology Director (Officer in Charge)

Age	53 Years
Position	Managing Director
Education	<ul style="list-style-type: none"> • 1986 B.S. Food Science and Technology, Kasetsart University • 1994 Masters of Science in Packaging, Michigan State University • 2002 Management Development Program(MDP) Wharton School University of Pennsylvania • 2007 - Master of Business Administration, Webster University, USA - Executive Development Program (EDP) Columbia Business School
Experiences	<ul style="list-style-type: none"> • 2008 General Manager and Director, Thai Containers Songkhla (1994) Co., Ltd. • 2010 Managing Director, New Asia Industries Company Limited, Vietnam



Mrs. Boosakorn Radomsuttigul

Chief of Financial Officer

Age	60 Years
Position	Chief of Financial Officer
Education	<ul style="list-style-type: none"> • 1980 B.A. Accounting, Chulalongkorn University
Experiences	<ul style="list-style-type: none"> • 2011- 2013 Manager – CAO - PPAC Phoenix Pulp and Paper Public Company Limited • 2014- 2016 Chief of Financial Officer Thai British Security Printing Public Company Limited • 2017 Financial Manager Medical Development Clinic



Mr. Tharatch Charoensuk
Human Resources Director

Age 45 years
Position Human Resources Director
Education:

- 1996 Bachelor Degree in Science, Faculty of Social Science Kasetsart University
- 2004 Master of Public Administration, Faculty of Political Science Chulalongkorn University

Experiences:

- 1996 - 2000 Human Officer, Human Division Center The Siam Cement Group Public Company Limited.
- 2001 - 2005 Human Officer, Human Division Center The Cement Industrial Company Limited.
- 2006 - 2010 Human Resources Section Manager Siam Kraft Industry Company Limited.
- 2011 Employee Relation Section Manager Siam Kraft Industry Company Limited



Mr. Amnart Boonkwan
Sales & Marketing Director

Age 45 Years
Position Sales & Marketing Director
Education

- 1994 Bachelor of Economics, Thammasat University
- 2004 Master of Business Administration in Marketing, Srinakharinwirot University
- 2013 Management Development Program, Duke Corporate Education

Experiences

- 1994 Sales Executive Thai CRT Company Limited
- 2006 Key Account Manager SIC Combibloc Thailand Ltd.



Miss Piyanan Siammai
Factory Division Director

Age 42 Years
Position Factory Division Director
Education

- 1994 B.E. Electrical Engineering Prince of Songkla University

Experiences

- 1997 Project engineer
Thai CRT Company Limited
- 2000 Process engineer CRT Display Technology Company Limited
- 2004 Asst. Process Engineering Manager
Thai CRT Company Limited
- 2010 Operation Manager InfoZafe Company Limited
- 2013 Procurement and Supply Chain Manager
Thai British Security Printing Public Company Limited



Miss Nasarun Salinchan
Business Development Division Manager

Age 53 Years
Position Business Development Division Manager
Education

- 1994 Master's Degree Program in Marketing, Thammasat University
- 2014 Management Development Program, Wharton School University of Pennsylvania

Experiences

- 1996 Brand Manager, Pharmaceutical Division Diethelm Co.,Ltd.*
- 2003 Asst. Business Development Manager
Thai President Foods Public Company Limited.
- 2005 Marketing Division Manager
T.C. Union Global Public Company Limited

Remark: *Recently changed the company's name to DKSH (Thailand) Company Limited

Report on Changes in Securities Holding of Executives

(as at December 31, 2017)

No.	Executives	Ordinary Shares (Shares)		
		Own	Spouse or Minor children	Increased (De- creased) during Jan.-Dec.2016
1.	Mr. Natapong Pinitpongskul	- None -	- None -	- None -
2.	Miss Warangkana Suwanno	- None -	- None -	- None -
3.	Miss Pattarajit Tantasuth	- None -	- None -	- None -
4.	Mr. Amnart Boonkwan	- None -	- None -	- None -
6.	Miss Piyanan Siammai	- None -	- None -	- None -
5.	Miss Nasarun Salinchan	1,000	- None -	- None -

Remark:

1. The Company has the registered capital 110,000,000.00 Baht, paid up capital 110,000,000.00 Baht and total of 110,000,000 ordinary shares.
2. Notification of the Capital Market, TorChor. 23/2008 regarding the definition of “executives” means the manager or persons holding management positions with four counts of first-down manager who held the rank equivalent to the fourth Business Administration and shall include a person holding executive positions in accounting or a financial manager or equivalent level.



Head of Internal Audit

Miss Kingkeaw Jutasompakorn

Age 59 Years

➤➤➤ **Position in TBSP** Chief of Internal Audit Office

➤➤➤ **Education**

- Bachelor of Business Administration (Economics), Thammasat University
- Bachelor of Business Administration (School of Management Science), Sukhothai Thammathirat Open University

➤➤➤ **Seminar**

- 2011 TLCA Executive Development Program (EDP), Thai Institute of Directors Association

➤➤➤ **Experience**

- 1996-2015 Vice President, Logistic and Assembly line, Synnex (Thailand) Public Company Limited
- 2010-now Governance Committee, Synnex (Thailand) Public Company Limited
- 2016-now Vice President, Internal Audit Officer Synnex (Thailand) Public Company Limited

8.3 The Company Secretary

The Board appointed Miss Ratree Chanthum as the secretary to the Board of Directors and the Company Secretary responsible for providing advice to the Board regarding the performance of duties in compliance with the law, rules, regulations and the Corporate Governance Policy and for organizing the meetings of the Board, committees, and shareholders. She is also in charge of preparing the minutes of the Board's meetings, the minutes of shareholders' meetings, and Annual Report as well as filing documents as stipulated by law.

Miss Ratree Chanthum

Age 35 years

➤➤➤ **Position in TBSP** The Company Secretary

➤➤➤ **Education**

- 2006 Bachelor of Business Administration (International Business Management), Sripatum University, (1st Class Honor)
- 2011 Master Of Business Administration (International Business Management), Sripatum University

➤➤➤ **Seminar**

- 2017 Effective Minutes Taking (EMT) 39/2017 Thai Institute of Directors Association
- 2016 Company Secretary Program (CSP) 74/2016 Thai Institute of Directors Association
- 2016 Anti-Corruption: The Practical Guide (ACPG) 33/2016 Thai Institute of Directors Association
- 2016 Fundamentals Practice for Corporate Secretaries 1/2016 Thai Listed Companies Association
- 2016 Advances for Corporate Secretaries 1/2016 Thai Listed Companies Association

➤➤➤ **Previous Experience**

- 2015-2016 Company Secretary, Filter Vision Public Company Limited
- Company Secretary Advisor, Great Distributor Public Company Limited

➤➤➤ **Other Current Positions**

- Being secretary to the Board Of Director, Thai British Security Printing Overseas Company Limited



8.The Remuneration of Directors and Management Executives

The company assesses the remuneration of the Board of Directors and the executives by comparing with the reference information of other listed companies in the similar industry and business category as well as considering the company's business condition and performance and propose the remuneration of the Board of Directors to the shareholder's meeting for approval. The remuneration of the top executive is proposed to the Board of Directors for approval, taking into account the duties responsibilities the operating result of the Company

Directors' Remuneration

The 2017 Annual General Meeting of Shareholders held on April 20, 2017 approved the directors' remuneration, details were as follows:

Attendance Fee	Annual Remuneration
<ul style="list-style-type: none"> Chairman: 40,000 Baht per meeting Director: 20,000 Baht per meeting 	Should there be profit in any fiscal year, the annual remuneration payable to Directors shall be 2 percent of net profit of such fiscal year which shall be distributed among the Directors in such manner as they may themselves determine.

Sub-Committees' Remuneration

The 2017 Annual General Meeting of Shareholders held on April 20, 2017 approved the remuneration of the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee according to their actual numbers of meeting attended, The remuneration for members of the Executive Committee will be paid to the members who are not the Company's executives, details were as follows:

Sub-committees	Position	Attendance fee (Baht/Person/Time)
The Audit Committee	Chairman	30,000
	Director	20,000
The Nomination and Remuneration Committee	Chairman	30,000
	Director	20,000
The Executive Committee	Chairman	30,000
	Director	20,000

Remuneration of the Board of Directors and Sub-Committees for the year 2017

For the fiscal year ended December 31, 2017, the annual remuneration paid to the Board of Directors are of 2,203,980 Baht and the attendance fee of the Board of Directors of 830,000 Baht along with the sub-committees' remuneration of 780,000 Baht, making the total remuneration of 3,813,980 Baht.

Unit : Baht

Directors	The Board of Directors		The Audit Committee	The Nomination and Remuneration Committee	The Executive Committee	Total per person
	Annual Honorarium*	Attendance Fee	Attendance Fee	Attendance Fee	Attendance Fee	Total
1. Mr.Bowon Vongsinudom	367,330	150,000	-	-	-	517,330
2. Mr.Krit Umpote	183,665	80,000	180,000	40,000	-	483,665
3. Mr.Kuasak La-orsuwan	183,665	80,000	120,000	-	-	383,665
4. Mr.Prasert Wongwaiwit	183,665	60,000	-	40,000	-	283,665
5. Mr.Panthep Supachaiyakrit	183,665	80,000	-	40,000	-	303,665
6. Mr.Chaiwat Utaiwan	183,665	40,000	60,000	20,000	-	303,665
7. Mr.Richard David Han	183,665	40,000	-	-	-	223,665
8. Mr.Sittichai Chantravadee	183,665	80,000	-	60,000	-	323,665
9. Mr.Surasak Amawat	183,665	60,000	-	-	100,000	343,665
10. Miss Sutida Mongkolsuthree	183,665	80,000	-	-	120,000	383,665
11. Mr.Natapong Pinitpongskul	183,665	80,000	-	-	-	263,665
รวม	2,203,980	830,000	360,000	200,000	220,000	3,813,980

Remark: - 2% of net profit of the ended December 31, 2017 (110.20 million Baht) = 2.20 million Baht

Remuneration of the Management Executives

For the Fiscal year ended December 31, 2017, the remuneration and benefits paid to the seven Management Executives was 27,014,451 Baht including salary and bonus. Company's contribution to the provident fund for management executives was in the amount of 1,964,075 Baht.

Other remuneration

No other forms of remuneration paid to the Company's Directors.



8.5 Human Resources

As at December 31, 2017, The Company has 570 permanent employees. The remuneration and benefits paid to the Company employees (Company executives not included) was 272,809,334 Baht including salary, bonus, overtime, shift allowance, meal allowance, welfare, cost of living allowance.

Division	Number of employees
1. Managing Director Office	13
2. Project and Engineering	35
3. Sales and Marketing Division	73
4. Business Development Division	49
5. Production Division	295
6. Information Technology Division	32
7. Finance and Accounting Division	16
8. Human Resource Division	19
9. Thai British Dpost Company Limited (Subsidiary)	38
Total	570

As regards the Human Resource development policy, the Company believes in the value of people and, therefore, invests in training and developing staff over a long-term period. The purpose is to strengthen and elevate the knowledge and competence of the employees in compliance with the Company's policy. The annual plan for training and developing personnel is divided into five categories as follows:

1. Fundamental training and development is a necessary training plan included in a program such as code of conduct and regulations relating to work, safety system, and knowledge about ISO 9001, ISO 14001, TIS&OHSAS 18001, ISO 27001.

2. On-the-job training is training and development at work whereby a supervisor of each job line specifies the teaching plan and teaches at the point where the staff is working. The purpose is to provide staff with the knowledge and skills to perform work accurately in concordance with the system and specified work procedures.

3. Training and development in terms of Total Productivity Management (TPM): The Company has a policy in developing Human Resource to be equipped with knowledge, skills and TPM concept by providing programs such as Introduction to TPM, Basic QC, Policy Management, and Daily Management. The Company also prepares for staff to adopt TPM as a work management policy in every department.

4. Training or seminars in domestic and abroad: The Company plans to develop and promote staff to undertake training, make study trips to institutes abroad on a continuous basis so that staff can learn and keep up-to-date with technology and modern management systems, for application to their work performance efficiently.

5. The Company grants scholarships for a Master's Degree in Printing Technology in order to equip staff with additional knowledge and competence to support business growth.



09

Corporate Governance

Corporate Governance Policy

The Company operates business with responsibility, transparency and fairness, and is determined to conduct itself according to the Principles of Good Corporate Governance. The principles have continually been abided by under the Company's Code of Conduct, with the Company's Directors being a good role model in conforming to the Principles of Good Corporate Governance and the Company's Code of Conduct to create trust and increase value for shareholders and stakeholders on the foundation of balanced and sustainable benefits.

The Company's corporate governance policy is part of business operating policy. The Audit Committee has the duty to verify whether the Company operates accurately according to the Company's policy and regulations as well as obligations as stated in the Principles of Good Corporate Governance in addition to relevant laws and proposing to the Board of Directors to consider and suggest the revision of practice guidelines according to modernization of the principles of corporate governance to be appropriate to business operations and compatible with practice guidelines regarding corporate governance both at the national and international levels.

In 2017, the Office of the Securities and Exchange Commission (SEC) issued the Corporate Governance Code (CG Code) as the practice of the Board of Directors for applying to their business for good performance and profits in long-term that will be reliable for shareholders and surrounding people as well as for building sustainable value for business. The major content

of this code is based on the Principles on Corporate Governance for the Listed Companies 2012 of the Stock Exchange of Thailand (SET) but its order of presentation is adjusted to meet with the context of the director's duties. At the meeting of the Board of Directors held on November 10th, 2017, the meeting had already reviewed and considered to apply this CG Code based on the business context of the Company to be consistent with the Principles on 2017 Corporate Governance of SEC.

The Practicing Guidelines according to the Corporate Governance Principle

Seeing that corporate governance is a guideline for managing an organization that is internationally accepted and in line with the core values and Code of Conduct of the Company, the Company's Board of Directors, therefore, gathered knowledge bodies and several practice guidelines for the management of the organization. The Company continues to operate its business abiding by moral principles, ethics and social responsibility. Such guidelines, as clearly seen from continuous practice, are compatible and succeed according to the same objective as the corporate governance principles and were therefore compiled in manual form for corporate governance and first disseminated in 2014. The Company takes into account social and economic changes as well as the surrounding global society in attempting to designate the guidelines and criteria for the management of the organization that are international standards according

to the principles of good governance. The purpose is to build confidence among stakeholders and support sustainable growth. The Company complied with the Principles of Good Corporate Governance according to the criteria specified by the Stock Exchange of Thailand and the Thai Institute of Directors (IOD) which were improved and abridged to be concordant with the criteria of the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The ASEAN CG Scorecard aims to elevate the standards for corporate governance of registered companies in ASEAN to reach international levels.

In addition, the Company's Board of Directors resolved to improve the charters of the Audit Committee and the charters of the Nomination and Remuneration Committee to be in compliance with the current scope of duties, law, and good practice guidelines. The Code of Conduct and Corporate Governance manuals are updated and improved to be more complete.

In 2017, the Company obtained an evaluation concerning corporate governance and awards as follow:

- Obtained 100 points "excellent" level from the AGM Checklist 2017 organized, for the 5 consecutive years from Thai Investors Association
- Obtained an assessment at the "very good" level from Thai Institute of Directors (IOD) as appeared in the Corporate Governance Report of Thai Listed Companies.

The Practicing Guidelines according to the Corporate Governance Principle are divided into 5 categories as follow:

1. Rights of Shareholders

The Company has a policy to support, promote and accommodate every shareholder and party, as well as institutional shareholders to obtain rights both as investors and the owner of a company using acceptable and reliable methods and standards. They, equally, have the rights to buy, sell, and transfer their securities independently, and are entitled to receive profit shares from the Company, attend the shareholder meeting, propose topics for the meeting agenda in advance, nominate a person to be elected Company director, express opinions in a meeting freely, and take part in making decisions about the major issues of the Company such as the election of directors, nomination of an auditor and the specification of auditing fee, approval of significant transactions affecting the direction of business operations of the Company, and the adjustment of the Memorandum of Association and the Company's regulations. Every shareholder has the right to vote according to the number of shares they hold whereby one share equals one vote and no shareholders have any privileges over others. In addition to the basic rights mentioned above, the Company has operated other matters relating to the promotion and accommodation of exercising rights of the shareholders as follows:

1. Providing information that is important and necessary

for shareholders as regards evident and up-to-date business operations via the Stock Exchange of Thailand. For certain issues, although not legally bound to be disclosed, if the Company sees that it is essential the shareholders be informed, such information will be disclosed for shareholders' acknowledgement on the website of the Stock Exchange of Thailand.

2. Every shareholder will obtain beforehand the necessary and sufficient information regarding the meeting date and the meeting agenda. The notice of the meeting sent by the Company clearly explains and provides reasons for each agenda item, as well as clarifying the rights of the shareholders. Such information is disseminated via the Company's website at least 30 days prior to the day of the meeting. The documents will be sent out in advance at least 14 days before the day of the meeting so that the shareholders have time to study the information beforehand. Addition of other agenda items not specified in advance for the shareholder meeting is avoided. The rights of the shareholders in attending the meeting and casting votes are clearly stated in the notice sent out by the Company.

3. In a case where the shareholders cannot attend the Meeting, the Company allows them to give power of attorney to independent directors or any individual to attend the Meeting on their behalf using the proxy forms attached with the notice of the Meeting. The Company designed this proxy forms enabling the shareholders to specify their vote as stipulated by the Ministry of Commerce. The Company also attaches the notice of the Meeting documents and proof that the meeting attendees need to show before attending, as well as proxy and registration procedures. Information as regards the Independent Directors specified by the Company as the proxy of shareholders and as the Independent Directors having no stakes in the agenda of election of directors is included in the notice of the Meeting. Shareholders can download a proxy form via the Company's website, available both in Thai and English. Furthermore, the Company provides shareholders with a stamp duty for the proxy form, and grants rights to any shareholders attending the meeting after it commences the casting of votes for the agenda item currently under consideration and that has not yet attained a resolution. Such a shareholder is also counted as a quorum starting from the agenda first attended, unless the shareholder meeting states otherwise.

4. Shareholders are given the opportunity to submit related question for each agenda item or request any other information concerning the Company through its website, facsimile or address before the date of the meeting. Should shareholders have further inquiries, they can contact the Company through the following channels:

- Address : 41/1, Moo 10, Soi Wat Suan Som, Poochao-Saming Prai road, Samrongtai Subdistrict, Phrapradaeng District, Samutprakarn, 10130
- Phone number 0-2754-2650
- Fax number 0-2183-2763
- Website www.tbsp.co.th

5. In 2017, the Company organized the Annual General Meeting of Shareholders on April 20th, 2017 attended by 10 Directors:

- | | | |
|-------------------|----------------|--|
| 1) Mr. Bowon | Vongsinudom | Chairman of the Board of Directors and Independent Director |
| 2) Mr. Krit | Umpote | Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee, and Independent Director |
| 3) Mr. Kuasak | La-orsuwan | Member of the Audit Committee and Independent Director |
| 4) Chaiwat | Utaiwan | Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee |
| 5) Mr. Prasert | Wongwaiwit | Member of the Nomination and Remuneration Committee |
| 6) Mr. Panthep | Supachaiyakit | Member of the Nomination and Remuneration Committee |
| 7) Mr. Richard | David Han | Director |
| 8) Mr. Sitthichai | Chantravadee | Chairman of the Nomination and Remuneration Committee and Independent Director |
| 9) Miss Sutida | Mongkolsuthree | Chairman of the Executive Committee |
| 10) Mr. Natapong | Pinitpongskul | Member of the Executive Committee and Managing Director |

6. The Company organized the 2017 Annual General Meeting of Shareholders at Mongkolsuthree Auditorium, 4th Floor, Synnex (Thailand) PCL. 433 Sukhonthasawat, Lat Phrao, Bangkok To accommodate more shareholders to attend the meeting, the Company arranged the shuttle bus from The Stock Exchange of Thailand d (Next to The Embassy of the people's Republic of China) nearby the Thailand Cultural Centre MRT station as well as enabled them to ask questions and express opinions in the same conference room.

7. On the day of the shareholder meeting, the Company provided the barcode registration displaying the registration number of each shareholder printed on the registration form and the proxy form. The objective was to accommodate shareholders participating the meeting and make the registration process quicker. In addition, the Company set up a document checkpoint for the proxy and provided stamp duty to be put on the proxy form for the proxy registering for the meeting. Staff were available to help attendees throughout the registration process which started at least 2 hours before the meeting commenced.

8. Prior to the Meeting, the Secretary to the Board of Directors clarified the details regarding the voting method, vote counting and announcement of results summarized as follows:

- 8.1 Voting by the raising of a hand. One share is equal to one vote.
- 8.2 The Company uses a ballot for every agenda item

requiring resolution for transparency and accountability. To vote for each agenda item, the Chairman asks which shareholders or proxy agree, disagree or abstain from voting. Shareholders or proxies raise a hand and vote on a ballot to confirm the vote as well as sign their names on it. Staff make a record of "disagree" or abstaining from voting using a barcode system and keep a ballot. Shareholders who agree will sign their names on a ballot paper and will be asked to return the ballot paper when the meeting is over.

- 8.3 The result of the vote will be announced to the shareholders when vote counting for each agenda is done. However, if counting for certain agenda items takes longer than usual, the Chairman may ask the meeting to continue considering the next item on the agenda in order to keep the meeting flowing. Once staff finish counting, the result will be announced to the meeting.

9. The Company assigned independent representatives from the auditor to check vote counting throughout the Meeting with the shareholders' right protection volunteer from Thai Investors Association serving as an observer.

10. Shareholders arriving after the Meeting commenced were allowed to vote on the agenda item considered provided that a resolution was not yet made. They constituted part of the quorum starting from the agenda item for which they were in attendance and can exercise their rights. As a consequence, the number of shareholders in each agenda item might vary.

11. At the Meeting, shareholders were allowed to freely express their opinions, give suggestions and raise questions on any agenda item before casting votes, so that shareholders could obtain sufficiently detailed information on the matter in question. When shareholders had questions or inquiries, specialists in specific fields were available to answer queries under the authority of the Board with representatives from the Auditor of the company as witnesses.

12. For any item on the agenda at the Shareholders' Meeting, the shareholders can call for a casting of votes by secret ballot if at least five shareholders have made such request. The Shareholders' Meeting shall resolve to approve the casting of votes by secret ballot upon a majority of votes.

13. The agenda of the 2017 Annual General Meeting of Shareholders was considered chronologically as it appeared in the notices submitted to shareholders prior to the Meeting, without any changes in order or request the Meeting consider any agenda item other than those specified in the invitation letter.

14. The Company disclosed the voting results and resolutions for each agenda item at the 2017 Annual General Meeting of Shareholders to the public via SET Portal and the Company's website after the Meeting ended.

15. The Company prepared the Minutes of the Shareholders' Meeting completely encompassing all material information: names of Directors and the Management attending the Meeting, voting procedure, resolutions of the Meeting, voting results for each agenda item, key questions, clarification, and shareholders' comments. The Company prepared the Minutes of the 2017 Annual General Meeting of Shareholders' and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the date of the meeting as stipulated by law. They were disseminated on the Company's website.

16. Following the Annual General Meeting of Shareholders, the Executive Committee will consider the questions and suggestions made by shareholders at the Meeting and propose them to the Board of Directors to determine appropriate response measures and improve the next shareholders' meeting.

2. The Equitable Treatment of Shareholders

The Company is fully aware of its duty to protect the interests of every shareholder, major or minor, individual or institutional as well as Thai or foreign investors to ensure equality and fair treatment for all to further ensure the maximum benefits of shareholders. The efforts are as follows:

2.1 Treatment of Minor Shareholders

Provision of opportunities for minor shareholders to propose matters to be included in the Meeting agenda and to nominate candidates for the election of Board members 3 months prior to the date of the Shareholders' Meeting. The Company has prescribed criteria and procedures whereby minority shareholders may propose agenda items for the Meeting and nominate qualified candidate(s) to be considered for election as a director of the Company prior to the end of the Company's accounting period. Such rules and procedures are posted on SET Portal and the Company's website.

For the 2018 Annual General Meeting of Shareholders, the Company provided an opportunity to shareholders to propose agenda items for the Meeting and nominate qualified candidate(s) to be considered for election as a director of the Company during September 1- November 30, 2017. The Agenda Item Proposal Form and/or Nomination for Directors Form along with the required documents must be sent to the Company Secretary. The criteria are as follows:

Prior to the Meeting, one or several shareholders holding in aggregate at least 5% of all issued shares of the Company (no less than 5,500,000 shares) have the right to propose in advance agenda items. The Board of Directors takes responsibility for screening the issues. Should the proposed agenda item be included on the Meeting agenda, the Company shall specify it in the notice of the Meeting that the agenda item was proposed by a shareholder. However, in the event the proposed agenda item is rejected, the Company shall inform shareholders of the reasons at the Annual General Meeting of Shareholders.

For the nomination for directors, any shareholder is entitled to nominate in advance any qualified candidates for the

election of Board members. The Nomination and Remuneration Committee shall consider the proposed nominees together with other nominated persons according to the Company's criteria for the nomination of directors. The Committee then presents the nominees to the Board for consideration before proposing them to the Shareholders' Meeting for approval.

However, during that period, no shareholder proposed any agenda item or candidate prior to the Meeting.

2.2 Preventing Misuse of Internal Information

The Company's Board of Directors has designated a written policy regarding the corporate governance and the use of internal information as part of the Code of Conduct of the Company and the regulations for employees with clear penalties in case executives or employees disseminate internal information to the public or make use of such information for personal benefit. Added to this is the stipulation of preventive measures to prevent misuse of internal information (Insider Trading) in written form. Relevant parties meaning the Company's Board of Directors, top executives, and employees responsible in related functions, as well as spouses and children who are minors of such individual will be notified of such measures of which the practice guidelines are

- The Company specifies relevant parties as well as their spouses and children who are minors are prohibited from trading Company shares for a two-week period prior to the release of the Company's quarterly and annual financial statements and for 24 hours after the release (Blackout Period). Moreover, the Company has made it imperative to review share trading of the concerned persons on a regular basis and to prevent employees involved with the preparation of the financial statements from disclosing the information to outsiders from the closing date of the financial statements to the public disclosure of the information.

However, the period 1 month prior announced by the Board secretary and the Company secretary to the Directors, Executives, and Employees of the concerned persons prior the release of the Company's financial statements.

- Directors and executives, in accordance with the definition of the Securities Commission of the Company after being appointed to the position of Director or Top Executive of the Company for the first time shall be submitted the Report of Changes in Securities Holding (59-1 Form) and report on changes in holding of securities of the Company (59-1 Form) when purchasing, selling, transferring or receiving securities of the Company within 3 business days from the date of change.

In addition, the Board of Directors will monitor to ensure compliance with such measures. It is stipulated that any changes in their shareholding be reported in the Board of Directors' meeting. The number of shares held by the directors and top executives both directly and indirectly as of the beginning and end of the year as well as those traded during the year shall be reported in the Annual Report.

In 2017, there were no insider trading cases concerning the directors, top executives, and employees involved with internal information.

2.3 Preventing Conflicts of Interests

The Company strictly conducts itself according to the regulations stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. The Company's Board of Directors realize the importance of managing the conflicts of interests of related persons, in a prudent, fair, and transparent manner. In a case where the transaction shows related items, the Board of Directors will carefully consider and disclose such information clearly and in time for the overall benefits of shareholders and the Company. As a consequence, the Board of Directors has established policies and measures regarding conflicts of interests as follows:

- The Company has a clear and transparent shareholder structure. There is no cross-holding among the major shareholders to prevent conflict of interests or a transfer of interest to one over another. The Company disclosed its shareholders structure of the Company and subsidiaries in the Annual Report as well as complete disclosure of the security holding of the Company's Board of Directors.
- The Company has specified the clear responsibility of the Board of Directors, executives and shareholders. Consequently, there is no interference among them.
- Directors, top executives, and their related persons must file a report with the Company stating their interests in the management of the Company or subsidiaries after holding the position for the first time and report of changes and the annual interest report. Such reports shall be presented to the Company Secretary who shall deliver a copy of such report to the Chairman and Chairman of the Audit Committee within 7 days upon the receipt of the report in accordance with the Securities and Exchange Act BE 1992 as well as submitted to the Internal Audit for the verification and prevention of conflict of interest.
- In the case at a Board of Directors' meeting, any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.

3. Roles of Stakeholders

3.1 Policy and Guidelines of Treatment against Stakeholders

The Company operates its business adhering to responsibility towards every stakeholder for the sustainable common interest. The Company's Board of Directors supervise the management system to ensure acknowledgement of stakeholders' rights both stipulated by law and clearly written in the Company's Principles of Good Corporate Governance and Code of Conduct. The Board

of Directors is also responsible for the protection of such rights and equitable treatment. They listen to opinions and create understanding among stakeholders, enabling the Company to operate its business sustainably on a foundation of fairness to every party.

The Company has categorized stakeholders into 12 groups with practice guidelines for stakeholders summarized as below:

1.Shareholders

The Company has a policy regarding the equitable treatment of shareholders taking into account the basic rights of shareholders, rights as specified by law and the Company's regulated rights to requesting an examination of a share number, right to obtaining a stock certificate, right to attending the shareholder meeting and voting, right to expressing opinions freely in the shareholder meeting, right to taking part in making decisions about major issues related to the Company's business operations as the owner of a company, as well as the right to obtaining fair remuneration. Furthermore, shareholders can make suggestions on the Company's business conduct as the owner of a company through independent directors, Company Secretary all of which will be compiled and presented to the Board of Directors for review.

Fostering Good Relations with Shareholders

Realizing the importance of fostering good relations with shareholders, the Company has continuously hosted a range of activities that are beneficial to society since 2012. To this effect, the Company sends out invitation letters, with reply forms included, to shareholders via post to provide an opportunity for shareholders to declare their intention to participate in activities. Throughout the past six years, more shareholders have consistently expressed their interest and signed up for these activities. For each activity, the Company will be reserved a space on a first-come-first-served basis and announces the list of participants on the Company's website as well as notify them via phone to confirm their participation. In 2017, The Company invited its shareholders to visit The Golden Jubilee Museum of Agriculture Office, Khlong nueng sub-district, Khlong luang district, Pathum thani province. The activity is held on Friday 24th February, 2017.

2.Employees

The Company places importance on employees as valuable resources and is determined to make them proud of and believe in the organization. The Company, moreover, supports and creates a collaborative atmosphere conducive to being innovative or to support the business expansion of the Company by promoting the personnel development in terms of vocation, environment, hygiene and learning motivation. Furthermore, significance is placed on the fair treatment of all staff and employees, healthcare, safety, work environment as well as the appropriate remuneration for employees. The Company has signed United Nations Global Compact (UNGC), which are universally-accepted guidelines in the areas of human rights, labor, the environment and anti-corruption.

3. Customers

The Company intends for customers who use products and services to obtain the utmost benefit both in terms of quality and price, and it is determined to develop and maintain sustainable relations offering recommendations as regards goods and services, advice regarding problem solution, and receiving complaints to further takes all suggestions to make the improvement plan for services. The purpose is for customers to have maximum satisfaction regarding the goods and services provided by the Company.

4. Suppliers

The Company adheres to a framework of fair and transparent trade competition and strictly complies with the trading terms and conditions agreed upon, the Company's Code of Conduct, and pledges given to its suppliers by considering the fair and reasonable price of purchase, taking the price, quality, and the services into account. There are clear rules for the purchasing and procurement process, with non-calling or accepting any benefits from the suppliers. The Company supports the environment-friendly procurement, avoids the purchasing from the suppliers who violate to human rights or intellectual property and non-compliance to the laws.

5. Business Partners

The Company has a policy of taking good care of its business partners regarding the environment, work safety, and remunerations. In addition, the Company is resolved to develop the capabilities and knowledge of its business partners both within and outside their lines of work to enable them to work more efficiently.

In 2016, the Company established the Business Partner Code of Conduct in order to build good understanding for communicating to business partners and utilizing as the co-business standard. It is consisted of 5 principles as follows: 1) business ethics; 2) labor and human rights; 3) occupational health and safety; 4) environment; and 5) laws and regulations. The Company's business partners have to signing in the receipt of Supplier Code of Conduct prior starting any business with the Company.

In addition to 2016, the Company's Board of Directors also approved the enforcement of Policy and Guidelines on Business Partners Recruitment and Selection clearly specifying qualifications and application of the Company's business partners as well as business process in order to ensure that the Company will be able to select partners systematically, fairly, and transparently as well as to support the Company's business partners to operate business with ethics, environmental and social responsibilities. The Company will not operate any business with any person or corporate performing any illegal action or any behavior implying corruption.

6. Joint Venture Partners

The Company respects the rights of joint venture partners, treats every partner equitably, fairly and more strength. The

Company supported the Opinion's exchanges, suggestions for Business plan. The Company considered appropriated nomination with transparency and encouraged the operation of joint venture to reach the legal framework and achievement. The Company also collaborates with joint venture partners in order for the joint ventures to achieve the shared goals.

7. Creditors

The Company strictly complies with the loan terms and conditions agreements and duties to creditors such as business creditors and financial creditors. Budget management for appropriated structure and maintained the confidence from the creditor. The Company focusing on the stable relationship and trusted with the creditors.

8. Communities

The Company carries out its business with concern for fairness for every stakeholder and is committed to socially-responsible business conduct. As a result, the Company has supported activities that improve the quality of life and benefit the communities where the Company operates, in particular, Education. .together with instilled awareness and encouraged among employees and stakeholder to be responsible as a good citizen and to be benefit for community and society. In addition, the Company provides opportunities for the communities and all relevant stakeholders to participate in various activities or projects as well as give suggestions regarding to the result of the Company's operation. This aims for sustainable live between the industry and community.

9. Government Agencies

The Company attaches significance to government agencies as one of the Company's stakeholders and has clearly defined guidelines for engaging in transactions with government agencies in the Company's Code of Conduct and the Company Anti-corruption Policy. The objective is for employees to conduct themselves accurately and appropriately, and to provide collaboration with the government agencies in terms of academic endeavors and support of activities in several areas.

10. The Media

The Company stresses the importance of disclosing information to the media, so they can communicate the information to the public with accuracy and in a timely manner.

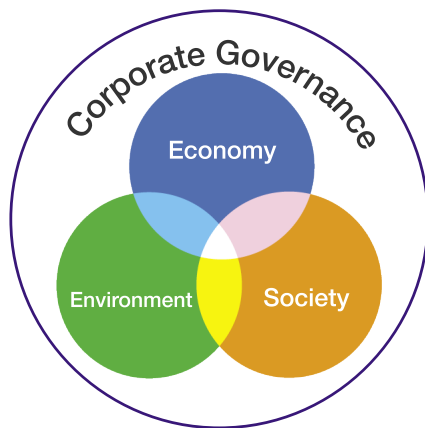
11. Competitors

The Company has a policy to treat competitors fairly under an honest competition framework. The Company is committed to carrying out business fairly in compliance with the law and the Company's Code of Conduct with ethic, transparency and fairness without seeking of confidential information from dishonest or inappropriate manner, acting in violate the intellectual property of the competitors, ruining the reputation of competitors without truth information. The Company supports and encourage a free trade.

12. The Civil Society Sector , Academia, and Opinion Leaders

The Company conducts business with concern for social responsibility and all stakeholders. In addition to full, accurate, transparent, verifiable disclosure of information, the Company recognizes in hearing of opinions and suggestions made by relevant parties in order to search for a common path in collaboration for sustainable business operations alongside the development of communities and society.

3.2 Sustainable Development Methods



oral principles and being responsible for every stakeholder to achieve sustainable common interests, the Company has designated the development framework towards the Company's sustainability with reference to international operational guidelines covering the areas of economy, society and environment under the Principles of Good Corporate Governance.

The Company intends to create ongoing value to society through environmentally friendly business operations and is ready to impart knowledge bodies, experiences and success to every sector using the coordinative process, whether it be business related to the Company, business organizations, institutes, social institutions and communities in every area in which the Company operates its business. The objective is to drive society towards prosperity with strength and sustainability.

Contact Channels for Stakeholders

The Company has also provided channels which employees and external stakeholders can contact, offer opinions, lodge complaints, and report violation cases, namely the Whistleblower System via the Company's intranet (for employees) and www.tbsp.co.th (for other stakeholders) for further actions to be taken. The procedures are as follows:

- Employees or stakeholders file reports via the designated channels. The information provided is considered confidential and revealed only as necessary. The Company has also put in place informant/complaint lodger protection measures, and the investigation does not require the revelation of the informant's identity or the information

source. In addition, informants can demand appropriate protection measures or the Company might implement extra protection measures without having received any demand informants if the issue can potentially cause damage or dangers.

- The Internal Audit Office receives complaints, verifies the validity, and conducts a preliminary investigation with meticulousness to reach a conclusion within 30-60 days. Progress reports are also made to the informants if their identities are identified.
- In the event that a violation is proven, an investigation committee will be formed to pass judgment and determine the punishment. Then, the corruption or complaint will be reported to the Audit Committee and the Board of Directors.

4. Disclosure and Transparency

The Company recognizes the importance of information disclosure because it greatly affects decision-making by investors and stakeholders. It is necessary, therefore, to define and administer measures concerning the disclosure of information, both financial and non-financial. Information disclosed via the SET Portal of the Stock Exchange of Thailand and the Company's website shall be complete, sufficient, transparent, reliable and up-to-date, written in both Thai and English. Nonetheless, in revealing the Company's information, the Company assigns the Managing Director or an assignee to carry out such disclosure. The Company is committed to obeying the law, and the regulations and obligations mandated by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand and relevant government bodies. Regular amendment takes place to ensure that the Company is up-to-date in its adherence to laws, regulations and obligations, and to guarantee the Company's transparency in conducting business. For example,

1. Prepare the following reports according to laws related to directors and top managers for reporting to SEC:

- 1.1 Report of Changes in Securities Holding after being appointed to hold the position of Director or Top Executive for the first time (59-1 Form) that shall be submitted within 30 days from the day of position holding.
- 1.2 Report of Changes in Securities Holding in the event of any Company's security selling, purchasing, or transferring (59-2 Form) that shall be submitted within 3 days from the changing day.
- 1.3 Listing Names of Persons on Database of Directors and Top Executives of Securities Issuing Companies (35-E1 Form) that shall be submitted within 7 working days from the day of position holding.

2. Establish a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company or the Company's associated companies with the following report criteria and method:

- Report when holding the position of Director or Top Executive.
- Report every change of stake holding data.
- Regularly report at the end of year.
- No report submission in the event that any Director is discharged but reappointed to hold the same position continuously if there is no change of stake holding.
- Define Director and Top Executive to submit stake holding report to the Company's secretary and the secretary has to submit the copies of stake holding report to the President, the President of Audit Committee, and Internal Auditor within 7 working days after receiving the report.

3. Define Director and Top executive to report on securities holding and changing of securities holding of their own companies, spouses, and children who do not reach the legal age to the Company's Board of Directors in all quarters as well as report such changing of securities holding in the Annual Report by showing their own shares, shares of their spouses and children who do not reach the legal age as well as those traded in each quarter of the year.

4. Prepare a report on the Board's responsibility for financial statements and present it along with the Audit Committee's report in the Annual Report.

5. Disclose accurate, complete and timely financial information and non-financial information.

6. Publish the notice to Annual General Meeting of Shareholders within 120 days from the last day of accounting period.

7. Publish the latest Minute of the Annual General Meeting of Shareholders on the Company's website.

8. Disclose the roles and responsibilities of the Committees and Sub-committees, the number of meetings held, and the number of meetings each Sub-committee and Committee member attended.

9. Disclose date of being appointed as the Director in the Annual Report.

10. Disclose Director selection process and Director's performance assessment method.

11. Disclose the policy on the remuneration of directors and top executives, including forms, types and amount of remuneration for each committee member.

12. Disclose information on participation in training programs held by IOD of each Director.

13. Disclose operational structure and investment in the associated companies clearly.

14. Disclose audit fee and other service charges in the Annual Report.

15. Disclose the Company's regulations, Code of Conduct and code of conduct, corporate governance, Anti-corruption Policy, Business Partner Code of Conduct, and Tax Policy via the Company's website.

16. Disclose Environmental and Social care as well as results of compliance.

17. Disclose Corporate Governance Policy and results of compliance.

18. Disclose information via SET Portal System of the Stock Exchange of Thailand to enable shareholders, investors, press, and related persons perceive correct, extensive, and transparent information.

The Board of Directors is committed to adhering to the Company's guidelines for disclosure of relevant information to systematize the Company's practice of disclosure, prevent potential damage that results from inappropriate disclosure, and ensure shareholders, investors, the public, and shareholders that the Company's disclosure is accurate, clear, compliant with the law, and equitable in accordance with the disclosure policy.

5. Responsibilities of the Board of Directors

5.1 The Structure of the Board of Directors

The Board of Directors comprises nationally respected, knowledgeable and competent persons who are responsible for drawing up corporate policy and collaborating with the top executives in making operating plans, both short-term and long-term, including financial policy, risk management policy, and organizational overview. The Board plays an important role in overseeing, monitoring and assessing the performance of the Company and top executives on an independent basis.

The Articles of Association of the Company prescribe that there must be no fewer than five directors all of whom are appointed and removed at the General Meeting of Shareholders which consists of executive director, non-executive directors, and independent directors. The names of the directors are as follows:

1. Mr. Bowon Vongsinudom	Chairman of Board Director and Independent Director
2. Mr. Krit Umpote	Independent Director
3. Mr. Kuasak La-orsuwan	Independent Director
4. Mr. Chaiwat Utaiwan	Independent Director
5. Mr. Prasert Wongwaiwit	Director
6. Mr. Panthep Supachaiyakit	Director
7. Mr. Richard David Han	Director
8. Mr. Sittichai Chantravadee	Independent Director
9. Mr. Surasak Amawat	Director
10. Miss Sutida Mongkolsuthree	Director
11. Mr. Natapong Pinitpongskul	Director and Managing Director

The Board of Directors is composed of an executive director, which is the Managing Director, and 10 non-executive directors, most of whom have prior experience related to the Company's main business.

The three directors who are from the Company's major shareholder are Miss Sutida Mongkolsuthree, Mr. Surasak Amawat, and Mr. Natapong Pinitpongskul.

In addition, the Board of Directors is composed of five independent directors, constituting more than one third of the

total number of directors, the duties of these independent directors include auditing the management, providing opinions and comments, supporting policies beneficial to shareholders or opposing any inequitable or non-transparent decisions that may affect the benefits of shareholders or stakeholders, overseeing the establishment and disclosure of policies regarding connected transaction supervision to ensure the maximum benefit of the Company and its shareholders.

5.2 Scope of Authority of the Board of Directors

The Company's Board of Directors shall act in a best interest of shareholders (Fiduciary Duty) by observing the following four main practices:

- Performing its duties with responsibility and all due circumspection and caution (Duty of Care).
- Performing its duties with faithfulness and honesty (Duty of Loyalty).
- Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (Duty of Obedience).
- Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness. (Duty of Disclosure).

The Board of Directors has the following authorities:

1. Directing the Company's visions, missions, and business strategies, and ensuring the equitable treatment of stakeholders.
2. Governing the major operating plan and enhancing the capabilities of the Company to reach a globally competitive level.
3. Assessing the operating results of the Company and work performance results of the Management executives such as the Managing Director.
4. Overseeing and monitoring the implementation of the Company's strategies by requiring their performance reports periodically and setting policies to develop and improve the business operations with concern for safety, occupational health, social and environmental responsibility and development of the Company's employees.
5. Devoting their time and efforts to the Company without seeking benefits for themselves or others and not acting in conflict of interest or in competition with the Company.
6. Directing the Company's operation in compliance with the laws, objectives, Articles of Association, resolution of Shareholders' Meetings with responsibility, prudential and in good faith and with care to preserve the interests of the Company.
7. Designing risk management policy and controlling and improving effective risk management, review and evaluate the risk management system on a regular basis or when the risk level changes.
8. Conducting themselves according to the Principles of Good Corporate Governance, Code of Best Practice for Directors of Listed Companies, and guidelines of SEC and SET. Controlling the improvement of the Company's corporate governance to attain the international standards and being a model in

complying with the principles of good corporate governance and code of conduct.

9. Encouraging staff at all levels to be conscious of ethics and morality and comply with the Company's principles of corporate governance, Code of Conduct and anti-corruption policy while promoting awareness of the importance of internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.

10. Protecting the fair rights and interests of both major and minor shareholders along with supporting shareholders in exercising their rights to protect their own interests, and receive accurate, complete, transparent, veritable, and timely information.

11. Recognizing the roles, duties, and responsibilities of the Board of Directors, respecting the rights of shareholders, ensuring the equitable and transparent treatment of shareholders and other stakeholders, conducting the business transparently, establishing a clear process and channels for receiving and handling complaints from informants or stakeholders.

12. Assessing the performance of the Board of Directors annually together with monitoring the assessment results of the Board and its Sub-committees with 2 operating assessment, As a whole and Self-assessment which will be jointly deliberated by the Board of Directors.

13. Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and Sub-committee members are determined appropriately

14. Attending all meetings of the Board of Directors and Shareholders' Meetings, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman or the Secretary to the Board in advance of the meeting.

15. Developing knowledge and ability to perform continually, attending training or courses related to the performance of duties of directors or seminars to keeping improve knowledge.

Performing its duties, the Board of Directors may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate.

5.3 Scope of Authority of the Chairman of the Board of Directors

1. Sets Board meeting agenda in consultation with the Managing Director and oversees to ensure Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision making process.
2. Provides leadership and direction to the Board of Directors and chairs meetings of the Board.
 - 2.1 Conducts a Board meeting according to the agendas, the Company's Articles of Association, and applicable laws.

2.2 Encourages and allocates sufficient time to each Board member to discuss and express their free and frank opinion with due circumspection and concern for all stakeholders.

2.3 Sums up the Board meeting resolutions and the actions to take clearly.

3. Chairs meetings of shareholders according to the agendas, the Company's Articles of Association, and relevant laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.
4. Supports and be a role model in compliance with the principles of good corporate governance and the Company's Code of Conduct.
5. Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the Managing Director and the Management in accordance with the Company's policy.
6. Oversees to ensure the transparent disclosure of information and management in the event of conflicts of interest.
7. Oversees to ensure the Board of Directors has appropriate structure and composition.
8. Oversees that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently.
9. Oversees to ensure the performance assessment of the Board of Directors as a whole and self-assessment of directors, Chairman, and Sub-committee members. The assessment results are reviewed to find ways to improve their performance and enhance the knowledge and capabilities of the directors and Sub-committee members.

5.4 The Board of Directors' Authorization

The Board of Directors is empowered to authorize various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, the Board of Directors charter, and the shareholders' meeting resolutions. Such matters include defining and reviewing corporate vision, operating strategies, operating plans, risk management policy, annual budget and business plans, and medium-range business plan. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, merger and acquisition, corporate spin-off, and joint venture deals.

5.5 Directors' Term of Service on Board

The Company's regulations state that the number of years for each term of the Company's Director complies to the

Public Limited Company Act. At the Annual General Meeting of Shareholders each year, one-third of the total directors must retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third must retire from the office. In choosing those directors who retire, length of service on the board should be considered, so that those who have served longest are most eligible to retire. The Company has a total of 11 Directors, each with a three-year term. Nevertheless, a retiring director is eligible for re-election.

5.6 Board of Directors' Meetings

It is the duty of each member of the Board to consistently attend the Board's meetings to stay informed of the Company's operations and make decisions regarding them and grant approval to the major issues relating to the Company's operations such as vision and mission, strategies, financial targets, risk management, work plan, and budget. The Board holds at least four scheduled meetings per year, the meeting agenda items are clearly specified in advance. There may be an additional ad-hoc meeting to consider an urgent matter. Documents regarding the meeting agenda items will be sent to each Company Director beforehand so that they have enough time to study the information on several issues.

Prior to the meetings, the Company's Executives Committee jointly determine which agenda items are relevant to the meetings. Every individual member of the Board is entitled to propose agenda items.

When considering the matters presented to the Board, the Chairman of the Board presides over and duly conducts the meetings. All members of the Board are allowed to express their opinions independently. Resolutions are passed with a majority vote, whereby one director is eligible for one vote. A director with a vested interest in the issue under consideration or a director ineligible to vote shall be excused or abstain from voting. In case of a tied vote, the Chairman of the meeting will cast his vote to reach a resolution.

The executives are allowed to attend the Board's meetings to provide useful information to the Board, and to learn directly about the Board's initiatives and policies for effective implementation. However, the executives are not allowed to attend the meeting for certain agenda items which are reserved only for the Board of Directors or for non-executive directors in order to ensure independence of consideration.

After the Meeting, the secretary to the Board of Directors is responsible for preparing the minutes for all directors, which is duly signed by the Chairman. The minutes must then be approved as the first agenda item of the following meeting of the Board. Directors may make comments, corrections or additions to ensure maximum accuracy and completeness. After approval, minutes of the meeting are stored securely in the corporate secretary's office together with all related documents, which are backed up electronically to facilitate data searches.

5.7 Policy on Directors and Top Executives Holding Directorship in Organizations outside the Company

Limitation of the Number of Listed Companies in Which a Director May Hold Directorship

The Board of Directors has set a policy to limit the number of listed companies in which each director may hold a directorship. This policy aims to protect the Company's best interests because it helps ensure that directors have time sufficient to handle their duties. The Board of Directors has agreed to set the policy prescribing that each director should hold directorship of a maximum of five listed companies. In addition, the Company has a guideline in case the Managing Director is appointed as director of another company. The matter will be proposed to the Board of Directors for approval.

Policy and Guidelines on Top Executive's Directorship in Organizations outside the Company

The Board of Directors has established a policy allowing the Managing Director and the Company's management to hold a directorship in companies that are not the Company or its subsidiaries or associates or to spend the Company work hours carrying out directorships for external institutes for the two following organizations:

- (1) Governmental organizations that are not established for the benefit of a political party, in which their service represents their cooperation with the authorities and contribution to the general public.
- (2) Private organizations that are established for the benefit of the general public such as the Federation of Thai Industries, the Thai Chamber of Commerce, the Thailand Management Association, etc.

The Managing Director is to propose a directorship in other companies or external institutes for approval from the Board of Directors. As for top management, the proposal must be submitted for approval in accordance with the Company's Approval Authority, in which case the proposal will be reviewed with consideration to the Company's intent to ensure that its employees demonstrate determination and effort and dedicate their working hours to their duties at the company to the best of their ability, as well as adhere to the ethical guidelines regarding conflicts of interest, whereby employees do not engage in a conduct that constitutes a competitive with the Company's business.

The approval of directorships or the use of the Company's working time on duties in external institutes/companies depends on the Company's judgment and is reviewed on a case-by-case basis.

5.8 Separation of the Roles of the Board of the Directors and the Management

The Company defines clear roles and responsibilities regarding the Board of Directors and the management. The Board shall be responsible for establishing the policies and



overseeing the management's implementation of those policies. The management, on the other hand, shall be responsible for implementing the policies formulated by the Board, and ensuring that these are carried out as planned. Therefore, the Chairman and the Managing Director of the Company shall not be the same person, and each must be nominated and elected by the Board in order to ensure their appropriateness.

The Chairman shall not be a member of the management and shall not participate in the management of the Company's business; nor shall the Chairman be authorized to sign binding agreements on behalf of the Company. This is to clearly define separate roles between supervision of the Company's overall policy, and management of the business.

The Company's Management is assigned and authorized to perform many operation under the Company's policies defined for taking responsibilities on overall performance, controlling expenses and budget under the scope approved by the Board of Directors in the Annual Policy, complying with HR Policy, solving problems or conflicts affecting to the Company, and maintaining efficient communication with related persons.

5.9 Performance Appraisal and Knowledge Enhancement

In order to enhance the efficiency of the work operations of the Board of Directors and the Sub-committees, the Company has stipulated a performance assessment and a review of the performance results of the Board of Directors and Sub-committees on a yearly basis. The assessment is divided into two types, namely the performance assessment of the Board of Directors as a whole and the self-assessment. The Board of Directors then analyzes and summarizes the results of the assessment to formulate measures to further enhance the efficiency of the Board of Directors and the Sub-Committees.

Orientation for New Directors

The Company has complied the manual for Company Directors summarizing the law, rules and regulations as relates to Company Directors to inform them of their roles and duties, and practice guidelines for directors as preliminary information. Concerning the support of the duty performance of the Company's Board of Directors, the Company has the Secretary to the Board of Directors and Company Secretary to coordinate

between Company Directors and the Management, maintain collaboration in terms of the relevant law and regulations, take care of the activities of the Company's Board of Directors, as well as coordinating to ensure conformance to the resolution of the Company's Board of Directors.

Moreover, the Company encourages Company Directors, the Management and Company Secretary to attend a seminar regarding programs useful for duty performance, both organized by the Company's unit responsible for staff training and the government agencies or independent institutes such as the Director Certification Programs by the Thai Institute of Directors. The objective is to apply knowledge gained from the program and experience to further strengthen the Company.

In 2017, the evaluation result for the work performance of the Board of Directors and Sub-committees can be summarized as follows:

Board of Directors/ Sub-Committees	Performance assessment result for the committees as a whole(%)	Performance assessment result for the committees of self –assessment (%)
1. The Board of Directors	97	97
2. The Audit Committee	99	99
3. The Nomination and Remuneration Committee	97	97

Directors' Attendance at Training Session Conducted by the Thai Institute of Directors Association (IOD)

Directors of the Company	Training Courses	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Audit Committee Program (ACP)	Advanced Audit Committee Program (AACP)	Director Certification Program Update (DCPU)	Role of the Chairman Program (RCP)
1.Mr. Bowon	Vongsinudom	DAP 76/2008	DCP 209/2015	-	-	-	-
2.Mr. Krit	Umpote	-	DCP 2000	-	AACP 3/2010	-	-
3.Mr. Kuasak	La-orsuwan	DAP 98/2012	DCP 236/2017	-	-	-	-
4.Mr.Chaiwat	Utaiwan	-	DCP 18/2002	-	-	-	RCP 2002
5.Mr. Prasert	Wongwaiwit	DAP 40/2005	-	-	-	-	-
6. Mr. Panthep	Supachaiyakit	DAP 102/2013	DCP 230/2016	-	-	-	-
7. Mr. Richard David Han		DAP 57/2006	-	-	-	-	-
8. Mr. Sitthichai	Chantravadee	DAP 49/2006	DCP 69/2006	ACP 12/2006	AACP 22/2015	DCPU 5/2015	-
9. Mr. Surasak	Amawat	-	-	-	-	-	-
10. Miss Sutida	Mongkolsuthree	-	DCP233/2017	-	-	-	-
11. Mr. Natapong	Pinitpongskul	-	DCP 184/2014	-	-	-	-

Remark : In 2017, Mr.Kuasak La-orsuwan tookpart in the Director Certification Program (DCP) 236/2017 organized by IOD , Miss Sutida Mongkolsuthree tookpart in the Director Certification Program (DCP) 233/2017 organized by IOD

The Assessment of the Managing Director

The Board and the Nomination and Remuneration Committee assess the performance of the Managing Director based on the Company's operating results, implementation of the Board's policies, and the overall socio-economic circumstances. The Nomination and Remuneration Committee will then consider the appropriate remuneration in short term and long term for the Managing Director and propose such amount to the Board for approval, taking into account the following information regarding the current and previous years:

1. The business operating results based on percentage of EBITDA on operating assets. The target EBITDA shall be set forth each year for assessment and comparison purposes.
2. The operating results of the business compared to those of other companies in the same industry, both locally and internationally.
3. The executive's capability to develop the business and improve operational efficiency for business each year.

Conduct according to the Principles of Good Corporate Governance in other Areas

In addition to conformance to the five Principles of Good Corporate Governance for listed companies in 2012 as stated in 5 categories above, the Company has other practice guidelines in relation to good corporate governance as follows:

Company's Code of Conduct

In 2014, the Company announced the enactment of the Company's Code of Conduct approved by its Board of Directors with the objective of providing employees with work performance guidelines in compliance with the Company's value, with Company Directors acting as a good example. The Code of Conduct manual comprises the code of conduct, with the addition of examples and clear specification of code of conduct, specification of protection and damage alleviating measures for whistleblowers, complainants or those cooperating in reporting violation or non-conformance to the Code of Conduct. The Company communicates with its employees throughout the organization via several channels (details as regards communication has been shown in the Annual Report under the topic of Social Responsibility pages 57).

Operations as regards Anti-Corruption

The Company has joined UN Global Compact or the ten international principles since 2012 in order to manifest the intention to conduct itself according to such principles in the areas of Human Rights, Labour, Environment, and Anti-Corruption. This is in line with the Company's operations whereby good corporate governance has always been at the forefront. The Company's Board of Directors, with the intention to operate in support of anti-corruption in society, resolved that the Company announce the enactment of the "Anti-Corruption Policy" in 2014 (details as regards the anti-corruption policy has been demonstrated in the Annual Report under the topic of Social Responsibility pages 58-60).

The Sub-committees

The Board has further established the Sub-committees to be responsible for their specific areas and report directly to the Board for its consideration or reference. In this regard, the Company put in place its Charter of the Board of Directors and Charter of the Sub-committees specifying rights and duties, which is published on the Company's website. In the year 2017, The Company has three Sub-committees including the Audit committee, the Nomination and Remuneration committee, and the Executives committee.

1) The Audit Committee

The Audit Committee comprises three independent directors, all of whom are well accepted and have a full understanding of, and experience in, accounting or finance. Mr. Krit Umpote and Mr. Chaiwat Utaiwan are the member of the Audit Committee who has adequate expertise and experience to view credibility of financial report. The Audit Committee members' duties include a review to ensure that operations have been carried out in accordance with the Company's Articles of Association as well as the laws and regulations of compliance-related agencies. Moreover, the Committee is committed to promoting the advancement of the Company's financial and accounting report system to meet international standards and to ensure that the Company has an appropriate, modern and efficient internal control system, internal audit system and risk management system. The Audit Committee acts and expresses opinions independently. The Internal Audit Office acts as an operations unit reporting directly to the Audit Committee. The Audit Committee also consults regularly with external auditors, consultants and specialists in the areas of law and accounting.

The Audit Committee must set up meetings with the Company's external auditor, which exclude the management, at least once a year in order to hear their comments.

The Audit Committee of the Company comprises the following three members:

- | | |
|--------------------------|----------|
| 1. Mr. Krit Umpote | Chairman |
| 2. Mr. Kuasak La-orsuwan | Member |
| 3. Mr. Chaiwat Utaiwat | Member |

Scope of Authority of the Audit Committee The Audit Committee is authorized to fulfill the following duties:

1. Review the financial report system and disclosure of information in financial statements to be in accordance with the Financial Reporting Standards and promote the development of financial report system to be correspondent to Thai and International Financial Reporting Standards.
2. Consider connected transactions or those having possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.
3. Review the Company's work process, risk management, control, operations and information technology governance, as well as Information and Integrated Network Security to comply with international standard consist of the proactive preventive system to enhance operating effectiveness and efficiency.
4. Review the Company's anti-corruption procedures to conform to guidelines of the governance bodies efficiently starting from the promotion and raise of awareness, the risk assessment, the proactive preventive system, the audit structure, to the self-assessment review regarding anticorruption measures as assessed by Internal Audit Office to ensure that the Company

exercises the anti-corruption systems as reported in the self-assessment form of Thai Institute of Directors (IOD).

5. Review the Company's Compliance Procedure in accordance with the securities and exchange act, rules, regulations and other laws relevant to the Company's business.

6. Review the appropriateness and the effectiveness of the Company's Internal Control System and Internal Audit System in accordance with Internal Control Framework (COSO 2013) and internationally accepted approaches and standards and review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.

7. Review the results of fraud investigation and establish internal preventive measures and review the Company's internal process concerning the whistleblower system.

8. Consider, select and propose the appointment of an independent person to perform the duties of the Company's auditor, propose the discharge of the auditor, and also propose the remuneration of the Company's external auditor and evaluate the effectiveness of the external auditors' performance.

9. Prepare the audit committee's report to be disclosed in the Company's Annual Report and duly signed by the Chairman of the audit committee and containing opinions on various matters as required by SET.

10. Review and give the opinion toward the audit practices of the Internal Audit Office and coordinate with external auditors and organize meetings with the Company's external auditor, without the attendance of management at least once a year.

11. Consider and approve the internal audit plan, budget, and manpower of the Internal Audit or select internal audit officer in case of using outsourcing service and consider the appointment, removal, transfer, or dismissal of the Director of Internal Audit Office or the change of internal audit officer in case of using outsourcing service.

12. Consider the independence of the Internal Audit Office based upon the execution of work, reports and line of command and review the execution of the Internal Audit performance assessment according to international standards.

13. Review the execution of the audit committee members for the performance assessment, both as a whole and self-assessment, of the audit committee annually.

14. Perform other actions as required by law or assigned by the Board of Directors.

Regarding the scopes of roles and responsibilities, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings or submit necessary documents. In addition, the Audit Committee may seek independent opinion from professional consultants as deemed appropriate, at the Company's expense.

The Audit Committee performs duties within its authority and responsibility under the order of the Board of Directors. The Board of Directors is responsible for Company's operations and



is directly accountable to shareholders, stakeholders and the public.

Responsibilities of the Audit Committee

1. In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.

2. Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee:

- (1) Transactions which may cause conflicts of interest.
- (2) Fraud or irregular events or material flaws in the internal control system.
- (3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET.

2) The Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises five of the Company's directors, all of whom are non-executive directors. In addition, three members of the Committee are independent members, one of whom is the Chairman of the Nomination and Remuneration Committee. The Committee is in charge of the nomination of persons qualified to become directors to replace those who are retired by rotation, or as the case may be. The Committee is also responsible for monitoring

and studying changes and trends in the remuneration of the Board of Directors, the Sub-Committee and the Company's top executives to suggest remuneration policies and assess the performance of the Managing Director to define the remuneration to be further proposed to the Board's approval by comparing with other listed companies which operating in the same industry that can motivate these executives to lead the Company toward success as well as to retain smart and ethical employees. The Nomination and Remuneration Committee must set up meetings at least two times a year.

The Nomination and Remuneration Committee comprises the following five members:

- | | |
|--------------------------------|----------|
| 1. Mr. Sitthichai Chantravadee | Chairman |
| 2. Mr. Krit Umpote | Member |
| 3. Mr. Panthep Supachaiyakit | Member |
| 4. Mr. Chaiwat Utaiwan | Member |
| 5. Mr. Prasert Wongwaiwit | Member |

Scope of Authority of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is authorized to fulfill the following duties:

1. Review independency of the Board of Directors and the issues of conflicts of interest.

2. Should there be a few alterations made to the directors qualifications, the Committee shall review the appropriateness for directorship.

3. Specify qualifications of a person to be nominated for directorship and lay down the director nomination process to replace the retiring director, considering an eligible candidate with skills, experiences and expertise.

4. Identify qualified candidates to replace directors retiring at the end of their terms, or for other reason, and submit a list of nominees to the Board of Directors' and/or shareholders' meeting for resolution.

5. Recommend the succession plan of the Company's Managing Director and Executives to the Board.

6. Propose guidelines and methods of payment of remuneration, including bonus and attendance fee, to the Board of Directors and the Sub-committees appointed by the Board.

7. Propose policy on management remuneration, including salary and bonus, in line with the company's operating results, and the performance of each executive, and whenever it deems appropriate, the Committee shall consider the hiring of consulting firms to advise on project implementation.

8. Prior to the submission of the Managing Director's remuneration for the Board of Directors' approval, the Remuneration Committee shall assess the Managing director's performance on an annual basis.

9. Consider before presenting to the Board of Directors, the budget for the salary increase, change of wage/remuneration and bonus of the senior executives.

10. Regularly review, study and track the changes and trends in remuneration for the Board of Directors and the executives and report its findings to the Board for approval.

11. Consider the annual remuneration for the Board of Directors, as compared to the remuneration offered by other listed companies operating in the same business, to ensure that the company retains its leadership in that industry and to motivate them to foster the continuing development of the Company.

12. Regularly make a progress report on the results of performance and submit it to the Board of Directors after the meetings of the Nomination and Remuneration Committee.

13. Assess the Nomination and Remuneration Committee's performance and report the results to the Board of Directors.

14. Should there be any alternation to the Charter of the Nomination and Remuneration Committee. The Committee shall review and recommend appropriate improvements, revisions to the Board of Directors for its resolution in keeping it up-to-date and applicable.

15. Perform other duties as assigned by the Board of Directors.

To fulfill its duties under the scope of authority, the Nomination and Remuneration Committee is authorized to call for and order the management, head of offices or employees concerned to give opinions, attend the meetings or submit the necessary documents. In addition, the Committee may seek external consultants and professional advice from independent consultants or specialists, as deemed appropriate, at the company's expenses.

3) The Executive Committee

The Executive Committee comprises three of the Company's directors. The Committee is responsible for managing and supervising all the Company's business, as assigned by the Board of Directors, in accordance with the Company's policy and target, under the scope stipulated by law, objectives, the Company's Articles of Association and resolution of the Board.

The Executive Committee comprises the following three members:

- | | |
|-------------------------------|----------|
| 1. Miss Sutida Mongkolsuthree | Chairman |
| 2. Mr. Surasak Amawat | Member |
| 3. Mr. Natapong Pinitpongskul | Member |

Approval Authority of the Executive Committee and Managing Director as follows:

Transactions	Approval Authority	
	Executive Committee	Managing Director
Investment project	Not exceeding 100 million Baht	Not exceeding 1 million Baht
Land acquisition	Not exceeding 50 million Baht	-
Asset account adjustment/ time	Not exceeding 5 million Baht	Not exceeding 500,000 Baht

The Nomination and Appointment of Directors and Top Executives

(1) Independent Directors

The five independent directors are Mr. Bowon Vongsinudom, Mr. Krit Umpote, Mr. Kuasak La-orsuwan, Mr. Chaiwat Utaiwan and Mr. Sitthichai Chantravadee. The qualifications of independent directors of the Company are in accordance with notification of the Capital Market as follows:

- (a) Shall not hold shares exceeding one percent of the total number of voting shares of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, including shares held by related persons of such independent director.
 - (b) Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than two years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.
 - (c) Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiaries.
 - (d) Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgement, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
- (e) Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
 - (f) Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 Million Baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of becoming an independent director.
 - (g) Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.
 - (h) Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding one percent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
 - (i) Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

In 2017, all the five independent directors neither involved in any business nor provided any professional service of which its value exceeded the specification in the Notification of Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issue Shares.

(2) Nomination of Board Members and Top Executives

The Nomination and Remuneration Committee is tasked with the duty of selecting qualified candidates to replace the retiring directors at the end of their terms, or whatever the case may be, to propose to the Board of Directors and/or at the Annual General Meeting of Shareholders to be appointed. The Nomination and Remuneration Committee selects qualified

The term "business relationship" in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/her counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the applicant or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated

candidates from various backgrounds, with credentials in a wide range of professions, excellent leadership, a breadth of vision, a proven record of ethics and integrity. In 2017, the Nomination and Remuneration Committee have taken into consideration in selecting the qualified candidates from the list of Chartered Directors as per suggestion of the Thai Institute of Directors Association (IOD) to ensure that all of our top executives are professionals who perform their duties independently from the major shareholder and other shareholders and have qualifications in various facets such as:

- Integrity and accountability.
- Informed judgment.
- Maturity and stability, characteristics a good listener, and the ability to express individual independent opinion.
- Commitment to upholding principles, standards, and professionalism.

The Nomination and Remuneration Committee should take into consideration areas of expertise and specialization that a nominated candidate should possess so that the Committee can formulate strategies and policies and effectively supervise the implementation.

Rules and Procedures for the Election of Directors

1. Prior to the Annual General Meeting of Shareholders, the Nomination and Remuneration Committee proposes to the Board the names of persons to replace directors who are retired by rotation. The nominees will then be listed for consideration for election during the Meeting. All shareholders have an equal right to propose other candidates. Authority to select directors rests with shareholders.

2. A shareholder shall have one vote for each share he holds or represents.

3. At the election of Directors, the shareholders shall vote for each individual candidate nominated for Directors, but not exceeding the number of Directors required for that election. The vote shall not be distributed.

4. The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman of the Meeting shall cast the deciding vote.

Nomination of Top Executives

The selection for the Company's Managing Director is preliminary carried out by the Nomination and Remuneration Committee in screening the candidates who have required qualifications, knowledge, skills and experiences that benefit to the Company's operations and business as well as the ability to operate and manage the Company to achieve the objective set by the Board. The nomination process will be further presented to the Board for approval.

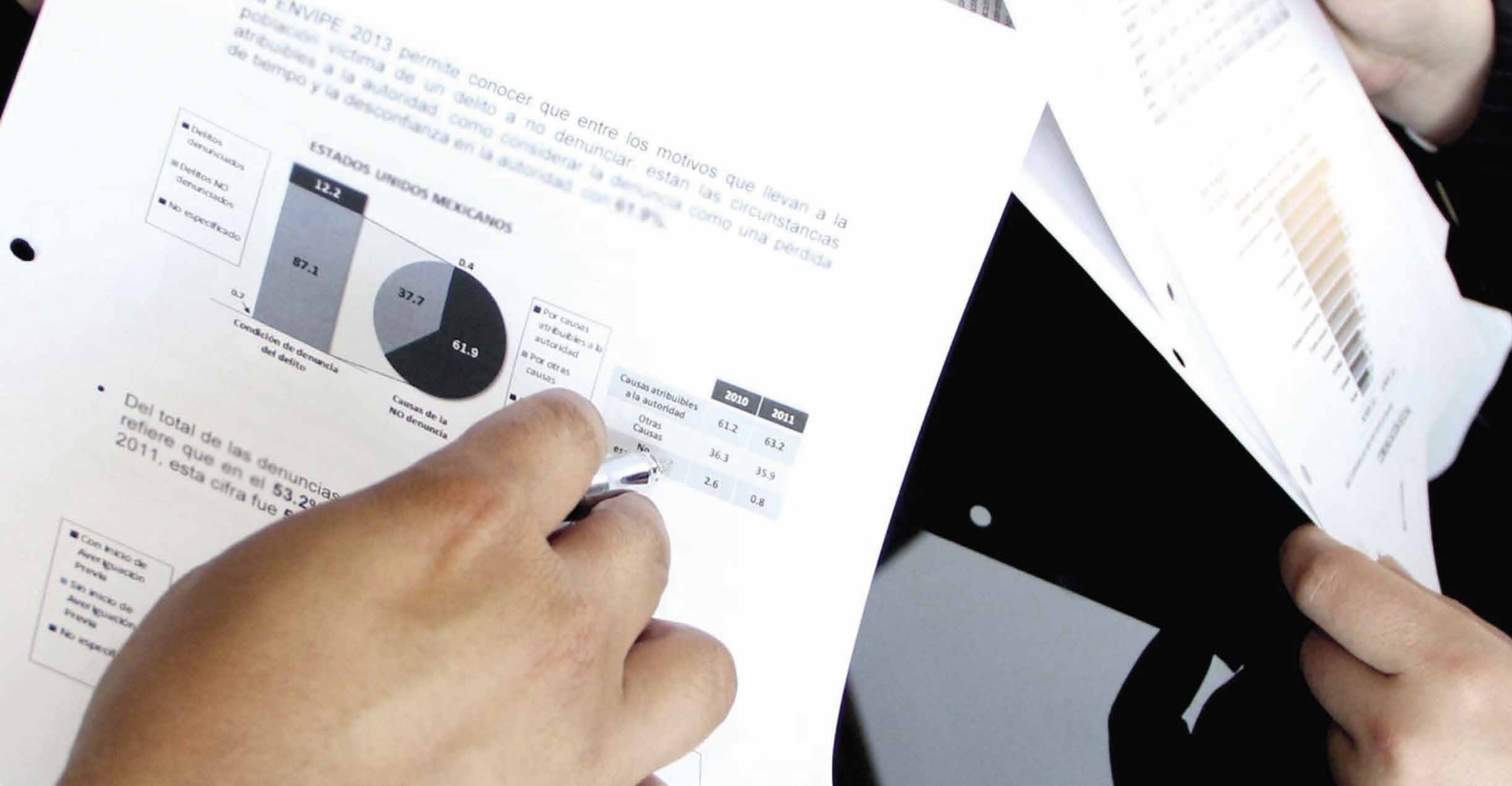
Oversight of Company's Subsidiaries and Associates

The Board has set mechanisms for overseeing and monitoring the management and operations of Company's subsidiaries and associates. A nominated person who has been appointed to be the Board of Directors in the subsidiary has duties in performing in the best interest of subsidiary and must be approved by the Board of directors prior to the resolution or the vote on the same level with the one that need to be approved by Board of Directors of the Company. Moreover, the nominated person to represent the subsidiary shall be in accordance with the shareholding proportion of the Company.

Moreover, to enable the Company's representatives to oversee the operations of subsidiaries and associates properly and in compliance with the Company's operation policies, the Company has prepared an authority manual prescribing the scope of authority, duties, and responsibilities of persons representing the Company as board members or executives in the subsidiaries and associates in establishing key business policies. The manual allows the representatives to operate with more effectiveness and efficiency as well as the Mechanisms for overseeing disclosure of financial information and operating results; connected transactions between subsidiaries and/or associates and related parties; disposal or acquisition of assets; other transactions or using regulations related to the disclosure of information. Moreover, the subsidiary needs to have rules and regulations in place for information filling and accounting transaction records for transaction auditing and consolidate to financial statement in time.

Apart from the authority manual that the Company and its subsidiary have applied for its internal control, the Audit Committee, in fulfilling the role as a supervisor for the effectiveness of the oversight, has resolved for the subsidiaries and associates to implement as a preventative measure against errors a business self-audit system. As a result to adjust the internal controls in accordance with the risk incurred. The internal audit office as a consultant, to configure, control, and monitor the entire process. This process will be instilled in all employees to be aware of the risks and internal controls at all times.

The key to effective and efficient operational management between the Company and other business partners is the agreement on mutual understanding concerning issues such as separation of duty in management, the scope of authority, fair division of profit for all concerned parties. To that effect, the Company generated a Shareholders' Agreement which stipulates the Company to respect the rights of its business partners with all due fairness and cooperates fully with the partners to ensure successful operations of the joint ventures.



Auditor Fee

For the fiscal year 2017, the Company and its subsidiaries paid the audit fee to KPMG Phoomchai Audit Ltd., which the auditors worked for as follows:

Audit Fee of the Company

Audit Fee	(Baht)
1. Separate Financial Statements	
• Annual Audit Fee	552,000
• Quarterly Review Fee	301,000
Total	853,000
2. Consolidated Financial Statements	
• Annual Audit Fee	82,000
• Quarterly Review Fee	152,000
Total	234,000
Grand Total	1,087,000

Audit Fee of the Company's Subsidiaries

- Audit Fee of Thai British Dpost Company Limited for the year 2017 was 217,000 Baht.
- Audit Fee of Thai British Security Printing Overseas Company Limited for the year 2017 was 30,000 Baht.

Non-Audit Fee

The audit fee paid by the Company and its subsidiaries to the audit firm in this fiscal year was solely for the audit services, exclusive of any non-audit services.



10

Corporate Social Responsibility

Social Responsibility Policy

1. To enhance employees' capacity in terms of safety to reduce risk from on the job accidents.
2. To strengthen environmental management in order to build confidence in the community.
3. To support the activities of employees and communities by focusing on the creation of work and professions.
4. To enhance the efficiency of communications, particularly information on environmental management and emergency plan for the communities.

Guidelines for Participation of Stakeholders

Analysis of stakeholders in 2017, the Company specified and selected stakeholders by considering those of significance and impact on the Company's operations are communities, employees, customers, business partners, shareholders, government agencies, and suppliers. Each group of stakeholders has different expectations and interests; therefore, the Company designated the strategies and direction of social responsibility to be aligned with the expectations of each group of stakeholders by conducting a survey on opinion, for example, hearing the opinions of communities, organizing a meeting, carrying out a satisfaction survey, taking complaints, and adopting a whistleblower policy for appropriate and fair treatment covering the aspects of the economy, society and environment.

Communication to Stakeholders

Need/Expectation

- Development of communities' quality of life and promoting of income
- Preserving the environment in surrounding factory areas.

Communication Channel

- Annual Communities' satisfaction survey
- Preserving the environment in surrounding factory areas.
- Operates the Activities with the communities

Response

- Supporting development careers and incomes from the community fairs and career training
- Acknowledging caretaking of the Company's environmental through the community's public relations board
- Supporting the employees and communities participant in various activities.

Need/Expectation

- Contracting business partners in the surrounding factory areas as first priority
- Fair Business Operation
- Taking care of working safety
- Build up Relationship from activities
- Reliable from the customer

Communication Channel

- Annual satisfaction survey of customers
- Communicating Business partners of code of conducts policy
- Training the "Safety Contractor" every time priors operation

Response

- Considering business partners around the Factory from communities as first priority
- Business partners acknowledge the code of conducts as a guideline for the business cooperation
- Business partners operate work without accidents and working stop

Need/Expectation

- Business direction and adaption
- Welfare and Compensations
- Development of employees' knowledge both on and off the job
- Stability and advancement of employees

Communication Channel

- Communication with employees regularly through the monthly management sharing meeting
- Annual satisfaction survey of employees
- Hearing to employees' opinions through the monthly management sharing meeting
- Development of employees' knowledge to achieve the Company's growth and direction of the Company

Response

- Acknowledges the movements and business direction
- Improvement welfare example medical treatment fee from the employees' opinions
- Adapts the employee developing strategy to concern with characteristic of works and the employees' acknowledge
- Risk assessment and environmental for safety of works.

Need/Expectation

- Operating result and business growth
- Transparent and verifiable management
- Relationship building activities

Communication Channel

- The Annual General Meeting
- Releases information of the Annual General Meeting on the Company's website
- Operates the activities with the shareholders

Response

- The Shareholders and Investors acknowledge operation result regularly
- The Company acknowledge interests, concerns, and opinion for considering matters
- More participants in the activities

Need/Expectation

- Developing and delivery quality products and timely response to the demand
- Proposal of the innovations and new technologies
- CSR For Relationship

Communication Channel

- Development of the products and services with the customer need
- Providing the communication channels for customers to contact, give suggestions and complaints in more convenient and faster
- Annual satisfaction survey of customers
- Activities for relationship with Shred2Share project

Response

- The Company takes customers complaints and suggestions on products and services to better improve the quality
- Provide the organization for one-stop services and updated technologies to reach the customer needs.
- Operate with the customer's confidentialities rule strictly
- Good response from the customer to participate the activities

Need/Expectation

- Conforming to laws, rules and regulations regarding to the business
- Operation with minimal environmental impact

Communication Channel

- Conforming to laws and regulations strictly
- Statistics and data of wastewater treatment plant and dust of pollution sources report

Response

- Operation the business with transparent
- No complaints from the communities

- Business direction and adaption
- Welfare and Compensations
- Development of employees' knowledge both on and off the job
- Stability and advancement of employees

Abidance to the International Principles regarding Social Responsibility

Objective	International Principles	Action Plan
Human right	1. Supporting and observing the protection of human rights as notified at the international level according to the given authority 2. Always ensuring that the business is not involved in the violation of human rights.	<ul style="list-style-type: none"> • Specify respect to human rights in the Company's Code of Conduct. • Provide some communication channels and accept complaints on misconduct or violation against laws with Measures on Complainer Protection.
Labour	3. Promoting and supporting the freedom in forming a group of labourers, and acknowledgement of the right to seriously participate in negotiations. 4. Eliminating the use of labour under the criteria, and every form of forced labour. 5. Eliminating child labour. 6. Eliminating discrimination as regards labour employment and profession.	<ul style="list-style-type: none"> • Define that employees must comply with the Code of Conduct on Company's Business Operation without discrimination and labor barrier. • Establish a policy on denying child labor and forced labor. • Support disabled person's employment for their occupational opportunities. • Listen to opinions of employees and provide them some communication channels, comment boxes, and Complaint System.
Environment	7. Supporting guidelines for cautions regarding operations likely to cause environmental impact. 8. Volunteering in organizing activities promoting the elevation of social responsibility. 9. Promoting the development and dissemination of environmentally-friendly technology.	<ul style="list-style-type: none"> • Establish business operation by considering on environmental effects with conservative policies and reduction of the resources consumption and waste as well as foster consciousness on environmental care in workplace and surrounding communities. • Provide wastewater treatment system for controlling effects caused by product manufacturing and report to related government agencies.
Anti-Corruption	10. Operating against corruption, acts of giving and offering, and any form of bribery.	<ul style="list-style-type: none"> • Declare intention on participating in Thailand's Private Sector Collective Action Coalition against Corruption. • Establish and declare anti-corruption policy that must be complied throughout the Company. • Provide some communication channels to complain on misconduct or violation against laws with the Measures on Complainer Protection.

Since the Company has emphasized on customers, the Company always complies with ISO9001 (2008) International Standard to ensure customers and related persons that they will surely receive quality services and products. Currently, it is necessary to have the operation system to support risks threatening information and confidentiality of customers' information adequately and completely in order to maintain secrets and prepare resources for using in emergency situations. Accordingly, the Company creates Information Security Management System (ISMS)-ISO/IEC 27001(2013) for protecting information of customers and Company. This will ensure that the Company is able to deal with risks caused by threatening on working and that caused by information technology. Moreover, the Company also strives to comply with ISO14001 (2015) Standard in order to conserve and protect environment as well as to prevent the problem on resources and environment that may affect to community.

In addition, the Company also complies with TIS/OHSAS18001 International Standard to make all activities safe and cover all employees and business partners to reduce risks on occupational health and safety of employees and business partners. This also reduces effects against community and builds confidence of customers, business partners, and related persons throughout the system continuously.

Fair Business Operation

Anti-Corruption Operations

The Company has emphasized on anti-corruption by establishing anti-corruption policy that has already been approved by the Board of Directors as the explicit practices on business operation and organizational culture. This is consistent with the Company's ideology on "Fair Operations", i.e., the Company is responsible for giving fairness to all parties of related persons".

The Company declared our intention to participate in Thailand's Private Sector Collective Action Coalition against Corruption on June 26th, 2016 ("Anti-corruption Policy") that can be downloaded at www.tbsp.co.th.

During 2017, the Company performed more activities and established more measures to ensure that the Company complies with anti-corruption policy. In addition, all employees must be communicated to perceive on and comply with such measures continuously and they must be fostered to realize on action that may cause the risk on corruption. Indicators are always analyzed and the risk on corruption is regularly assessed that is considered as another risk under the risk on complying with rules and regulations.

The Company creates preventive work system with the method for Risk Mitigation and Control. Responsible persons, measures on monitoring, verification and assessment of risk management are defined as the guidelines for employees in order to prevent corruption.

Moreover, the Company also expresses our intention to promote and expand this concept to our business partners (Suppliers) for complying along with compliance with corporate governance for communities, society, and environment. This is considered as wide expansion for enabling business partners to perceive the Code of Conduct of Business Partners for using as the guidelines of their business operation. This is beneficial for sustainable society and environment. Currently, there are more business partners who sign and accept these guidelines. Based on good response of business partners, the Company is confident to generate good people for society increasingly.

Communication, Publish, Educate and Understanding for all employees throughout of the Organization.

To awareness and understanding for actual practice based on anti-corruption policy of directors, executives, employees, and to reduce the risk of corruption, the Company communicated, publicized, and did additional activities in 2017, for example:

- hold Awareness activities to provide knowledge and "Proactive Preventive System" on corruption consisted of:

- 1) "Ethics Testing" whereas all employees must be tested on morality, ideology, code of conduct, and anti-corruption policy of the Company. This test is consisted of the main content enabling employees to learn and make understanding on complying with policy. All employees are required to pass the criteria by 100%. Moreover, answers of employees to this test were also analyzed and items with most wrong responses were applied to plan communication plan for obtaining correct understanding of employees.

- 2) Foster Responsibility & Accountability Awareness was applied to manage risks and good control according to the guidelines of Three Lines of Defense.

- 3) Seminar for providing knowledge and workshop in the manual on Code of Conduct as well as some important case studies on corruption by providing some opportunities to employees for asking some inquiries.



- Departments with high risk, for example, recruitment and sale, etc. They have self-assessment according to Assessment Form on Anti-Corruption Compliance (which was additionally reviewed by the Company in 2017) for assessing the risk on Company's corruption besides Self-Assessment Form regarding Measures on Anti-Corruption of Thailand's Private Sector Collective Action Coalition against Corruption (CAC). Assessment Form specified indicators/signal that may cause corruption and method of Risk Mitigation and Control on work system and operations of employees for risk analysis of operators and superiors as well as for complying with control method correctly. The results of self-assessment were applied to plan operational improvement to be more efficient.

- Assessment on internal control system of 2017 on corruption based on COSO 2013 Principles.

- Dissert, communicate, and make understanding on the manual of the code of conduct and anti-corruption policy to all employees and supervise them to comply with such manual and policy. These manual and policy are also publicized in the forms of VDO Clip and Intranet of the Company with content on compliance with the manual on the code of conduct and anti-corruption policy.

- Managing Director regularly meets employees to clarify information of the Company as well as clarify anti-corruption policy and provide some opportunities to ask for understanding.

Following-up on performance according to the Code of Conduct and the Anti-Corruption Policy

The Company defines responsibilities and duties of the directors to establish policies and supervise those policies to gain the system that can support anti-corruption efficiently. Managing Director and Management are responsible for providing system, promoting, and supporting anti-corruption policy as well as communicating to employees and related persons in all departments in order to make understanding and behave themselves correctly. In addition, they have to review appropriateness of systems and measures to be consistent with changes of business, regulations, rules, and requirements of laws. Any employee performing corruption or any misconduct

against anti-corruption policy or the code of conduct must be considered according to Company's disciplines and be punished according to laws.

Moreover, Internal Audit Unit will always assess and follow up corporate governance, compliance with the code of conduct and anti-corruption policy when there is inspection of each installment and reports to the Audit Committee in every meeting.

A policy offering protection and fairness to the informants regarding corruption or non-conformance with the law, rules, regulation, Code of Conduct and Anti-Corruption Policy (Whistleblower Policy)

The Company designated practice guidelines for using the complaint receiving system and protection of whistleblowers, and the manual for the complaint receiving and whistleblowing system which are simple to understand. The Company places importance on good corporate governance, gives opportunities to employees and stakeholders to report or share information regarding abnormalities in business operations through several channels specified since 2014. The Company provides an additional channel for whistleblowing through the complaint receiving system in addition to the e-mails, letters or suggestion boxes when witnessing any violation of conformance according to the criteria, regulations defined by law, malpractice as relates to good corporate governance, acts of corruption, or unethical practice, and acts not conforming to the Company's anti-corruption policy.

Nonetheless, to build confidence among employees and stakeholders in reporting or providing such information without fear of consequence, the Company set up measures protecting and reducing any retaliation against whistleblowers or complainants who are treated unfairly such as any maltreatment or threats. The supervisor of the Audit Unit is in charge of the safety system providing an independent server. As for the Company's employees, they can do so via the Web Intranet of the Company whereby complaints will be kept extremely confidential. Whistleblowers do not need to identify themselves; however, if they do, it will allow the Company to inform them of the result or additional details. The Company, furthermore, rules that any complaints based on untrue stories or events that cause damage to the reputation of others are also considered violations of discipline. For outside stakeholders, they can send details to www.tbsp.co.th and follow-up on the results of such a complaint via the complaint receiving system. Such a system is an essential tool in controlling and preventing corruption with the Audit Unit being responsible for its safety. The Company has clearly indicated the operational procedures when receiving complaints, starting from covertly gathering facts, setting up a working committee verifying facts, setting up the investigating committee, considering approval for punishment, as well as reporting the results of the complaints. In 2017, the Company found no complaints from outside and inside parties

through such system. In cases where there are complaints filed through such channels in the future, the Company will improve operations based on such complaints so as to further specify preventive guidelines. The duties to follow-up, present, and report the progress to the Audit Committee rest with the supervisor from the Audit Committee.

Use and Maintenance of Intellectual Property

The Company regards intellectual property including patents, petty patents, copyrights, trademarks, trading secrets, knowledge entities, or any other information as the Company's valuable assets. Employees have the duty to protect and preserve the Company's intellectual property from being used, or disseminated without permission. The Company respects, does not violate the intellectual property of others, as well as promotes employees to innovate and receive intellectual property by setting up an award or proper compensation for those taking part in such activities, as stated in the Company's handbook of Code of Conducts and corporate governance.

Observance of Human Rights

The Company places importance on the non-violation of Human Rights within the Company and has joined the UN Global Compact – the ten principles of which cover the areas of Human Rights, Labour, Environment and Anti-Corruption.

The Company compiled the Company Code of Conducts as regards the observance of rights and freedoms as follows:

1. Privacy: Ensuring the individual's rights and freedoms. Employees must be protected from any violation regarding the disclosure or transfer of personal information such as personal data, health records, work histories or other personal details to non-related parties that may cause damage to the owners of such information or other parties.
2. Fair Treatment : Recognizing the rights of being human and equality with its guidelines for fair treatment towards relevant parties; there is no discrimination based on similarity or difference, whether it be physically nor mentally, nationality, citizenship, religion, gender, age, education or any other matter.
3. Political Operations : Every employees member shall be politically neutral, not take sides with nor support a particular political party or person with political power. Nonetheless, the Company recognises and respects the political rights and freedoms of employee such as voting in an election or becoming a member of a political party.

Fair Labour Treatment

The Company abides by the Code of Conducts of Good Corporate Governance which is fair for stakeholders, and focuses on openness, transparency, and accountability. To reflect the specified governance principles, the Company makes use of the

personnel management system – committee type – in considering matters including the personnel management policy and caretaking of employees in the Company.

Recruitment and Selection of Employees

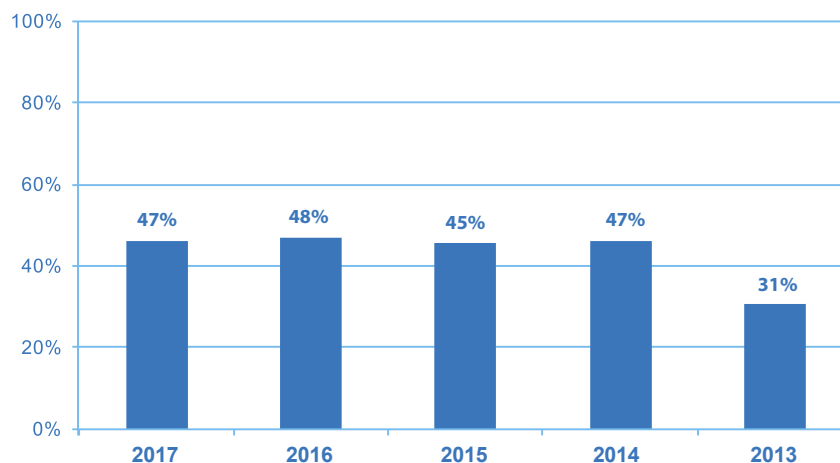
The Company recruits and selects employees through a committee considering, selecting and agreeing by consensus in order to emphasize the fair principles of selection and non discrimination, and to recruit a knowledgeable, capable and suitable workforce.

Management of Compensation

The management of compensation and remuneration takes into account fairness for every party. Being aware that compensation and remuneration is a significant factor creating incentive and influencing the employee turnover of the Company, the Company has therefore defined the managerial policy for compensation and remuneration taking into account fair principles whereby the duties, responsibilities and capabilities of each employee member are taken into account.

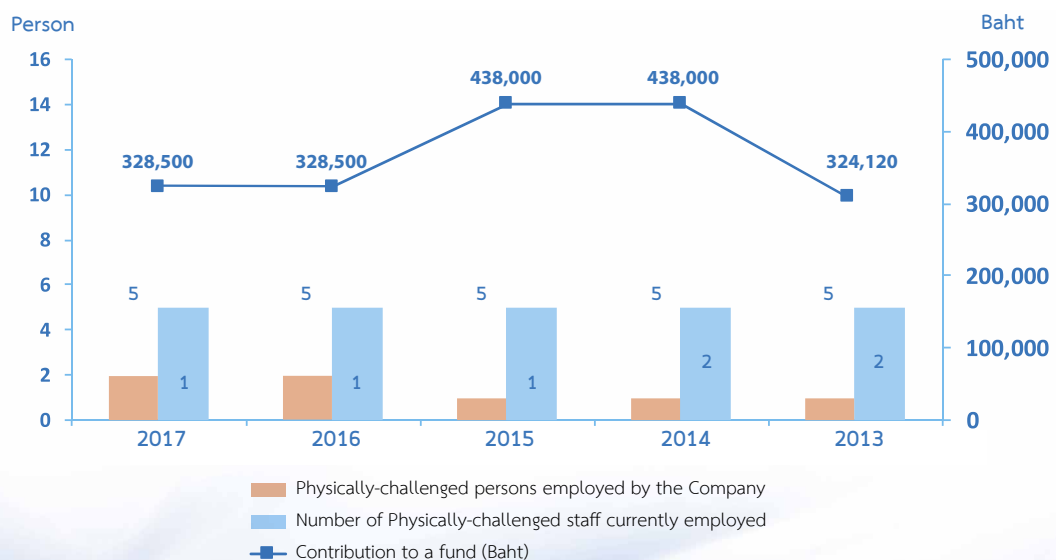
The Company allocates welfare for employee as stipulated by law, appropriate to the benefits and needs of the majority of employees, and commensurate with the Company's ability. The Company also reviews and improves welfare to be in line with

Proportion of employees in Samutprakarn



Physically-Challenged persons employed 2013-2017

The Company employed of physically - challenged staff totally 2 person



changes in social and economic conditions, and business necessity. Furthermore, the Company provides its staff with participation opportunities through the Welfare Committee of enterprises.

Caretaking of Employees

The Company believes that maintaining employees to work with the Company for long-term period is important therefore the Company always look after living of all employees and their families to be balanced and happy by engaging them as the same family of us through various kinds of welfares and benefits given by us to them. These welfares and benefits will respond to demands of employees equally and fairly for the ultimate benefit while they are our employees and after their retirement, for example, provident fund, employees

saving cooperatives, occupational training, financial and debts training, supervision on appropriate occupational health, safety, and work environment as well as medical rights for all employees and their families plus with all rights as defined by laws, etc.

Staff Development

Placing the utmost importance on the value of personnel, the Company regularly carries out staff training and development both inside and outside the organization so as to enhance competence and elevate the knowledge level of staff to be in accordance with and appropriate to the Company's business development.

- Organizing the learning system in a 70:20:10 format (learning that emphasizes hands-on practice, learning from others, coaching, and learning theories or self-learning) for maximum efficiency.

- Designating a medium term plan or a 5-year plan as regards personnel in order to review the staff development plan to support the direction and growth of the Company.

By the employee developing policy 5 reasons as follows

1. Training and developing the basic plan in required program for the employees such as discipline, work regulation, safety, and knowledge in term of ISO9001, ISO14001, TIS&OHSAS18001, ISO27001

2. Training and developing in "On the Job Training" project by the supervisor issued the teaching program and training following assignment by the positions for the knowledges and operations' skills accurate the system and assignments.

3. Training and developing in Total Productivity Management (TPM) the Company's staff developing policy achieve the direction of TPM such as Introduction to TPM program, Basic QC program, Policy Management program, and Daily Management Program. And the Company leads the direction for the employees to bring the TPM principle to be the executive policy in every departments.

4. Training or seminar both of in Thailand and abroad, the Company has the developing plan and encouraging the employees for trainings, continue observe activities with both of Thailand and abroad institution for learning of the technology for the employee, up to date management system and adapt to use for the efficiency operation.

5. Master's degree Scholarship that required by the organization such as printing technology for developing the employees' knowledges and support the growth of the Company in the future.

Operations as regards Safety, Occupational Health and Environment at Workplace

Efficient safety operations are considered a shield in preventing any impact that may occur to the staff, communities and environment. Moreover, it controls and reduces any loss the Company may experience. The Company operates in accordance with the efficient management process regarding safety, occupational health, and environment at the workplace under the standard safety and occupational health management system called TIS/OHSAS18001. The Company has adapted this framework to suit the operations of the organization in order to elevate work concerning safety in parallel with the Company's business operations.

Throughout 2016, the Company prioritized safety operations by stipulating the safety principles so as to create the safety culture and behaviour of employees, and to operate to ensure the increase in awareness among staff as follows:

1. Management considers and reviews new safety Principle to cover msk that will be complied legal as well as to have sustainable social responsibility

2. Conducting basic safety training for staff and business partners prior to work operations, training in safe driving, first-aid, basic fire fighting, safety in electricity-related tasks, as stipulated by law.

3. Communicating with staff from every level on a regular basis through the announcement board, safety journals, safety contact and KYT prior to every operation or meeting, etc.

4. Assessing risk at work, and carrying out the safety observation program for employees to take part in considering if work operations are safe enough or not.

5. Organizing activities promoting safety such as Safety Day, and suggestions for safety.



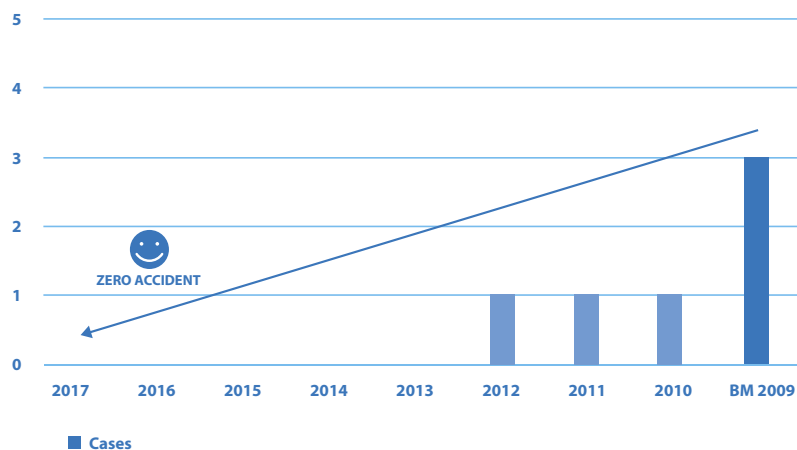
Activity "Campaign to Safety driving at festival."



ZERO ACCIDENT Activity "No accidents leading to absence from work for five consecutive years" To encourage for creation of company's safe culture to be stable and continuously.

Owing to the attention to the safety of employees at work as well as the development of the safety system of machines, throughout 2017, employees were able to perform their tasks safely without grave incidents leading to absence from work for five consecutive years. There were one incidents that occurred during operations; however, none of them led to absence from work. Regarding this matter, the Company has provided solution measures to prevent any unsafe incidents from recurring. At present, not only does the Company focus on accidents caused by work, but it also takes care of staff having accidents outside the workplace in order to ensure safety for employees both within and outside working hours. The Company has received the Outstanding Award for Safety, Occupational Health and Working Environment at the national level from the Department of Labour Protection and Welfare, the Ministry of Labour, for six consecutive years.

Loss time accidents



Environmental Operations

The Company focus on operating within and preserving the environment, the Company has obtained Green Industry Certification Level 3 and is moving towards Level 4. In 2016, to create a green culture, the Company is determined to build awareness among employees about the environment such as the construction of safety culture, energy preservation, reduction in the use of paper and recycling, as well as the use of recycled materials. Further to this, the Company manages pollution discharged externally as follows:

Management of Waste and Materials No Longer in Use

The Company managed the waste produced during the printing process with a zero waste to landfill approach – sending waste to be disposed externally by a company with a legal license only. In 2017, 32 tons of hazardous waste was burnt in the incinerator, and 365 tons of non-hazardous waste was separated and reused.

The Company also promotes the 3Rs practice guidelines by reducing the use of paper, recycling, and choosing recycled materials.

Wastewater Treatment

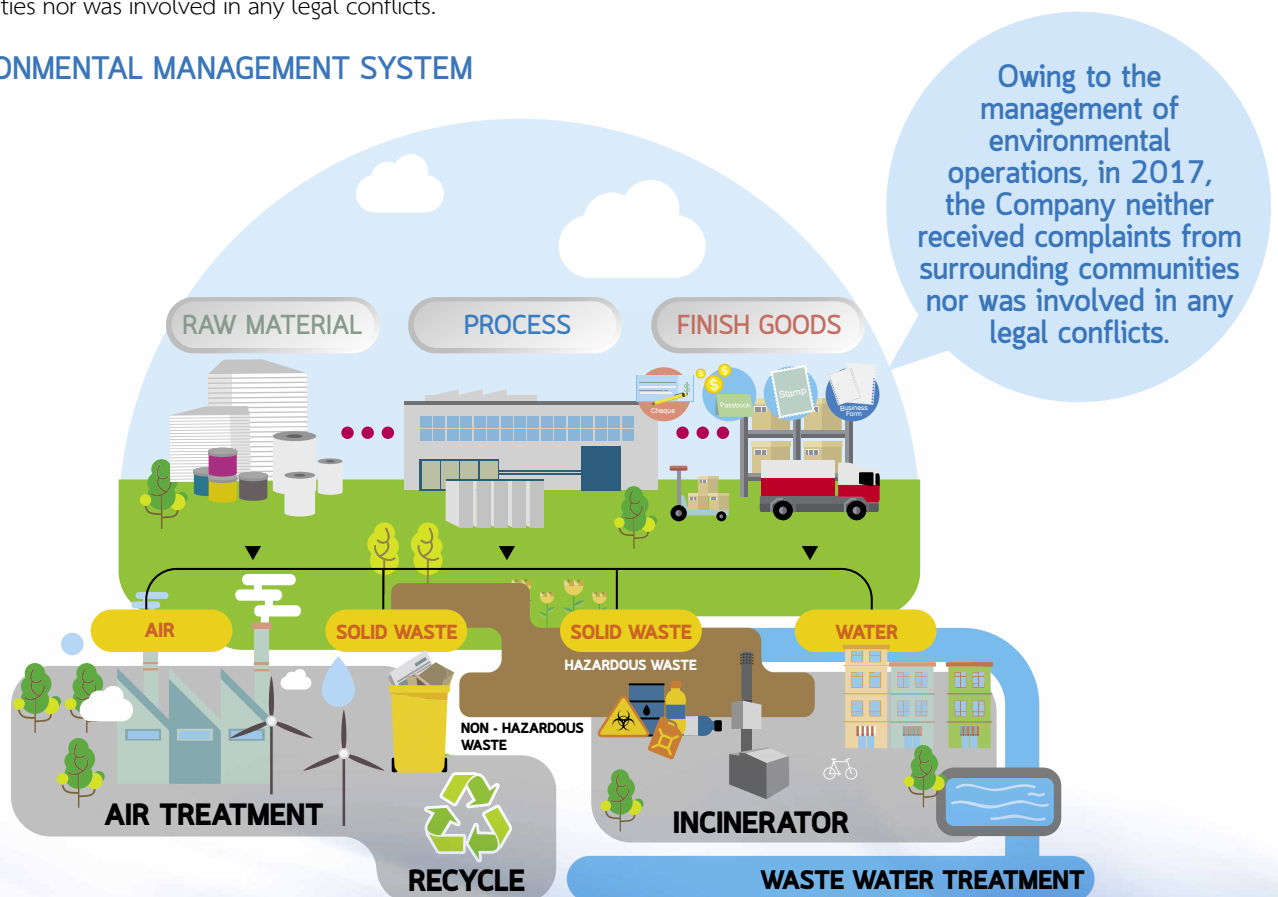
The Company places importance on systematic operations and management, and prevention guidelines for spills and leaks of chemicals, waste disposal, discharge of waste causing pollution to water and air, as stipulated by the law. The high quality wastewater treatment measures the values of the water that has been treated on a monthly basis. The air treatment system is set up to filter vapour from chemicals before being discharged externally.

Management of Pollution through an Air-Vent Pipe

The Company carries out close follow-up, examination and control of pollution discharged from the factory. The activated carbon air treatment system is installed to reduce chemical amounts, and get rid of the odour of chemical substances during the manufacturing process. The value of dust released into the environment is measured and then compared to the standard value in use from the notification of the Ministry of Industry. In 2017, the results showed that the value of dust emitted to the environment was not over the specified standard value.

Owing to the management of environmental operations, in 2017, the Company neither received complaints from surrounding communities nor was involved in any legal conflicts.

ENVIRONMENTAL MANAGEMENT SYSTEM



Growing pesticide-free vegetables and bio-extracts

According to the operation of Fermented Bio-Extracts Project for TBSP from 2014 – present, there were 2 formulas of fermented bio-extract including Soil Nourishing and Wastewater Treatment that were demonstrated to communities and employees. In the following year, fermented bio-extract was further developed as fermented bio-fertilizer for higher efficiency by fermenting fermented bio-extract with soil for appropriate period in order to obtain appropriate microorganism for transforming as fermented bio-fertilizer. Subsequently, the results were expanded by applying to “the 1st and 2nd year of Pesticide Free Vegetables Growing and Fermented Bio-Fertilizer Project” in order to exchange leaning on D.I.Y. fermented bio-extract and to respond to demands of employees that are expanded continuously. Moreover, employees also express their unity and mutually spend their spare time with one another. In addition, this activity is also a part of Green Industry Project that has already been reached Level 4 (Green Culture).



Guidelines on Sustainable Energy Management

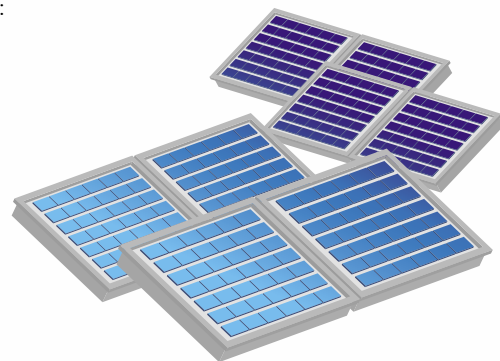
The Company still realizes on importance of energy conservation consecutively. Besides establishing Energy Conservative Committee with the objective to control energy consumption in factories, the Company also publicizes knowledge and understanding on energy to employees in order to make them aware and consume energy worthily in workplace and their houses. In 2017, the Company invested in the following activities to reduce energy consumption:

1. Install solar cells and change size of 5 Kw. to be 20 Kw. in order to transform solar energy to be electrical power.
2. Install additional LED bulbs in required areas and replace over than 400 degenerated TB bulbs
3. Improve Air conditions based on Printing Area Policy is as follows:

- Install new air-conditioners with Inverter as well as improve former air-conditioners with Sheller system for higher efficiency on cooling and temperature control.
- Insulate cooling pipe of air-conditioners in order to improve capability on cooling of air-conditioners to be more efficient and reduce energy consumption.
- Replace Loading doors at the Department of Book Bank Production with High speed Shutter doors for lowing heat and workload of air-conditioners.

Moreover, there were also other activities, for example, installing AIR COM in order to prevent heat at Air Pump Building as well as to improve efficiency of air pump and convenience.

From the above activities, consumption of electrical power was also lower in 2017 calculated to be 1.67 million baht or 27%.



Social activities carried out in accordance with the operational plan in 2017

In 2017, the Company organized activities covering the areas of economy, society, and environment as follows:

Economy

• Supporting education

The Company provides continued support on scholarships for students in communities, considering students with good school records and behaviour, and public-mindedness but lack of money. There are 36 scholarships given out to students, each of which is worth 4,000 baht, totalling 144,000 baht.



• Supporting income for employees and communities

The Company establishes a project to promote additional income for promoting learning and occupational skills for earning additional income by teaching wickerwork from nipa palm as well as for learning exchange. Natural materials in local area were created as household products that could give more income. In addition, some lecturers were also invited from Ban Duan Nok Community including Mrs. Bamrung Pulsawat and Mr. Pien Pulkij, persons who initiated wickerwork from nipa palm that is selected as OTOP product of Samut Prakan. They were invited to provide some suggestions and teach employees, business partners, and community how to make basket from nipa palm in order to develop living of community continuously. Moreover, in every quarter, the Company holds community weekend market activity by selling products from surrounding communities to employees for supporting income circulation in communities and OTOP products. For this year, Female Weavers Group of Baan Bunglert in Moei Wadi District, Roi Et Province, was supported to make some souvenirs for the Company as the special gifts for our customers helping to provide them income leading to sustainable society.

• Held the community market	165,702	baht
• Supply souvenirs for the customers	401,110	baht
• Provide shuttle buses from surrounding communities	280,800	baht
• Canteen in our factory	2,112,000	baht

Society

• Supporting Social Activities

The Company donated the amount of 10,000 baht (ten thousand baht only) to purchase spare parts of wheelchairs for Thai with Disability Foundation in order to express our sympathy to underprivileged people and our good intention to share for this society. Moreover, the Company and all employees also donated money in the amount of 23,000 baht to Thai Red Cross Society for helping victims of flood occurred in the northeastern part of Thailand in July 2017.

• Promoting the contribution of tradition

The Company participated in offering candles to monks for using during lent period and Kathin ceremony of 2017. Management, employees, and communities mutually offered candles and alms to monks for using during lent period and participated in Kathin Ceremony for inheriting Thai tradition and donating to build a two-story multifunctional building as classrooms and canteen for monks. Moreover, employees mutually donated to build an almshouse at Wat Bang Prong Temple in Bang Prong Sub-District, Mueang Samut Prakan District, Samut Prakan Province.



Environment

- **Preserving and Growing Mangrove Forest Project with the Bangpu Industrial Estate Office**

The Company participated in mangrove forest restoration and conservation project with the Office of Bangpoo Industrial Estate with cooperation from juveniles, students, local people, public sector, and private sector to pick up waste and garbage around the dam area of Bangpu Nature Education Center. In addition, we also painted and renovated the bridge as well as improved its landscape (trees cutting) at Bangpu Nature Education Center Nature that is the rest area of Quatermaster Department of Royal Thai Army located in Bangpu Mai Sub-District, Muang District, Samut Prakan Province. The Company always participate in these activities annually.

- **“Shred2Share : Safety Information, Care for Society and Environment”**

Shred2Share Project is under InfoSAFE services for storing and destroying important documents systematically under international security standard. This project was mutually held with over 63 leading organizations that were Company's



partners in order to sponsor some instructional equipment, sports equipment, student uniforms, and useful books to underprivileged schools under Development Project for Children and Youth in Remote Areas under the royal initiative of Her Royal Highness Princess Maha Chakri Sirindhorn consisted of police patrol schools and 7 schools under Office of the Basic Education Commission (OBEC).

The Company has operated this Shred2Share Project for 9 years (2008 -2017). In 2017, besides sponsoring instructional media to students of police patrol schools, the Company also brought 45 representatives of students and teachers from Kanchanaburi Police Patrol School to participate in “Follow the King with Shred2Share” activity in order to continue His

majesty the King Bhumibol's intention and promote agricultural learning based on self-Sufficiency as the guidelines of living at The Golden Jubilee Museum of Agricultural Office (Public Organization) located at Khlong Nueng Sub-District, Khlong Luang District, Pathum Thani Province. In addition, all students also participated in some creative activities for practical learning including watching a 3D movie on Father in Our Home, learning from museum, and practicing a sufficiency agricultural activity by propagating plants, etc.

From operating those projects, the Company participated in reducing environmental effects by destroying paper correctly. In 2017, the Company was able to destroy 3,304 tons of documents that could reduce the following environmental effects:

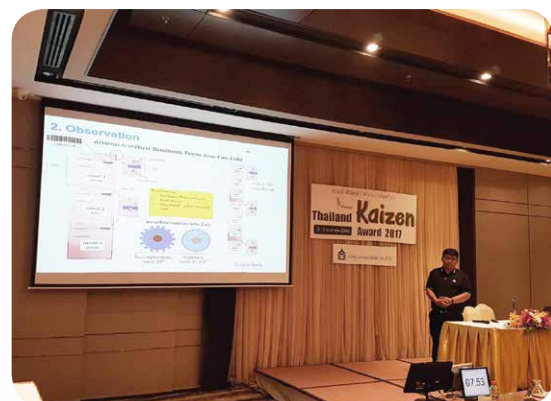
- Reducing the emissions of carbon dioxide 4,500 tons.
- Reducing the consumption of coal 1,094 kilograms.
- Reducing the consumption of water 865,354 cubic meters



Innovation and Dissemination of Innovation

With the effort and determination to be a manufacturer of security printing at the ASEAN level, the Company has continually enhanced and developed innovative products and services in order to meet customers' needs to the maximum. Furthermore, the Company provides support and drives forward every agency in being active in developing products, improving work procedures, as well as ensuring the utmost efficiency of the manufacturing process. All these activities accordingly encourage staff to take part in creating work through the small group activities as seen in the example of:

"Innovation of gluing two consecutive pages in a single round" to achieve the maximum efficiency of production, the engineering team invented and improved the new operating process and control system of a gluing machine from gluing one page at a time to two pages in a single round. Such operation reduces the working period and workforce with 50% more productivity without the expense of a new highly priced machine. Further to this, energy consumption is decreased, equalling the acquired benefits of 1.32 million baht a year. This innovation also allows for the prompt response to customers' needs.



Owing to this innovation, the Company was selected as a representative to join the Thailand Kaizen Award 2017 and the Company was able to pass the presentation round.

Moreover, with the employees' effort to improve our employees' works continuously and the Company had an opportunity to present our innovation in SCG Kaizen Day 2017. Our innovation was improving works for reducing auditing while improving speed of manufacturing machines of book bank products. The Company also had another opportunity to present 3 innovations in SCG OE Award 2017 including reduction of sticker labeling, reduction of wastes caused by Road Tax production process, and reduction of risks caused by disbursement of plastic cards among departments (space shuttle).

11

Internal control and Risk Management

The Company establishes the vision of being the leader in international level on providing and producing quality service services and products in order to prevent forgery by focusing on business development, producing new products for supporting the future market' tendency, developing and building additional value of products, providing services that are beyond customer's expectation, driving and expanding customer base in Thailand and other countries, improving efficiency on Supply Chain Management for enhancing competitive capabilities, upgrading employees' potential to be in accordance with the Company's policy and direction, and promoting social and environmental responsibilities. To become the leading organization, the Company must have the efficient and effective corporate governance, risk management and internal control systems that comply with the internal standards in terms of best practices and information technology. The Company has set up the Audit Committee who oversees the corporate governance policy; including risk management, internal control and internal audit which are consistent with the international standards as follows:

- **Corporate Governance** reference organizations: Organization for Economic Co-operation and Development (OECD)/ Stock Exchange of Thailand (SET)/Thai Institute of Directors Association (IOD)
- **Risk Management** reference standards: COSO Enterprise Risk Management/ ISO 31000
- **Legal and Regulatory** reference to relevant laws and regulations/policies and Compliance procedures
- **Internal Control** reference standards: COSO Internal Control Framework 2013/COBIT

The Board of Directors, the Audit Committee, and the Management have committed that the Company's internal control system to comply with COSO Internal Control Framework 2013(COSO: The Committee of Sponsoring Organization of Tread way Commission). In this regard, the Internal Auditor assessed the adequacy of the Company's Internal Control system according to the Securities and Exchange Commission's assessment form (SEC) and submitted the results to the Management and the Audit Committee for consideration and approval prior reporting to the Company's the Board of Directors meeting no. 1/2018 on February 20, 2018. The meeting was attended by two member of Audit Committee.

The Company's Board of Directors considered all items in the assessment form and further inquired for more information form the Audit Committee, the management and Internal Audit Officer. By the consideration, the Company has adequacy and effectiveness of internal control system for the Company's operations in compliance with law, regulations, policies and procedures; safeguarding of assets, and efficiency for sources utilization. There was no material deficiency found in internal control system.

The Company's Management, supervisors and all employees have been well aware of their roles on corporate governance, risk management and internal control. The Board of Directors considered that the Company has sufficient number of personnel for the system's implementation coupled with adequate internal control systems for monitoring of the subsidiaries operations, the safeguarding of the Company's and its subsidiaries assets against the misuse or unauthorized act by directors or executives, and against transactions with persons of potential conflicts and connected persons.

The Company's management; by delegated from the Board of Directors, have developed various tools in response to constantly changing risks over the time, to ensure proactive preventive measures for the Company's operations. In 2016, the Management approved the relevant governance/internal control principles or tools as follows:

1. Proactive Preventive System

The significant factor which enables the Company to achieve the goals and be sustainable is “employees” who stand for integrity and be ethical in practice to promote moral ethics in workplace. The Company has set proactive preventive system including:

- 1.1 “Ethics e-testing Phase II”: for encouraging employees to learn, build awareness, and put moral, ethics, the Company’s code of conduct and Anti-corruption policy into daily practice. In 2017, this activity was held as the second year and every employee of the Company has already passed by 100% passed score.
- 1.2 Risk Management and Internal Control Responsibilities through “The Three Lines of Defense” model (widely accepted in the international standard): The Company promotes and drives the operators and supervisors of the Company/unit (First Line), supporting units (Second Line), and Internal Audit Unit (Third Line). The Company reinforces awareness in various formats, for example, assigning First Line of the Company to communicate with employees and holding some workshops for execution.
- 1.3 Sharing cases study in areas of fraud and non-compliance with laws and regulations, policies and procedures and code of conduct: for communication to every employee and prevention of repeated cases.

2. Control Self-Assessment

The Audit Committee, as the supervisor on the effectiveness of internal control, supports Control Self-Assessment in order to enable business to create the concept of risk prevention that is always changed. The Company has been operating this concept for a period under the consistency with the Internal Control Framework of COSO 2013. The Internal Auditor has already considered on the practice for being the consultant for the 2nd Line and the 1st Line for evaluating business risk, evaluating adequacy and effectiveness of audit control system, as well as sharing success cases.

3. Whistleblower System

The Company continuously develops Whistleblower System for employees and other stakeholders as a channel to report non-compliance with corporate governance, code of conduct, rules, regulations, laws, and Anti-corruption policy, included fraudulent acts. The Company’s employees can report via the Company’s Intranet while other stakeholders report via www.tbsp.co.th or provide the written complaint via e-mail/mail or comment box. The Company defines the operational process after receiving any complaint clearly started from secrete investigation to establishment of investigation working group, establishment of investigation committee, consideration and approval on punishment, and report on results of complaint. Moreover, the complainer is able to follow-up the result of his/

her complaint via the system helping to promote moral business operation and sustainable development. The system’s security is closely monitored and maintained by the Internal Audit Office through the use of two steps password verification and a separate server from other operations. These measures help to ensure data security and prevent data leakage.

Internal Audit

The Audit Committee oversees the operation of Internal Auditor that provide independent impartial ethical and expert in line with the International Standard for Professional Internal Audit Practice (The Institute of Internal Auditors: IIA). The Audit Committee Charter and the Internal Audit Office Charter clearly stated the missions, scope of work, authority, duties, and responsibilities, as well as auditing guidelines which would be reviewed annually for any update.

The Internal Audit Office is not only perform auditing planning by consideration of related risk based audit plan, but has continually developed audit project by emphasizing proactive and preventive system’s setting up for the Company’s value creation for the Company.

1. Creating Sustainable High Value Services

1.1 Encourage Three Lines of Defense Model

Creating awareness, encouraging risk management and internal control responsibilities through “The Three Lines of Defense” model by communicating and conducting workshop to the management, supervisors and employees to understand their roles, as well as work in collaborate with business-enabling & supporting functions (Second Line) e.g. Risk Management function, Compliance function and Business Self Audit team for integrated work and exchange internal control perspectives to add value to the Company

1.2 Assessment of Internal Control Effectiveness according to COSO 2013

The assessment of the Company’s internal control efficiency and effectiveness is in agreement with COSO 2013 to reach 3 objectives, composed of operations, reporting and compliance. This also corresponds to Adequacy of Internal Control Assessment form raised by the Securities and Exchange Commission (SEC). The assessment’s result is submitted to the Audit Committee and the Company’s Board of Directors for consideration prior disclose in the Annual Report and Annual Registration Statement (Form 56-1).

1.3 Anti-Corruption

The Company has been focusing on operating business with transparency and fairness and the Company also declares the Anti-Corruption Policy officially to outsiders and communicates to all employees in all levels as well as asks for cooperation on strict compliance.

2. Evaluation of the Internal Auditor's Performance

2.1 The Internal Auditor set criteria for auditees/ business units' satisfaction evaluation to ensure effective audit performance in accordance with the internal audit policy and plan. The Key Performance Indicators (KPIs) for assurance service was set no less than 85% whereby the 2017 performance result showed 93% satisfaction level. The outcomes were presented to the Audit Committee on a quarterly basis for future improvement.

3. Developing Auditor's Competencies

To promote professional and business competent for internal auditors, the Internal Audit Office performed as follows:

3.1 Developing Internal Audit Global Knowledge

- Keep track on best practices in good corporate governance, risk management, and internal controls among leading audit professional institutes both locally and international.
- Encourage the internal auditors' development through continuous training both internally and externally

3.2 Development of Business Knowledge

- Enhance internal auditors' business acumen by inviting experts from each business unit and external experts to share and discuss on current business trend and major business changes for auditors to better assess risks and to provide practical advisory.

3.3 Soft Side Development

The Company provides a Soft Side Training Program for developing concept, changing belief framework, reducing fear, and developing to new concept helping to drive self-potential for the ultimate benefit leading to self-improvement planning for being successful on personal life and work life.

Risk Management

Risk management is a key process contributing to the attainment of the Company's objectives and goals. The more future risks the Company can identify, the lower impact to the business and the more new business opportunities. In addition, the effective risk management is a key component of the investment decision, all of which will lead to value added for the organization, shareholders, and other stakeholders, as well as contributed for the Company's sustainable growth.

Risk Management Framework

The Company's Enterprise Risk Management Framework has been revamped to keep it current and more aligned with international standards. The framework will create a risk culture that ultimately helps add values to the entire value chain by ensuring timely response to ever-changing business with training and communication among employees and related department for their acknowledgement and implementation. Moreover, the objective and Risk Appetite has been defined more clearly for the risk management to be in the same direction and presented in form of Risk Dashboard defining the level of the risk: high / medium / low and provide the solution to the Management, the Audit Committee, and the Board of Directors

Board of Director/ Audit Committee/ Executive Committee

The Company's Risk Management Committee, consisting of the Management from every divisions, is responsible for risk management process, defining business strategies that associated with the Company's vision, mission, and objective, as well as controlling, monitoring and based on Risk Assessment Standard, and complying with the Charter of the Audit Committee to assess the Risk Management independently. Focusing on most efficiency and aware to determine the Risk Warning Signal or Red Flag for following up that have any risk more than acceptable risk or not, and taking the strategies into the action, following the situation that may impact the objection that affecting to the business. Additionally, the Executive Committee is responsible for consideration of strategy for the Risk management approach to response to the risks accurately in time.





Risk Management Committee

The Company has the Risk Management Committee consisting of the Management from every divisions, is responsible for risk management process, defining business strategies that associated with the Company's vision, mission, and objective, as well as controlling, monitoring and following-up risk management at the acceptable level. More importantly, the Management combines risk management as a part of work performance in developing risk awareness culture. The Managing Director is responsible for reporting risk management's results on a quarterly basis to the Executive Committee and the Board of Directors. The risk owners are responsible for risk management, taking the strategies into the action, following the situation that may impact the objection, assessing the risk analysis, as well as defines measures to reduce the risks that affecting to the business.

The Internal Auditor

The Internal Audit Officer is responsible for monitoring, assessing, and consulting the effective and efficiency risk management system in accordance with the charter of the Internal Audit Office which has been approved by the Audit Committee as well as encouraging the Company's risk management to the international standards that can identify the significant risks, risk warning signals and able to manage risk effectively then report the assessing result to the Audit Committee for consideration and communicate any suggestions or comments from the Audit Committee to the risk owners and the operators for better improvement of the Company's risk management process.

Risk Management Process

The Company defines risk management framework that covers all risks that could potentially impact the business performance. The risks are categorized into eight categories for easy understanding and practice as follows: (1) Safety, Health and Environment Risk (2) Compliance Risk (3) Reputation and Intellectual Property Risk (4) Hazard Risk (5) Input Risk (6) Process Risk (7) Financial Risk and (8) Business Environment Risk. In addition, all eight risk universes have been adapted in managing investment project risk and strategic risk with the objective of compiling and improving medium-term plans and annual plans to be in line and up-to-date with changing risk.



Risk Assessment Methods

The Company established common risk metrics to standardize assessment methodology across the organization. Risk owners use various tools (e.g. scenario analysis, correlation analysis, and benchmarking) to assess the likelihood, severity, and manageability of risk. The assessment results are then compared with specified risk limits, which are devised in accordance with risk appetite. If the risk owners finds that the residual risk is over the risk limit, they have to specify the measures to solve and manage and report to the Management for acknowledgement until the risk is at an acceptable level. The company disclosed key risks and management strategies in the topic of risk factors.

Risk Management Culture

The Company regards the risk culture as a critical component of the success of risk management, even with leading risk management tools and standards. If parties within the Company do not share a similar understanding of the risk management framework or risk appetite, or possess mindsets which are not in accordance with the Company's risk management guidelines, erroneous decision-making can arise. The Company has, therefore, established guidelines for building a corporate risk culture as follows:

- Communicate messages from the “tone at the top” regarding the significance of risk management, with executives as role models in risk management.
- Develop risk management system that create value to the Company by keep following-up and improving for the better risk management system
 - Enable practical application at work by defining the common language, risk appetite, and risk assessment system.
 - Specify roles and accountabilities of each risk owner.
 - Establish mutual agreement among key stakeholders through the periodic meeting/interviews/ and the request.
 - Conduct risk management system for investment project, business annual plan, and medium-long term plan.
 - Prescribe risk as an agenda item of major meetings at each company.
 - Designate risk management as a component of employee training and development programs.



12

Related Transactions

The Board of Directors emphasizes the need for careful review and consideration before granting approval for connected transactions, related transactions or transactions that may cause conflict of interest. The Company and its subsidiaries made the following related transactions among themselves or with individuals or juristic persons (for more details, please refer to Notes to the Financial Statement)

Individual/ juristic person	Relationship	Nature of transaction	Value (million Baht)		Necessity and accountability
			2017	2016	
The Siam Cement Public Company Limited*	Ultimate parent of the Group	- Sale of goods or rendering of services - Purchases of raw materials - Service fee	- - -	- - -	- According to the evaluation by the Audit Committee and executives, the terms and prices were normal business practices and comparable to the same transactions with outsiders.
SCG Packaging Public Company Limited	Major shareholder, 17.79%	- Sale of goods or rendering of services - Service fee	- -	- -	- According to the evaluation by the Audit Committee and executives, the terms and prices were normal business practices and comparable to the same transactions with outsiders.
Other companies*	Subsidiaries of The Siam Cement Public Company Limited	- Sale of goods or rendering of services - Purchases of raw materials - Service fee - Directors' remuneration	98.7 50.3 38.0 3.8	113.6 71.4 28.3 3.4	- According to the evaluation by the Audit Committee and executives, the terms and prices were normal business practices and comparable to the same transactions with outsiders. - The General Meeting of Shareholders held approved the remuneration of the director and sub-committees of the Company.

Note : *Significant transactions with The Siam Cement Public Company Limited and its subsidiaries during 1 January 2015 to 20 November 2015. Significant transactions from 21 November 2015 to 31 December 2015 and for the year 2016 are presented in other companies.

Relationships with related parties were as follows:

Name of entities	Country of Incorporation/nationality	Nature of relationships
Miss Sutida Mongkolsuthree	Thailand	The major shareholder, 32.00% shareholding
T.K.S. Technologies Public Company Limited	Thailand	The shareholder, 19.89% shareholding
Thai British DPost Co., Ltd.	Thailand	A subsidiary, 99.99% shareholding
Thai British Security Printing Overseas Co., Ltd.	Thailand	A subsidiary, 99.99% shareholding
Mongkolsuthree Holding Co., Ltd.	Thailand	The representative as board of directors
Synnex (Thailand) Public Company Limited	Thailand	The representative as board of directors
T.K.S. Siampress Management Co., Ltd.	Thailand	The representative as board of directors
TITEC Co., Ltd.	Thailand	The representative as board of directors
The Siam Cement Public Company Limited*	Thailand	The parent of SCG Packaging Public Company Limited
SCG Packaging Public Company Limited	Thailand	The major shareholder, 17.79% shareholding and has the representative as board of directors

Name of entities	Country of Incorporation/nationality	Nature of relationships
Thai Plastic and Chemicals Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Performance Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Nawaplastic Industries (Saraburi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Polyolefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Stabilizers and Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Plastics Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG ICO Polymers Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Lampang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Thung Song) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
ECO Plant Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Concrete Products and Aggregate Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Q Mix Supply Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Fiberglass Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai-German Ceramic Industry Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Quality Construction Products Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Ceramic Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cement Thai Ceramics Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Ceramic Roof Tile Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Landscape Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG-Sekisui Sales Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Tip Fibre-Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Saraburirat Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cement Thai Home Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement-Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkhai) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Sanitary Fittings Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Sourcing Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Experience Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Philippines Inc.	Philippines	A subsidiary of The Siam Cement Public Company Limited
SCG Accounting Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Dhara Pipe Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
CTO Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cement Thai Holding Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cement Thai Property (2001) Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Skills Development Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Forestry Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Siam Cellulose Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Paper Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Union Paper Public Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited
Siam Kraft Industry Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Phoenix Pulp & Paper Public Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited

Name of entities	Country of Incorporation/nationality	Nature of relationships
Thai Cane Paper Public Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Containers Group Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Containers Rayong Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Containers Khonkaen Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Invenique Ltd (formerly name InfoZafe Co., Ltd.)	Thailand	A subsidiary of SCG Packaging Public Company Limited
SCGP Excellence Training Center Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Tawana Container Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
MTP HPPO Manufacturing Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Mitsui PTA Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Grand Siam Composites Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Synthetic Latex Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai MMA Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Styrene Monomer Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai Prosperity Terminal Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Yamato Steel Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Toppa Packaging Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Siam Nippon Industrial Paper Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited

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

Transactions

Sale of goods or rendering of services
Purchases of raw materials or services
Rental income
Other income
Service income
Dividends

Pricing policies

Market price
Market price
Contractually agreed price equivalent to market prices
Market price
Contractually agreed price
Announced rate

Necessity and accountability of the transactions

The related transactions were necessary and accountable and were done in the best interests of the Company. The Audit Committee was of the opinion that they were in line with common business practices and consistent with what was offered to other customers, and that the Company received and paid compensations at fair market prices.

Measures or procedures of approving related party transactions

Parties are considered to be related to the Group if the Group 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 Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In doing business or performing duties related to such matters, all employees and parties concerned are required to comply with the law, the rules and regulations of government agencies, as well as the rules of SCG in addition to any criteria or conditions prescribed by local communities.

The Company has specified guidelines and procedures on how to consider the granting of approval for connected transactions, related transactions or transactions with potential conflict of interest, to ensure the Company's best interests and in accordance with rules and regulations as prescribed by law. The directors and management shall disclose to the Company in advance whether they hold any stakes involving potential conflict of interest. The Company, in turn, shall consider the appropriateness of any transaction, and in cases where such transactions need approval in accordance with regulations and procedures prescribed by law, the management shall propose such matters to the Board of Directors or at the Shareholders' Meetings, and shall disclose the information to investors in a transparent manner. Under no circumstances shall the directors or management concerned be allowed to participate in the process of considering approval. However, in accordance with the Company Code of Conduct and Company Corporate Governance Policy, the Company has revised its Stakeholder Engagement Policy, making it clearer. Transactions will be based on a market price mechanism, which is a standard and efficient tool used throughout the Company's business operations.

13

Management Discussion and Analysis

Operating Results and Financial Status of the Company and Subsidiaries

Overview of operating results

Regarding the development of technology that come to play an important role in facilitating the convenience of communication, business operation, and consumers' activities. As the result, most companies are focusing on the development of its information technology systems to respond to the change of consumers' behavior that has tendency to adopt using electronic system. The digital economy policy by government has a direct impact on the printing company, the Company that operates in the security printing business aware of this business risk. Therefore, the Company designed the operating policy on the business adaption for the sustainable growth.

In the year 2017, the market still saw continued fierce competition due to the clients' policy in decreasing the operational cost. Nonetheless, the Company continued to emphasize the improvement of internal management so as to strengthen competence in providing services on a regular basis in terms of cost, productivity and quality as well as the development of products and services and the expansion to other countries resulted in the operating results of the Company and its subsidiaries in 2017, therefore, rose, with the sales volume totaling 1,333 million Baht, a 91 million Baht increase or a 7% rise, and the net profit accumulating to 100 million Baht, a 13 million Baht rise or an 15% increase compared to 2016.

Products	Income (Baht'000)			Portion(%)		
	2017	2016	2015	2017	2016	2015
Cheques and security documents	363,188	405,358	362,003	27.24%	32.64%	32.74%
Plastic cards	360,282	227,192	206,737	27.02%	18.30%	18.69%
Business forms and commercial printing documents	97,285	274,381	272,054	7.30%	22.09%	24.60%
Others (trading, service, and export sale)	512,423	334,952	265,079	38.44%	26.97%	23.97%
Total	1,333,178	1,241,884	1,105,873	100.00%	100.00%	100.00%

Revenue from the sales of cheque and security documents

The Company earned revenue from selling cheque and security documents totaling 363 million Baht, decreased by 42 million Baht or 10% as a result from the economy expansion and special project which is Football Euro Postcard.

Revenue from the sales of plastic cards

The Company earned revenue from selling plastic cards totaling 360 million Baht, increase by 133 million Baht or 59%. The main factor is from the Company receiving the right to manufacture Welfare Cards which volume of demand for more 12 million cards. In addition, the increasing of the number for electronic payment devices at the shop is increased. As a result, consumers are becoming payment via e-Payment are increase.

Revenue from business forms and commercial printing documents

The Company earned revenue from selling business forms and commercial printing documents totaling 97 million Baht, decreased by 177 million Baht or 65% as a result from the changing in the form of using products by adopting technology in replacement and the Company's adjustment of proportion policy as a result revenue decreased.

Revenue from trading, service, and export sale

The Company earned revenue from trading, service, and export sale totaling 512 million Baht, increase by 177 million Baht or 53% as a result from the Company's aggressive policy. Revenue from trading, service and export sale consists of revenue from trading business, revenue from provision of various services such as customized printing and mailing service, technical and business solutions consultancy services, data management, form, stationary and equipment solution, international standard document storage and shading services. The expansion of new business in to data management services business and integrated security management, as well as revenue from export from the expansion of service and market in foreign countries. Especially in ASEAN the market can continue to expand.

Financial Status

Total Assets

The Company and its subsidiaries has, as at December 31, 2017, total assets of 1,023 million Baht, a 26% increases from the previous year. The majority of assets of 49% of Property, plant and equipment, 24% of trade and other receivables, 15% of inventory, 3% of cash and cash equivalents, and 9% of other assets.

Property, plant and equipment equaled 506 million Baht, increase of 93 million Baht or 23% from the previous year owing to the investment in machines and equipment in order to strengthen productivity and more efficient quality control.

The Company has trade and other receivables equaled 247 million Baht, an increase of 12 million Baht or 5% from the year before. By more than 87% are trade receivable which the average of collection period is 63 days. Normally the credit term to customers have a period from 30 days to 105 days.

The Company's accounts receivable with payment overdue following the 12 months period equaled 3 million Baht whereby the allowance for doubtful accounts was set for 3 million Baht.

The Company's inventory was equivalent to 156 million Baht, decrease of 8 million Baht or 5% compared to the previous year which consists of 17% of finish goods, 13% of work in process, and 70% of raw material consume spare part, thus the increase of inventory came from the raw material that has been reserved for supporting the customer's production.

As regards the policy designating the allowance for obsolete inventory, the Company will examine the existence of and select the stocks for raw materials, spare parts and supplies, finished goods and semi manufactured goods in the warehouse. In cases where there is no movement of inventory items and the items can no longer be used, the Company will reserve an obsolete inventory allowance according to accounting standards.

Cash and cash equivalents equaled 30 million Baht, a decrease of 101 million Baht or 77% from the previous year due to investment in machines and the dividend payment.

Total Liabilities

Total liabilities at the end of 2017 was equivalent to 360 million Baht, an increase of 3 million Baht or 1% from the previous year, mainly due to an decreased in short-term loans equaling 55 million Baht, and the average interest rate is 2.27% to 3.39% per annum. Trade payables decreased by 24 million Baht, and increase in long-term loans equaling 85 Million Baht, and the average interest rate is 2.11% to 5.52% per annual.

Equity

On 31 December 2017, the Company had Total equity attributable to owners of the parent of 644 million Baht, an increase of 22 million Baht or 4% compared to the same period of the previous year at 622 million Baht due to the Company's annual payment of dividends worth 57.75 million Baht. And pay



an interim dividend for the year 2017 of 16.5 million Baht with the net profit attributable to the major shareholder in 2017 is 100 million Baht.

At the Annual General Meeting of Shareholders of the company held on 20 April 2017, the shareholders approved the appropriation of dividends of 0.525 Baht per share, amounting to 57.75 million Baht. The dividends were paid to shareholders on May 17, 2017

At the Board of Directors' Meeting of the Company held on August 3 2017, The Board of Directors approved the interim dividend payment for the first half of 2017 at the rate 0.15 Baht per share and totaling amount 16.50 million Baht. This dividend had been paid to the shareholders on September 1, 2017.

Liquidity

As for 2017, the Company's net cash flow acquired from the operating activities amounted to 159 million Baht, net cash flow from financing activities amounted to 62 million Baht, and net cash flow from investing activities amounted to 199 million Baht which the majority of its came from the purchasing of machinery and equipment. Hence, cash and cash equivalents as at December 31, 2017 amounted to 30 million Baht.

Analysis of Significant Financial Ratios

Liquidity Ratio

The customer ratio of 2017 was double compared to that of the previous year at 1.96 and quick ratio was 1.21 same as the previous year with the cash cycle of 87 days. The current assets decreased by 102 million baht and current liabilities decreased by 51 million baht due to decrease of short-term loans from banks, account payables, and other creditors.

Receivable Turnover Ratio was 6.48 times that decreased from that of the previous year at 6.82 times, whereas, average Collection Cycle was 56 days that increased compared to that of the previous year at 53 days.

Inventory Turnover ratio was 6.48 times that decreased from the previous year at 33.32 times. Average Sales Cycle was 56 days.

Payable Turnover ratio of 2017 was 25.97 times that increased from the previous year at 10.41 times. Average Payment Cycle of 2017 was 26 days that decreased from the previous year at 35 days.

Profitability Ratio

The gross profit margin in 2017 was 24%, an increase from 21% in the previous year, due to higher net sales and the improvement of internal management which consists of cost, productive efficiency and quality of product.

The net profit margin in 2017 was 8%, an increase from 7% of the year before, due to a rise in gross profit, and the improvement of internal management which consists of cost, productive efficiency and quality of product.

Financial Policy Ratio

Debt per equity of the Company in 2017 was 0.54, an decrease from 0.56 in the year before due to short-term loans from banks and trade and other payables increased.

The Company's dividend payment ratio to net profit of 2017 was 74%, a decrease from 90% from the previous year.

Efficiency Ratio

The fixed asset turnover of 2017 was 2.99, a decreased from 3.49 of the previous year, since the Company invested more in buying machines and equipment.

The total asset turnover in 2017 was 1.3, an decrease from 1.35 in the previous.

Capital Expenditure

In 2017, TBSP's capital expenditure of 163 million Baht was spent on machinery and equipment, buildings, furniture, and office equipment.

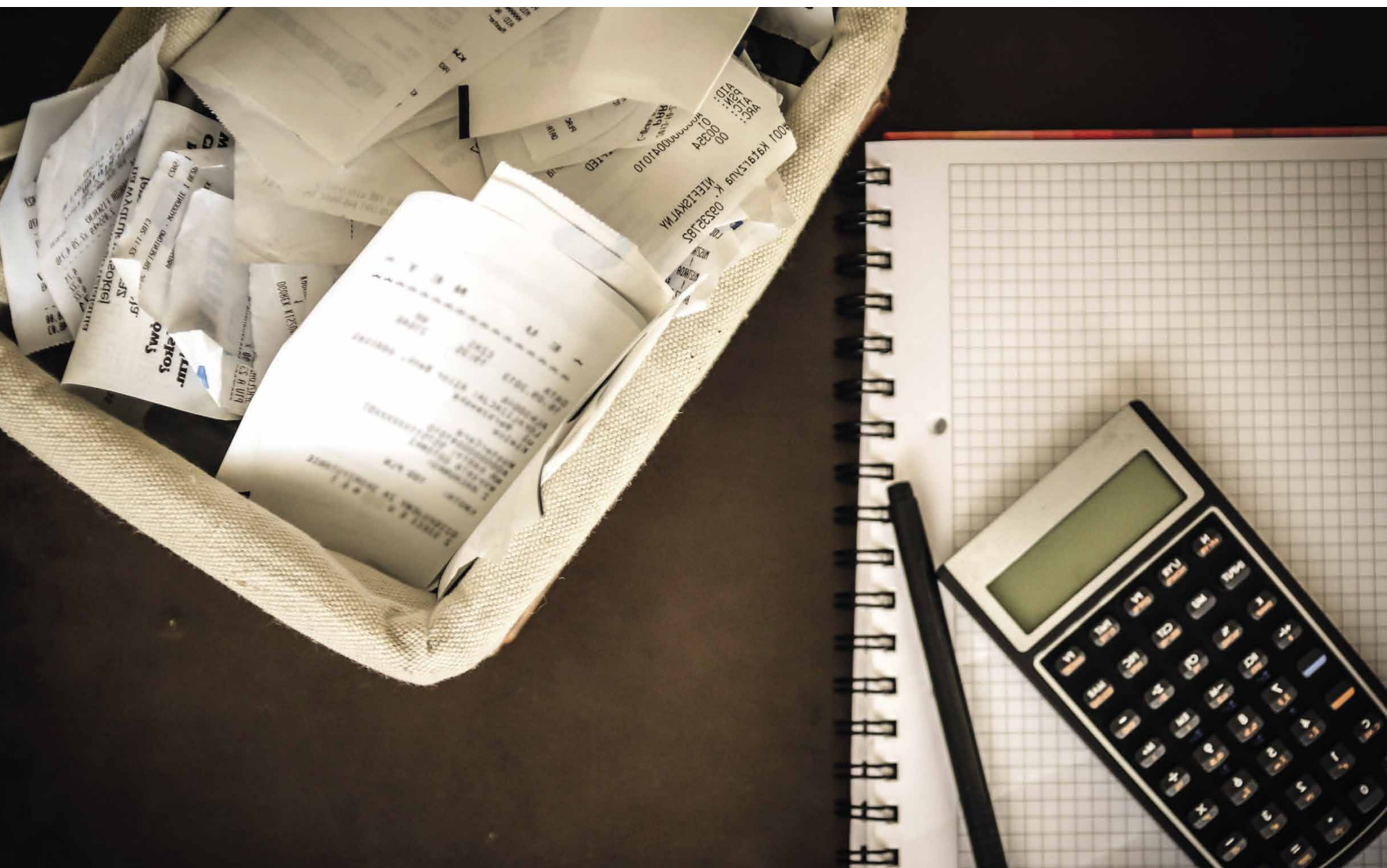
Factors Influencing on Future operation

In the Online Digital economy will be important playing the role in domestic business field including financial and banking, retailer and wholesaler, tourism and hospitality business, printing and media. To adjust business model to be suitable and consistent with the changing of consumer's behavior, electronic systems are applied to many operations and services providing in order to respond to demands on convenience and punctuality. For example; payment for goods and services becomes an important part of daily life, because the payment method is changing. In the future physical cash such as banknotes and coins may be replaced by virtual money that will change to a credit or debit card then. However, nowadays mobile application approach into the way of payment for the services and goods, the transaction can be completed in second after scanning barcode from the application. Thailand 4.0 Policy of Thai government was established to develop Thai economy by adjusting the former economic structure to the economy driven by innovations through development of technology. This factors forwarded to be Digital Transformation in various organizations, including the Company focusing on this changes. Therefore, the Company developed the new businesses and services would be grown continuously and also develop the Digital system into the Services. Likewise, the Company establishes the policy on developing products, services, and new businesses to respond to changing of the future market and driving market expansion to other countries along with improving work efficiency.

14 The Audit Committee's Report

The Audit Committee independently performance its under the scope as specified in the Audit Committee Charter of Leading & Monitoring Audit Committee that has be reviewed to be consistent with current situation and approved by the Company's Board of Directors every year. In 2017, the Audit Committee emphasized on being the Strategic and Monitoring Audit Committee in order to verify supervision, establish strategies and operations as well as to follow up the results in order to enable the company to achieve the goals and operate our business sustainably. To perform such operations, Management and employees must have morality, ethics, and understanding on their authority, deities, and responsibilities under the Principles on Three lines of defense and perform their operations under integration of anti-corruption supervision, risk management, work supervision, and internal control.

In 2017, there were 6 meetings of the Audit Committee with the complete quorum according to the Regulations of the Audit Committee. At the end of every year, the Audit Committee has to assess overall performance of the Audit Committee and perform self-assessment. The results of such assessment must meet with the criteria that must be satisfying and close to that of the previous year. The topics of such assessment are readiness of the Audit Committee, performance under the scope of duties and authority of the Audit Committee, the meeting of the Audit Committee, overall conclusion, performance of the secretary of the Audit Committee, and performance of the Internal Audit Unit. Performance of 2017 can be summarized as follows:



1. Review of Quarterly and Annual Financial Statements for the year 2017 of the Company

The Audit Committee reviewed significant data and information in the quarterly and annual financial statements of the Company for the year 2017, which were prepared as per Thai Financial Reporting Standards (TFRS) in conformance with the International Financial Reporting Standards (IFRS). The Committee reviewed material issues, special items, and obtained sufficient clarification from the external auditors, the Management, and the Chief of internal audit office, confirming that the financial statements and the disclosure in the notes to the financial statements were in compliance with the relevant laws and the financial reporting standards. The Audit Committee, therefore, approved the financial statements which were reviewed and audited by the external auditors without reservation. In addition, the Committee held a meeting with the external auditors without the presence of the Management so as to freely discuss important matters in the preparation of the financial statements and the disclosure of information in accordance with financial reporting standards and to be beneficial to users of these financial statements, as well as to hear whether there was any suspicious information indicating potential fraud following Section 89/25 of the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No. 4) B.E. 2551. In 2017, the external auditors did not discover any material misstatements or indications of suspicious incidents. Furthermore, to confirm that no such incident was found, the Audit Committee resolved that the Managing Director reports the results to the Audit Committee. In 2017, the Managing Director confirmed that no indication of such suspicious incident was found. Thus, the preparation of the financial statements and consolidated financial statements was conducted with reliability and transparency in compliance with the standards, and the external auditors performed their duties independently and with verifiability.

2. Review of The Related Transactions, The Acquisition and Disposition or Transactions that may cause Conflict of Interest

The Audit Committee reviewed the connected transactions that may occur conflicts of interest, related of report of directors and disclosed information to the Stock Exchange of Thailand accurately and timely.

3. Review of Corporate Governance

The Company continues to conduct its business in accordance with the sustainable development and corporate governance principles with reference to international standards including Organization for Economic Co-operation and Development (OECD), the Stock Exchange of Thailand, and Thai Institutes of Director (IOD). The Audit Committee has already verified efficiency and effectiveness on Corporate Governance and found that the Company's Management and employees have complied with established policies strictly with the Board of Directors and Management as the Role Model. There were approximately 540 employees of the Company who could pass Ethics Testing (100%) with serious adoption of anti-corruption policy and application to subsidiaries as proper. In addition, this compliance also expanded to our business partners through establishment of the Company's business partner conduct that could be applied by our business partners as the guidelines on business operation. Moreover, we also cooperated in behaving ourselves as the good Thai citizens along with attaching to the Principles of Corporate Governance by considering on society and environment concretely besides those defined by laws.

4. Review of Risk Management Assessment System

The Audit Committee reviews efficiency and effectiveness of risk management process from Risk Management Policy and Framework, responsible persons, likelihood, impacts, and risk management plan by considering in the form of Risk Dashboard. In 2017, the Risk Management Committee was established with the Managing Director as the President and Management as Directors taking responsibilities in driving serious and continuous execution as well as reporting performance to the Risk Management Committee and the Company's Board of Director. Simultaneously, the Audit Committee will review and report to the Board of Director as well.



5. Review of Internal Control Systems

The Audit Committee reviewed the results of internal control assessment, both in terms of the operational system and IT system, which were reported by the Internal Audit Office on quarterly basis and also reviewed the assessment of the adequacy of the internal control as stipulated by the Securities and Exchange Commission (SEC) and concluded that the Company had adequate internal control appropriated for the Company's business operations. This was correspondent with the external auditor's opinion that there was no material deficiency impacting the Company's financial statements which is one of the mission stated in the Charter of the Internal Audit Office. In 2017, The Management focused on creating employee awareness to promote moral principles, ethical behavior, code of conduct and Anti-Corruption continuously by focus on the proactive preventive system development which comprises Ethics e-testing Phase II, responsibility guidelines for good risk management and control according to Three Lines of Defense, and case studies on corruption, non-compliance to laws, the Company's regulations, policy, and Code of Conduct. In addition, The Control Self Assessment (CSA) has been applied to properly. The Internal Audit Office and operator (First Line) were development Continuous Monitoring & Continuous Auditing reports Continuous increase to support businesses in governance within operational responsibilities and support internal auditor in audit process. Workshops were organized by using material findings to allow the person in charge at all levels to gain better understanding in risks, impacts, and internal controls involved in the operations.

6. Internal Audit

The Audit Committee reviews the Charter of the Audit Committee and the Charter of Auditor annually in order to be consistent with risks and current situation. In 2017, the Audit Committee drive the Three lines of defense by focusing on consecutive operation from former years, for example, assigning First line to play the important role and become the role model for employees, communicating and providing some suggestions to subordinates in order to mutually assess risk, define control, and monitor performance, etc., of existing work system, new work system, new business, or modern information technology system as well as holding some workshops to the Company's IT department for providing knowledge on international standards, risks, internal control, IT assessment outcome, and auditing some topics with higher risks, for example, Cyber Security Risk : Hack e-mail and Information Security risk : Data leakage, etc.

7. Review of Corruption Auditing

The Company also develop Whistleblower system for outsiders besides the system for employees via www.tbsp.co.th in addition to telephone, mail, comment boxes, and email sent to the Company's Managing Director, Auditor, and Secretary of the Board of Directors. In 2017, there was no complaint. Moreover, the Audit Committee also reviews the measures and establishes the preventive practices against corruption for various systems, corruption auditing based on Risk Assessment Standard, and regulations of investigation to be up-to-date and suitable with the condition of business operation continuously.

8. Appointment of the External Auditors for the year 2018

KPMG Phoomchai Audit Ltd. has been selected and proposed for appointment as the auditing firm of the Company due to its high professional standards, expertise in auditing. Its auditors are independent, have knowledge and experience in auditing the Company's business. The external auditors were able to provide knowledge relating the business besides the auditing and received the satisfactory results of last year performance appraisal. The Audit Committee, therefore, recommended the Board of Directors to seek approval from the Shareholders' Meeting for the appointment of Mrs. Siripen Sukcharoenyingyong (Certified Public Accountant Registration No.3636) or Miss Sureerat Thongarunsang (Certified Public Accountant Registration No.4409) or Miss Thanyalux Keadkaew (Certified Public Accountant Registration No. 8179) from KPMG Phoomchai Audit Ltd. as the Company's auditors for the year 2018.

On behalf of the Audit Committee



(Mr. Krit Umpote)

Chairman of the Audit Committee



15

Report on the Board of Directors' responsibilities for financial statements for the year 2017

The Board of Directors of Thai British Security Printing Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system, anti-corruption policy, and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud and significant operational irregularities. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in its report in the Company's annual report.

The Board is confident that the internal control system and the internal audit of the Company can ensure that the financial statements of Thai British Security Printing Public Company Limited and its subsidiaries present fairly the financial position, financial performance, and cash flows in accordance with Thai Financial Reporting Standards.



(Mr. Bowon Vongsinudom)
Chairman



(Mr. Natapong Pinitpongskul)
Managing Director



Financial Statements

**Thai British Security Printing
Public Company Limited and its Subsidiaries**

Financial statements for the year ended
31 December 2017
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Thai British Security Printing Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Thai British Security Printing Public Company Limited and its subsidiaries (the “Group”) and of Thai British Security Printing Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of income, 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 consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their 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 Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

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

Valuation of inventories	
<i>Refer to Notes 3 and 7 to the financial statements</i>	
The key audit matter	How the matter was addressed in the audit
The selling price of the Group and the Company is subject to the highly competitive market conditions. The Group and the Company have a risk that net realisable value of inventories will be lower than cost. The Group and the Company measure their inventories at net realisable value by comparing the cost of inventories against net realisable value to consider the allowance for decline in value which involve management's judgment. This is a focus area in my audit.	My audit procedures included inquiring of the management who is responsible for this area to obtain an understanding of the Group's and the Company's procedures in relation to measuring the net realisable value of their inventories. Apart from this, my procedures included testing calculation of the measurement of net realisable value of inventories by comparing the cost of inventories against expected net realisable value (i.e. selling price in the latest invoice less costs to sell). In addition I also considered the adequacy of disclosures in relation to inventories in the consolidated and separate financial statements.

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 consolidated and separate financial statements and my auditor's report thereon.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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



(Thanyalux Keadkeaw)
Certified Public Accountant
Registration No. 8179

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2018

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 December 2017

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
(in Baht)					
Current assets					
Cash and cash equivalents	5	29,530,645	131,356,926	20,637,511	82,145,642
Trade and other current receivables	4,6	246,958,407	234,967,387	229,191,903	221,509,918
Inventories	7	156,274,793	164,326,104	144,277,231	150,498,107
Current tax assets	8	13,228,579	17,097,355	9,328,210	12,882,797
Total current assets		445,992,424	547,747,772	403,434,855	467,036,464
Non-current assets					
Investment in subsidiaries	9	-	-	54,340,000	54,340,000
Investment in joint ventures	10	19,519,951	-	-	-
Property, plant and equipment	12	506,222,320	413,090,493	435,770,627	341,778,383
Intangible assets	13	37,603,839	26,032,175	35,059,113	23,457,454
Deferred tax assets	14	12,326,084	9,544,836	12,326,084	9,544,916
Other non-current assets		1,046,816	650,919	813,154	619,979
Total non-current assets		576,719,010	449,318,423	538,308,978	429,740,732
Total assets		1,022,711,434	997,066,195	941,743,833	896,777,196

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 December 2017

Liabilities and shareholders' equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Current liabilities					
Short-term borrowing from financial institutions	17,28	60,898,697	115,720,360	37,898,697	92,720,360
Trade and other current payables	4,15,16	112,092,105	135,884,244	103,611,759	127,929,167
Current portion of long-term loan	17,28	28,333,333	-	28,333,333	-
Current portion of liabilities under finance lease contracts	17,28	17,333,199	16,310,133	-	-
Current provisions for employee benefits		3,015,532	3,791,925	2,932,937	3,616,265
Other current liabilities		6,838,423	7,957,953	6,338,144	7,330,149
Total current liabilities		228,511,289	279,664,615	179,114,870	231,595,941
Non-current liabilities					
Long-term loan	17,28	56,666,667	-	56,666,667	-
Liabilities under finance lease contracts	17,28	13,920,026	26,830,670	-	-
Deferred tax liabilities	14	4,912,547	2,887,480	-	-
Non-current provisions for employee benefit	18	56,172,685	47,361,374	53,859,641	44,523,628
Total non-current liabilities		131,671,925	77,079,524	110,526,308	44,523,628
Total liabilities		360,183,214	356,744,139	289,641,178	276,119,569

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of financial position

As at 31 December 2017

Liabilities and shareholders' equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Shareholders' equity					
<i>Share capital</i>	<i>19</i>				
Authorised share capital		110,000,000	110,000,000	110,000,000	110,000,000
Issued and paid share capital		110,000,000	110,000,000	110,000,000	110,000,000
Share premium on ordinary shares	<i>20</i>	165,000,000	165,000,000	165,000,000	165,000,000
<i>Retained earnings</i>					
Appropriated					
Legal reserve	<i>20</i>	11,000,000	11,000,000	11,000,000	11,000,000
Unappropriated		357,911,442	336,043,758	366,102,655	334,657,627
Total equity attributable to owners of the parent		643,911,442	622,043,758	652,102,655	620,657,627
Non-controlling interest	<i>11</i>	18,616,778	18,278,298	-	-
Total shareholders' equity		662,528,220	640,322,056	652,102,655	620,657,627
Total liabilities and shareholders' equity		1,022,711,434	997,066,195	941,743,833	896,777,196

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of income

For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in Baht)			
Revenue from sale of goods and rendering of services	4	1,333,177,786	1,241,884,134	1,218,466,374	1,134,812,683
Cost of sale of goods and rendering of services	4	(1,013,288,411)	(981,018,518)	(918,466,161)	(893,271,269)
Gross profit		319,889,375	260,865,616	300,000,213	241,541,414
Other income	4	12,811,039	4,792,143	17,778,255	8,570,787
Gains on exchange rate		-	1,459,502	-	1,456,724
Profit before expenses		332,700,414	267,117,261	317,778,468	251,568,925
Distribution costs	22	(89,755,344)	(78,934,376)	(80,404,316)	(71,212,990)
Administrative expenses	4, 23	(102,845,657)	(84,635,378)	(101,421,698)	(83,376,059)
Losses on exchange rate		(4,792,314)	-	(4,800,297)	-
Finance costs		(5,714,193)	(3,081,344)	(3,216,144)	(656,351)
Total expenses		(203,107,508)	(166,651,098)	(189,842,455)	(155,245,400)
Share of loss of joint ventures	10	(9,698,559)	-	-	-
Profit before tax expense		119,894,347	100,466,163	127,936,013	96,323,525
Tax expense	25	(19,596,336)	(13,653,424)	(17,736,907)	(12,319,646)
Profit for the year		100,298,011	86,812,739	110,199,106	84,003,879
Profit attributable to:					
Owners of the parent		100,284,023	85,289,432	110,199,106	84,003,879
Non-controlling interest	11	13,988	1,523,307	-	-
Profit for the year		100,298,011	86,812,739	110,199,106	84,003,879
Basic earnings per share					
Attributable to owners of the parent	26	0.91	0.78	1.00	0.76

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of comprehensive income

For the year ended 31 December 2017

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2017	2016	2017	2016
		(in Baht)			
Profit for the year		100,298,011	86,812,739	110,199,106	84,003,879
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plans	18	(4,802,308)	(65,073)	(5,630,097)	(65,073)
Income tax relating to items that will not be reclassified	14	960,461	13,015	1,126,019	13,015
Other comprehensive for the year, net of tax		(3,841,847)	(52,058)	(4,504,078)	(52,058)
Total comprehensive income for the year		96,456,164	86,760,681	105,695,028	83,951,821
Total comprehensive income attributable to:					
Owners of parent		96,117,684	85,237,374	105,695,028	83,951,821
Non-controlling interests	11	338,480	1,523,307	-	-
Total comprehensive income for the year		96,456,164	86,760,681	105,695,028	83,951,821

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

For the year ended 31 December 2017

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

96

For the year ended 31 December 2017

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

Statement of changes in shareholders' equity

Separate financial statements

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2017

	Note	Separate financial statements			
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings	Total shareholders' equity
				Appropriated legal reserve	Unappropriated
				(in Baht)	
Balance at 1 January 2017		110,000,000	165,000,000	11,000,000	334,657,627
Transactions with owners, recorded directly in shareholders' equity					
Dividends	27	-	-	-	(74,250,000)
Total transactions with owners, recorded directly in shareholders' equity		-	-	-	(74,250,000)
Comprehensive income for the year					
Profit for the year		-	-	-	110,199,106
Other comprehensive income		-	-	-	(4,504,078)
Total comprehensive income for the year		-	-	-	105,695,028
Balance at 31 December 2017		110,000,000	165,000,000	11,000,000	366,102,655
					652,102,655

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	100,298,011	86,812,739	110,199,106	84,003,879
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	19,596,336	13,653,424	17,736,907	12,319,646
Finance costs	5,714,193	3,081,344	3,216,144	656,351
Depreciation and amortisation	73,335,861	61,608,267	62,180,507	52,003,342
Provisions for employee benefit	3,601,070	4,300,049	3,391,048	4,004,502
Unrealised loss (gain) on exchange	113,162	(217,435)	113,162	(217,435)
Losses on inventories devaluation	2,700,190	442,333	2,700,190	442,333
Gain on disposal of property, plant and equipment	(5,868,611)	(1,207,706)	(5,855,602)	(807,707)
Loss on disposal of intangible assets	43,284	-	-	-
Share of loss of joint ventures	9,698,559	-	-	-
	<u>209,232,055</u>	<u>168,473,015</u>	<u>193,681,462</u>	<u>152,404,911</u>
<i>Decrease (increase) in operating assets</i>				
Trade receivables	(10,232,802)	(54,921,380)	(6,211,702)	(57,680,747)
Other current receivables	14,537,354	10,111,991	10,611,038	10,099,663
Inventories	5,351,121	(17,075,338)	3,520,686	(14,626,623)
Current tax assets	-	(6,746,130)	-	(6,746,091)
Other non-current assets	(395,897)	(283,890)	(193,175)	(525,539)
Net decrease (increase) in operating assets	<u>9,259,776</u>	<u>(68,914,747)</u>	<u>7,726,847</u>	<u>(69,479,337)</u>

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended 31 December 2017

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<i>Increase (decrease) in operating liabilities</i>				
Trade payables	(19,736,861)	1,620,700	(20,152,212)	3,044,698
Other current payables	(6,707,788)	13,538,632	(6,808,021)	14,177,561
Provisions for employee benefits	(368,460)	(2,045,800)	(368,460)	(2,045,800)
Other current liabilities	<u>(1,119,530)</u>	<u>1,218,601</u>	<u>(992,005)</u>	<u>1,008,042</u>
Net increase (decrease) in operating liabilities	<u>(27,932,639)</u>	<u>14,332,133</u>	<u>(28,320,698)</u>	<u>16,184,501</u>
Cash generated from operating activities	190,559,192	113,890,401	173,087,611	99,110,075
Taxes paid	<u>(31,520,308)</u>	<u>(30,868,381)</u>	<u>(27,620,246)</u>	<u>(26,653,824)</u>
Net cash from operating activities	<u>159,038,884</u>	<u>83,022,020</u>	<u>145,467,365</u>	<u>72,456,251</u>
<i>Cash flows from investing activities</i>				
Investment in subsidiary	-	-	-	(36,000,000)
Short-term deposits at financial institution	-	50,289,541	-	50,289,541
Acquisition of interest in joint ventures	(29,218,510)	-	-	-
Proceeds from sales of property, plant and equipment	6,161,422	2,108,838	6,148,353	1,708,838
Acquisition of property, plant and equipment	(160,363,192)	(154,671,924)	(150,426,703)	(148,311,168)
Proceeds from sales of intangible assets	6,464	-	-	-
Acquisition of intangible assets	<u>(15,777,915)</u>	<u>(13,986,119)</u>	<u>(15,409,339)</u>	<u>(13,160,368)</u>
Net cash used in investing activities	<u>(199,191,731)</u>	<u>(116,259,664)</u>	<u>(159,687,689)</u>	<u>(145,473,157)</u>

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

Thai British Security Printing Public Company Limited and its Subsidiaries

Statement of cash flows

For the year ended 31 December 2017

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	(in Baht)			
<i>Cash flows from financing activities</i>				
Proceeds from short-term borrowing from financial institutions	-	111,720,360	-	92,720,360
Proceeds from long-term borrowing from financial institution	85,000,000	-	85,000,000	-
Payment by short-term borrowing from financial institutions	(54,821,663)	-	(54,821,663)	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(11,887,578)	(14,193,610)	-	-
Dividends paid to owners of the Company	(74,250,000)	(79,750,000)	(74,250,000)	(79,750,000)
Interest paid	<u>(5,714,193)</u>	<u>(3,072,432)</u>	<u>(3,216,144)</u>	<u>(656,351)</u>
Net cash from (used in) financing activities	<u>(61,673,434)</u>	<u>14,704,318</u>	<u>(47,287,807)</u>	<u>12,314,009</u>
Net decrease in cash and cash equivalents	(101,826,281)	(18,533,326)	(61,508,131)	(60,702,897)
Cash and cash equivalents at 1 January	<u>131,356,926</u>	<u>149,890,252</u>	<u>82,145,642</u>	<u>142,848,539</u>
Cash and cash equivalents at 31 December	<u>29,530,645</u>	<u>131,356,926</u>	<u>20,637,511</u>	<u>82,145,642</u>

Supplementary information for cash flows

Non-cash transactions

Outstanding payables from purchases of assets	13,423,527	10,775,752	13,370,294	10,732,204
Machinery and equipment under finance lease contracts	58,211,212	7,507,274	-	-

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

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade and other current receivables
7	Inventories
8	Current tax assets
9	Investment in subsidiaries
10	Investment in joint ventures
11	Non-controlling interests
12	Property, plant and equipment
13	Intangible assets
14	Deferred tax assets (deferred tax liabilities)
15	Trade and other current payables
16	Other current payables
17	Interest-bearing liabilities
18	Non-current provisions for employee benefits
19	Share capital
20	Share premium and legal reserve
21	Business segment information
22	Distribution costs
23	Administrative expenses
24	Employee benefit expenses
25	Income tax expense
26	Basic earnings per share
27	Dividends
28	Financial instruments
29	Commitments with non-related parties
30	Events after the reporting period
31	Reclassification of accounts

Thai British Security Printing Public Company Limited and its Subsidiaries
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 and English languages, and were approved and authorised for issue by the Board of Directors on 19 February 2018.

1 General information

Thai British Security Printing Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 41/1 Soi Wat Suan Som, Poochao-Saming Prai Road, Samrongtai, Pharapradaeng, Samutprakarn, Thailand.

The Company was listed on the Stock Exchange of Thailand in March 1996.

The Company’s major shareholders during the fiscal year were Miss Sutida Mongkolsuthi (holding 32.00%), T.K.S. Technologies Public Company Limited (holding 19.89%), and SCG Packaging Public Company Limited (holding 17.79%).

The principal business of the Company is the manufacturing of security documents, which are bank cheques, security documents, business forms and plastic cards. Details of the Company’s subsidiaries as at 31 December 2017 and 2016 are as follows:

Name of entities	Type of business	Country of incorporation / nationality	Ownership interest (%)	
<i>Direct subsidiaries</i>			2017	2016
Thai British DPost Co., Ltd.	Business of laser printing and enveloping of statements, bills and invoices and related value-added services	Thailand	51.00	51.00
Thai British Security Printing Overseas Co., Ltd.	Investment	Thailand	99.99	99.99

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRSs); 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 TFRSs effective for annual accounting periods beginning on or after 1 January 2017. The adoption of these new and revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group.

In addition to the above new and revised TFRSs, the FAP has issued a number of new and revised TFRSs which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these consolidated financial statements. The Group has made a preliminary assessment of the potential initial impact on the Company’s 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 material item in the statements of financial position; the present value of the defined benefit obligation.

(c) Functional and presentation currency

The financial statements are prepared and 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 nearest thousand or million unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRSs 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 estimates.

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

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 14, 25	Deferred and current taxation
Note 18	Discount rate, salary increase rate, employee turnover rate and mortality rate

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Measurement of fair values

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

The Group 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 such 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 Group uses market observable 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 that the entity can access at the measurement date.
- 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 are unobservable inputs for the asset or liability.

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 Group 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 note 28 - Financial instruments.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in joint ventures.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of period are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

Hedge of future foreign currency transactions

Gains and losses from exchange contracts used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs.

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash on hand, saving deposits, current deposits and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In addition, bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(d) Trade and other current receivables

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

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

Bad debts recovered are recognised in other income in profit or loss.

(e) Inventories

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

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

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 merchandise inventories.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

(f) Investments

Investments in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

(g) Property, plant and equipment

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated 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 asset to the location and condition necessary for it to be capable of operating for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different 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.

Leased assets

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

Subsequent costs

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

Depreciation

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

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The Group has changed the estimated useful lives of some assets based on the report of the independent appraiser prospectively from the date as 1 January 2017. The estimated useful lives are as follows:

	2017	2016
Buildings	20 years	20 years
Building improvement	5 - 10 years	5 - 10 years
Land improvement	5 years	5 years
Machinery and equipment	3 - 20 years	3 - 10 years
Furniture and fixtures	5 years	5 years
Office equipment	3 - 10 years	3 - 10 years
Transportation equipment	5 years	5 years

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

No depreciation is provided on land or assets under construction.

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

(h) Intangible assets

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

Amortisation

Amortisation is based on over 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 the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Computer software costs and software licences	5 and 10 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 Group's assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Calculation of recoverable amount

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

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 accumulated depreciation or amortisation, if no impairment loss had been recognised.

(j) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(k) Trade and other current payables

Trade and other current payables are stated at cost.

(l) Employee benefits

Defined contribution plans

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

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan 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 recognised in OCI. The Group 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 recognised 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Other long-term employee benefits

The Group'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 recognised 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 Group 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.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(n) Revenue

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

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

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.

Interest income

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

(o) Expenses

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, 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.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Finance costs

Finance costs is recognised using the effective interest method and comprises interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

(p) Income tax

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

Current tax

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

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

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change 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 period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Business segment reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

4 Related parties

Parties are considered to be related to the Group if the Group 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 Group 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 person/entities	Country of incorporation / nationality	Nature of relationships
Miss Suthida Mongkolsuthi	Thailand	The major shareholder, 32.00% shareholding
T.K.S. Technologies Public Company Limited	Thailand	The shareholder, 19.89% shareholding and has the representative as board of directors
Thai British DPost Co., Ltd.	Thailand	A subsidiary, 51.00% shareholding
Thai British Security Printing Overseas Co., Ltd.	Thailand	A subsidiary, 99.99% shareholding
Deco-TBSP Solutions Company Limited	Myanmar	A joint venture of a subsidiary of the Company
Myanmar Deco-TBSP Special Products Company Limited	Myanmar	A joint venture of a subsidiary of the Company
Mongkolsuthi Holding Co., Ltd.	Thailand	The representative as board of directors
Synnex (Thailand) Public Company Limited	Thailand	The representative as board of directors
T.K.S. Siampress Management Co., Ltd.	Thailand	The representative as board of directors
TITEC Co., Ltd.	Thailand	The representative as board of directors
The Siam Cement Public Company Limited	Thailand	The parent of SCG Packaging Public Company Limited
SCG Packaging Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Plastic and Chemicals Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Performance Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Nawaplastic Industries (Saraburi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Rayong Olefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Polyolefins Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Name of person/entities	Country of incorporation / nationality	Nature of relationships
Siam Stabilizers and Chemicals Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Plastics Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG ICO Polymers Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Lampang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Kaeng Khoi) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Ta Luang) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Cement (Thung Song) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
ECO Plant Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Concrete Products and Aggregate Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Refractory Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Q Mix Supply Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCI Eco Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Fiberglass Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai-German Ceramic Industry Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Quality Construction Products Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Ceramic Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cement Thai Ceramics Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Thai Ceramic Roof Tile Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Landscape Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Name of person/entities	Country of incorporation / nationality	Nature of relationships
SCG-Sekisui Sales Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Tip Fibre-Cement Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Saraburirat Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cementhai Home Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Cement-Building Materials Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Siam Sanitary Ware Industry (Nongkae) Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Sanitary Fittings Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Sourcing Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Distribution Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Logistics Management Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Experience Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Trading Philippines Inc.	Philippines	A subsidiary of The Siam Cement Public Company Limited
SCG Accounting Services Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Legal Counsel Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
Dhara Pipe Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
CTO Management Co.,Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Name of person/entities	Country of incorporation / nationality	Nature of relationships
Cementhai Holding Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Learning Excellence Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
Cementhai Property (2001) Public Company Limited	Thailand	A subsidiary of The Siam Cement Public Company Limited
SCG Skills Development Co., Ltd.	Thailand	A subsidiary of The Siam Cement Public Company Limited
The Siam Forestry Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Paper Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Union Paper Public Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited
Siam Kraft Industry Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Phoenix Pulp & Paper Public Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Cane Paper Public Company Limited	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Containers Group Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Containers Rayong Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Thai Containers Khonkaen Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Invenique Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
SCGP Excellence Training Center Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
Tawana Container Co., Ltd.	Thailand	A subsidiary of SCG Packaging Public Company Limited
MTP HPPO Manufacturing Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Mitsui PTA Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Grand Siam Composites Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Synthetic Latex Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Name of person/entities	Country of incorporation / nationality	Nature of relationships
Thai MMA Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Styrene Monomer Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Polyethylene Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Thai Prosperity Terminal Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
IT One Co., Ltd.	Thailand	An associate of The Siam Cement Public Company Limited
Siam Toppan Packaging Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited
Siam Nippon Industrial Paper Co., Ltd.	Thailand	An associate of SCG Packaging Public Company Limited

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

Transactions	Pricing policies
Sale of goods or rendering of services	Market price
Purchases of raw materials or services	Market price
Rental income	Contractually agreed price equivalent to market prices
Other income	Contractually agreed price equivalent to market prices
Service income	Contractually agreed price
Dividends	Announced rate

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Subsidiaries</i>				
Sale of goods or rendering of services	-	-	24,446	35,298
Purchases of services	-	-	4,455	8,068
Rental income	-	-	3,011	2,236
Other income	-	-	2,238	2,102
<i>Other companies</i>				
Sale of goods or rendering of services	98,723	113,648	97,019	110,647
Purchases of raw materials	50,254	71,390	45,598	67,137
Service fee	38,022	28,295	37,834	28,081
Directors' remuneration	3,814	3,420	3,814	3,420

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Balances as at 31 December with related parties were as follows:

Trade receivables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Subsidiary</i>				
Thai British DPost Co., Ltd.	-	-	5,487	9,750
<i>Other companies</i>				
The Siam Cement Public Company Limited	4,303	2,264	3,465	2,225
Myanmar Deco-TBSP Special Products Company Limited	2,053	-	2,053	-
Thai Paper Company Limited	2,048	1,531	2,048	1,531
Thai Cane Paper Public Company Limited	1,832	961	1,832	961
Phoenix Pulp & Paper Public Company Limited	1,159	9	1,159	9
T.K.S Siampress Management Co., Ltd.	861	8,559	861	8,559
Siam Kraft Industry Co., Ltd.	619	438	619	438
Siam Sanitary Ware Industry Co., Ltd.	211	144	211	144
SCG Trading Philippines Inc.	199	127	199	127
SCG Packaging Public Company Limited	147	214	147	214
Other companies	441	995	441	871
Total	13,873	15,242	18,522	24,829

Other current receivables from related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Subsidiary</i>				
Thai British DPost Co., Ltd.	-	-	772	1,193
Total	-	-	772	1,193

Trade payables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Subsidiary</i>				
Thai British DPost Co., Ltd.	-	-	347	934
<i>Other companies</i>				
Thai Paper Company Limited	7,207	9,077	7,207	7,603
SCG Logistics Management Co., Ltd.	1,700	1,709	1,700	1,709
Invenique Co., Ltd.	700	700	700	700
T.K.S. Siampress Management Co., Ltd.	-	6,305	-	6,305
Other companies	347	1,677	347	1,600
Total	9,954	19,468	10,301	18,851

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Other current payables to related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Other companies				
The Siam Cement Public Company Limited	1,763	914	1,709	912
SCG Packaging Public Company Limited	384	380	384	380
Other companies	108	252	109	252
Total	2,255	1,546	2,202	1,544

Key management personnel compensation

	Consolidated financial statements and Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Short-term employee benefits	27,014	23,114
Post-employment benefits	267	337
Other long-term employee benefits	4	4
Total	27,825	23,455

Management benefit expenses comprise of the remuneration paid to the management as staffs expenses in terms of salary, bonus, others and contribution to defined contribution plans.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand and at banks				
- current accounts	4,412	9,147	3,626	9,050
Cash at banks-saving accounts	25,110	122,201	17,003	73,087
Fixed deposits with financial institutions	9	9	9	9
Total	29,531	131,357	20,638	82,146

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

6 Trade and other current receivables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Trade receivables					
Related parties	4	13,873	15,242	18,522	24,829
Other companies		205,813	194,320	191,295	178,885
Less allowance for doubtful accounts		(3,458)	(3,458)	(3,458)	(3,458)
Net		202,355	190,862	187,837	175,427
		216,228	206,104	206,359	200,256
Other current receivables					
Related parties	4	-	-	772	1,193
Other companies		30,730	28,864	22,061	20,061
		30,730	28,864	22,833	21,254
Total		246,958	234,968	229,192	221,510

Aging analyses for trade receivables were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	9,459	7,686	10,587	11,207
Overdue:				
Less than 3 months	4,414	7,556	7,935	13,622
Total	13,873	15,242	18,522	24,829
Other companies				
Within credit terms	71,446	111,995	61,224	102,229
Overdue:				
Less than 3 months	128,496	77,864	124,233	72,216
3-6 months	2,404	986	2,397	965
6-12 months	26	14	-	14
Over 12 months	3,441	3,461	3,441	3,461
	205,813	194,320	191,295	178,885
Less allowance for doubtful accounts	(3,458)	(3,458)	(3,458)	(3,458)
Net	202,355	190,862	187,837	175,427
Total	216,228	206,104	206,359	200,256

The normal credit term granted by the Group ranges from 30 days to 105 days.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Other current receivables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Revenue department receivables	19,670	19,344	12,513	11,926
Prepaid expenses	11,001	9,384	9,489	8,000
Others	59	136	831	1,328
Total	30,730	28,864	22,833	21,254

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished goods	26,396	28,775	25,079	28,240
Work in progress	20,352	43,003	15,480	34,064
Raw materials	83,474	70,685	79,005	69,889
Spare parts and supplies	29,621	21,952	28,281	18,394
Goods in transit	205	984	205	984
Total	160,048	165,399	148,050	151,571
Less allowance for decline in value and slow-moving of inventories	(3,773)	(1,073)	(3,773)	(1,073)
Net	156,275	164,326	144,277	150,498

Cost of inventories recognised as an
expense in cost of sales:

Cost of sales	1,013,288	981,019	918,466	893,271
Less write-down to net realisable value	(2,509)	(1,022)	(2,509)	(1,022)
Add reversal of write-down	1,022	487	1,022	487
Less service cost and others	(184,885)	(182,214)	(95,925)	(94,466)
Total	826,916	798,270	821,054	798,270

Cost of inventories recognised as
an expense in administrative expense

(1,213)	93	(1,213)	93
---------	----	---------	----

Changes in inventories of finished
goods and work in progress

25,030	(12,538)	21,745	(3,483)
--------	----------	--------	---------

Raw materials and consumables used

562,475	553,604	525,150	481,280
---------	---------	---------	---------

8 Current tax assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Withholding tax receivable	13,229	17,097	9,328	12,883
Total	13,229	17,097	9,328	12,883

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

9 Investment in subsidiaries

Investment in subsidiaries as at 31 December was detailed as follows:

	Ownership interest		Separate financial statements			
	2017	2016	Paid-up capital		Cost method	
	(%)		2017	2016	2017	2016
			<i>(in thousand Baht)</i>			
Subsidiaries						
Thai British DPost Co., Ltd.	51.00	51.00	34,000	34,000	17,340	17,340
Thai British Security Printing Overseas Co., Ltd.	99.99	99.99	37,000	37,000	37,000	37,000
Total			71,000	71,000	54,340	54,340

10 Investment in joint ventures

	Consolidated financial statements
	2017
	<i>(in thousand Baht)</i>
Joint ventures	
At 1 January	-
Acquisitions	29,218
Share of net losses of joint ventures	(9,698)
At 31 December	19,520

During the year 2017, the Group invested in ordinary shares of registered company in Myanmar by joint-investing through Thai British Security Printing Overseas Co., Ltd. ("TBSP"), a subsidiary of the Company with Mr. U Kyaw Khin and Mrs. Aye Nan @ Pe Chin, the local partners, to establish Deco-TBSP Solutions Company Limited (Deco-TBSP Solutions) and Myanmar Deco-TBSP Special Products Company Limited (Myanmar Deco-TBSP Special Products) which is a service company accorded to TBSP's core business.

Deco-TBSP Solutions Company Limited has investing value amounted to US Dollar 2.25 million and TBSP has 50% of stake amounted to US Dollar 1.125 million. As at 31 December 2017, TBSP has the partial payment of investment amounted to US Dollar 0.70 million or equivalent to Baht 24.68 million which is 50% of paid-up capital.

Myanmar Deco-TBSP Special Products Company Limited has investing value amounted US Dollar 2.25 million and TBSP has 49% of stake amounted to US Dollar 1.10 million. As at 31 December 2017, TBSP has the partial payment of investment US Dollar 0.14 million or equivalent to Baht 4.54 million which is 49% of paid up capital.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Investment in joint ventures as at 31 December 2017 and 2016, and dividend income from the investment for the year ended, was as follows:

Consolidated financial statements											
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(in thousand Baht)											
Joint ventures											
Deco-TBSP Solutions Company Limited	Printing Security	Myanmar	50	-	1,400,000	-	US Dollar	24,682	-	20,320	-
Myanmar Deco-TBSP Special Products Company Limited	Printing Security	Myanmar	49	-	279,000	-	US Dollar	4,536	-	(800)	-
Total								29,218	-	19,520	-

None of the Group's joint ventures is publicly listed and consequently do not have published price quotations.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

11 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	2017	2016
	Thai British DPost Co., Ltd.	
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	49	49
Current assets	41,881	55,856
Non-current assets	73,230	73,918
Current liabilities	(55,972)	(59,915)
Non-current liabilities	(21,146)	(32,556)
Net assets	37,993	37,303
Carrying amount of non-controlling interest	18,617	18,278
Revenue	136,569	150,969
Profit for the year	29	3,109
Other comprehensive income for the year	662	-
Total comprehensive income for the year	691	3,109
Profit for the year attributable to owners of the parent	15	1,586
Profit for the year attributable to non-controlling interest	14	1,523
Other comprehensive for the year attributable to owners of the parent	338	-
Other comprehensive for the year attributable to non-controlling interest	324	-
	691	3,109
Cash flows from operating activities	13,804	10,838
Cash flows from investing activities	(10,285)	(6,789)
Cash flows from financing activities	(14,386)	2,390
Net increase (decrease) in cash and cash equivalents	(10,867)	6,439
Dividend paid to non-controlling interest	-	-

Thai British Security Printing Public Company Limited and its Subsidiaries

Notes to the financial statements
For the year ended 31 December 2017

12 Property, plant and equipment

Consolidated financial statements

	Land	Buildings and building improvement	Machinery and equipment	Furniture, fixture and office equipment (in thousand Baht)	Transportation equipment	Construction in progress and machinery in transit	Total
Cost							
At 1 January 2016	27,884	224,655	1,005,218	111,064	3,262	6,563	1,378,646
Additions	-	1,233	32,684	5,641	685	132,812	173,055
Transfers in/(out)	-	2,246	104,133	4,117	-	(112,306)	(1,810)
Disposals/written off	-	-	(20,623)	(1,729)	-	-	(22,352)
At 31 December 2016	27,884	228,134	1,121,412	119,093	3,947	27,069	1,527,539
Additions	-	340	14,914	9,113	375	137,862	162,604
Transfers in/(out)	-	14,551	117,017	12,925	-	(144,493)	-
Disposals/written off	-	-	(56,957)	(1,780)	-	-	(58,737)
At 31 December 2017	27,884	243,025	1,196,386	139,351	4,322	20,438	1,631,406
Accumulated depreciation							
At 1 January 2016	-	(186,081)	(797,978)	(90,309)	(2,919)	-	(1,077,287)
Depreciation charge for the year	-	(6,665)	(43,637)	(8,111)	(200)	-	(58,613)
Disposals/written off	-	-	19,723	1,728	-	-	21,451
At 31 December 2016	-	(192,746)	(821,892)	(96,692)	(3,119)	-	(1,114,449)
Depreciation charge for the year	-	(7,341)	(51,167)	(10,363)	(309)	-	(69,180)
Disposals/written off	-	-	56,664	1,781	-	-	58,445
At 31 December 2017	-	(200,087)	(816,395)	(105,274)	(3,428)	-	(1,125,184)
Carrying amount							
At 31 December 2016	27,884	35,388	299,520	22,401	828	27,069	413,090
At 31 December 2017	27,884	42,938	379,991	34,077	894	20,438	506,222

The gross carrying amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 898 million (2016: Baht 928 million).

The carrying amount of machinery and equipment held under finance lease as at 31 December 2017 amounted to Baht 58 million (2016: Baht 61 million).

For the year ended 31 December 2017

The gross carrying amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 872 million (2016: Baht 903 million).

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

13 Intangible assets

Consolidated financial statements			
	Computer software costs and software licences	Intangible assets under development (in thousand Baht)	Total
<i>Cost</i>			
At 1 January 2016	32,339	-	32,339
Additions	12,177	-	12,177
Transfer in/(out)	1,810	-	1,810
At 31 December 2016	46,326	-	46,326
Additions	12,863	2,915	15,778
Disposals/written off	(407)	-	(407)
At 31 December 2017	58,782	2,915	61,697
<i>Accumulated amortisation</i>			
At 1 January 2016	(17,299)	-	(17,299)
Amortisation charge for the year	(2,995)	-	(2,995)
At 31 December 2016	(20,294)	-	(20,294)
Amortisation charge for the year	(4,156)	-	(4,156)
Disposals/written off	357	-	357
At 31 December 2017	(24,093)	-	(24,093)
<i>Carrying amount</i>			
At 31 December 2016	26,032	-	26,032
At 31 December 2017	34,689	2,915	37,604
Separate financial statements			
	Computer software costs and software licences	Intangible assets under development (in thousand Baht)	Total
<i>Cost</i>			
At 1 January 2016	29,693	-	29,693
Additions	11,351	-	11,351
Transfer in/(out)	1,810	-	1,810
At 31 December 2016	42,854	-	42,854
Additions	12,494	2,915	15,409
At 31 December 2017	55,348	2,915	58,263
<i>Accumulated amortisation</i>			
At 1 January 2016	(16,684)	-	(16,684)
Amortisation charge for the year	(2,713)	-	(2,713)
At 31 December 2016	(19,397)	-	(19,397)
Amortisation charge for the year	(3,807)	-	(3,807)
At 31 December 2017	(23,204)	-	(23,204)
<i>Carrying amount</i>			
At 31 December 2016	23,457	-	23,457
At 31 December 2017	32,144	2,915	35,059

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

14 Deferred tax assets (deferred tax liabilities)

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 which are included in the statements of financial position as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Deferred tax assets	12,326	9,545	12,326	9,545
Deferred tax liabilities	(4,913)	(2,888)	-	-
Net	7,413	6,657	12,326	9,545

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

	Consolidated financial statements			
	Charged/ credited to			
	At	profit or	other	At
	1 January	loss	comprehensive	31 December
	2016		income	2016
	<i>(note 25)</i>			
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Trade receivables	385	307	-	692
Inventories	28	186	-	214
Provisions for employee benefits	9,767	451	13	10,231
Total	10,180	944	13	11,137
Deferred tax liabilities				
Property, plant and equipment	(1,502)	512	-	(990)
Liabilities under finance lease contracts	(2,097)	(1,393)	-	(3,490)
Total	(3,599)	(881)	-	(4,480)
Net	6,581	63	13	6,657

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Consolidated financial statements		
	Charged/ credited to		At 31 December 2017
	At 1 January 2017	profit or loss	
		other comprehensive income (note 25) (in thousand Baht)	
<i>Deferred tax assets</i>			
Trade receivables	692	-	692
Inventories	214	540	754
Provisions for employee benefits	10,231	647	11,838
Total	11,137	1,187	13,284
<i>Deferred tax liabilities</i>			
Property, plant and equipment	(990)	511	(479)
Liabilities under finance lease contracts	(3,490)	(1,902)	(5,392)
Total	(4,480)	(1,391)	(5,871)
Net	6,657	(204)	7,413
	Separate financial statements		
	Charged/ credited to		At 31 December 2016
	At 1 January 2016	profit or loss	
		other comprehensive income (note 25) (in thousand Baht)	
<i>Deferred tax assets</i>			
Trade receivables	385	307	692
Inventories	28	186	214
Provisions for employee benefits	9,223	392	9,628
Total	9,636	885	10,534
<i>Deferred tax liability</i>			
Property, plant and equipment	(1,501)	512	(989)
Total	(1,501)	512	(989)
Net	8,135	1,397	9,545

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	At 1 January 2017	Separate financial statements Charged/ credited to		At 31 December 2017
		profit or loss	other comprehensive income (note 25) (in thousand Baht)	
Deferred tax assets				
Trade receivables	692	-	-	692
Inventories	214	540	-	754
Provisions for employee benefits	9,628	605	1,126	11,359
Total	10,534	1,145	1,126	12,805
Deferred tax liability				
Property, plant and equipment	(989)	510	-	(479)
Total	(989)	510	-	(479)
Net	9,545	1,655	1,126	12,326

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements	
	2017	2016
	(in thousand Baht)	
Tax losses	18,344	8,963

The tax losses expire in 2019 - 2022. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

15 Trade and other current payables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Trade payables					
Related parties	4	9,954	19,468	10,301	18,851
Other companies		62,137	72,355	55,019	66,616
		72,091	91,823	65,320	85,467
Other current payables	16				
Related parties	4	2,255	1,546	2,202	1,544
Other companies		37,746	42,515	36,090	40,918
		40,001	44,061	38,292	42,462
Total		112,092	135,884	103,612	127,929

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

16 Other current payables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Outstanding payables from purchases of assets	13,424	10,776	13,370	10,732
Accrued expenses	13,058	12,226	11,638	10,904
Advances received	2,800	11,424	2,800	11,424
Consulting fee	1,342	-	1,342	-
Others	9,377	9,635	9,142	9,402
Total	40,001	44,061	38,292	42,462

17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions				
Unsecured	60,899	115,720	37,899	92,720
Short-term loans from financial institutions	60,899	115,720	37,899	92,720
Current portion of long-term loan from financial institution				
Unsecured	28,333	-	28,333	-
Current portion of long-term loan	28,333	-	28,333	-
Short-term loans	89,232	115,720	66,232	92,720
Current portion of finance lease liabilities	17,333	16,310	-	-
Total current interest-bearing liabilities	106,565	132,030	66,232	92,720
Non-current				
Long-term loan from financial institution				
Unsecured	56,667	-	56,667	-
Long-term loan	56,667	-	56,667	-
Finance lease liabilities	13,920	26,831	-	-
Total non-current interest-bearing liabilities	70,587	26,831	56,667	-

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Within one year	89,232	115,720	66,232	92,720
After one year but within five years	56,667	-	56,667	-
Total	145,899	115,720	122,899	92,720

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Short-term loans from financial institutions of the Group and the Company has average interest rate during 2.27% to 3.39% p.a. (2016: 2.70% to 4.00% p.a.) and 2.27% to 3.10% p.a. (2016: 2.70% to 4.00% p.a.), respectively.

Long-term loan from financial institution of the Group and the Company has average interest rate during 2.90% p.a. and 2.90% p.a., respectively.

Liabilities under finance lease contracts

The Group entered into the financial lease agreements for machinery and equipment with several companies. Lease term is for a period of 5 years.

The carrying amount of machinery and equipment as at 31 December 2017 was Baht 58 million (2016: Baht 61 million). Liabilities under the finance lease contracts as at 31 December 2017 and 2016 were as follows:

	Consolidated financial statements		
	Present value of minimum lease payments	Interest (in thousand Baht)	Future value of minimum lease payments
2017			
Within one year	17,333	1,211	18,544
After one year but within five years	13,920	887	14,807
Total	31,253	2,098	33,351
2016			
Within one year	16,310	1,780	18,090
After one year but within five years	26,831	1,388	28,219
Total	43,141	3,168	46,309

18 Non-current provisions for employee benefits

The Group operates post-employment benefits plans based on the requirement of the Thai Labour Protection Act B.E. 2541 to provide retirement benefits and other long-term benefits to employees based on pensionable remuneration and length of service.

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

Non-current provisions for employee benefits in statement of financial position as at 31 December

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Post-employment benefits -				
Defined benefit plan	49,938	42,182	48,006	39,745
Other long-term employee benefits	6,235	5,179	5,854	4,779
Total	56,173	47,361	53,860	44,524

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Movement in the present value of the non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	47,361	45,212	44,524	42,652
Included in profit or loss				
Current service costs	2,792	2,639	2,593	2,455
Interest on obligation	1,586	1,475	1,481	1,382
Actuarial losses	-	16	-	16
	4,378	4,130	4,074	3,853
Included in other comprehensive income				
Actuarial losses	4,802	65	5,630	65
	4,802	65	5,630	65
Other				
Benefits paid	(368)	(2,046)	(368)	(2,046)
	(368)	(2,046)	(368)	(2,046)
At 31 December	56,173	47,361	53,860	44,524

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Demographic assumptions	1,947	-	2,791	-
Financial assumptions	3,551	-	3,271	-
Experience adjustment	(696)	65	(432)	65
Total	4,802	65	5,630	65

Actuarial assumptions

Principal actuarial assumptions as of the end of the reporting period

Defined benefit obligations

	Consolidated financial statements and Separate financial statements	
	2017	2016
	<i>(%)</i>	
For the year ended 31 December		
Discount rate	2.17 - 2.76*	3.22 - 3.53*
Salary increase rate	5.5	6.00
Employee turnover rate	4.00 - 18.00**	2.00 - 24.00**
Mortality rate	100.00 of TMO 2017****	50.00 - 100.00 of TMO 2008****

* Market yield from government's bond for legal severance payments plan

** Upon the length of service

*** Reference from TMO2008: Male and Female Thai Mortality Ordinary Tables of 2008

**** Reference from TMO2017: Male and Female Thai Mortality Ordinary Tables of 2017

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 31 December				
Discount rate				
0.50% increase	(2,998)	(2,354)	(2,852)	(2,167)
0.50% decrease	3,257	2,555	3,098	2,347
Salary increase rate				
1.00% increase	5,326	5,599	5,076	5,148
1.00% decrease	(4,954)	(4,828)	(4,723)	(4,455)
Employee turnover rate				
10.00% increase	(2,542)	(2,679)	(2,416)	(2,589)
10.00% decrease	2,716	2,907	2,581	2,813

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19 Share capital

	Par value per share <i>(in Baht)</i>	2017		2016	
		Number	Value	Number	Value
		<i>(in thousand shares / in thousand Baht)</i>			
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	-	-	11,000	110,000
Reduction in par value					
- from Baht 10 to Baht 1	1	110,000	110,000	-	-
At 31 December					
- ordinary shares	10	-	-	11,000	110,000
- ordinary shares	1	110,000	110,000	-	-
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	-	-	11,000	110,000
Reduction in par value					
- from Baht 10 to Baht 1	1	110,000	110,000	-	-
At 31 December					
- ordinary shares	10	-	-	11,000	110,000
- ordinary shares	1	110,000	110,000	-	-

At the Annual General Meeting of the Shareholders of the Company held on 20 April 2017, the shareholders approved to propose the change in par value of the Company's ordinary shares from 11,000,000 shares at Baht 10.00 par value each to 110,000,000 shares at Baht 1.00 par value each. The Company has completely registered the aforementioned change with the Ministry of Commerce on 21 April 2017.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

20 Share premium and legal reserve

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.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 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.

21 Business segment information

Management considers that the Group operates in a single line of business, namely Security documents, and has, therefore, only one reportable segment.

Geographical segments

The Group and the Company geographical segment is in domestic and overseas. All significant revenue from sale of goods and rendering of services on the basis of geography is presented in this information. Segment revenue from sale of goods and rendering of services is based on the geographical location of customers.

Geographical segment information

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Thailand	1,203,279	1,150,240	1,088,567	1,043,169
Countries in Asia	103,262	65,950	103,262	65,950
Others	26,637	25,694	26,637	25,694
Total	<u>1,333,178</u>	<u>1,241,584</u>	<u>1,218,466</u>	<u>1,134,813</u>

Major Customer

Revenues from major customers of the Group’s Security documents segment represents approximately Baht 362 million for the year 2017 (2016: Baht 218 million) of the Group’s total revenues.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

22 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Personnel expenses	39,908	37,658	39,908	37,658
Distribution expenses	36,633	29,213	27,310	21,495
Sale promotion expenses	5,629	3,819	5,601	3,815
Rental expenses	1,430	1,432	1,430	1,432
Others	6,155	6,812	6,155	6,813
Total	89,755	78,934	80,404	71,213

23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Personnel expenses	82,971	65,475	82,852	65,064
Rental expenses	5,964	5,367	5,927	5,347
Professional fees	5,125	3,840	4,603	3,421
Depreciation and amortisation	2,116	2,054	2,116	2,054
Others	6,670	7,899	5,924	7,490
Total	102,846	84,635	101,422	83,376

24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Salaries and wages	289,438	270,799	273,675	255,625
Welfares and others	41,293	35,533	40,202	34,029
Defined contribution plans	16,720	15,716	16,038	15,004
Defined benefit plans	4,377	4,130	4,074	3,853
Directors' remuneration	3,814	3,420	3,814	3,420
Total	355,642	329,598	337,803	311,931

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is voluntary. Contributions are made monthly by the employees at rates ranging from 5% to 15% of their basic salaries and by the Group from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

25 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current tax					
Current year		18,292	13,771	18,292	13,771
Under (over) provided in prior year		1,100	(54)	1,100	(54)
		<u>19,392</u>	<u>13,717</u>	<u>19,392</u>	<u>13,717</u>
Deferred tax					
Movement in temporary differences	14	204	(63)	(1,655)	(1,397)
		<u>204</u>	<u>(63)</u>	<u>(1,655)</u>	<u>(1,397)</u>
Total		<u>19,596</u>	<u>13,654</u>	<u>17,737</u>	<u>12,320</u>

Income tax benefit recognised in other comprehensive income

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Actuarial losses	14	<u>960</u>	<u>13</u>	<u>1,126</u>	<u>13</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
		2017		2016
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before tax		119,894		100,466
Share of loss of joint ventures		9,699		-
		<u>129,593</u>		<u>100,466</u>
Income tax using the Thai corporation tax rate	20	25,919	20	20,093
Expenses not deductible for tax purposes		5,496		3,349
Addition expenses deductible for tax purposes		(15,034)		(10,493)
Tax losses		1,911		822
Current tax		<u>18,292</u>		<u>13,771</u>
Under (over) provided in prior years		1,100		(54)
Movement in temporary differences		204		(63)
Income tax expense		<u>15</u>	<u>14</u>	<u>13,654</u>

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Separate financial statements			
	Rate	2017	Rate	2016
	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Profit before tax		127,936		96,324
Income tax using the Thai corporation tax rate	20	25,587	20	19,265
Expenses not deductible for tax purposes		3,515		1,425
Addition expenses deductible for tax purposes		(10,810)		(6,919)
Current tax		18,292		13,771
Under (over) provided in prior years		1,100		(54)
Movement in temporary differences		(1,655)		(1,397)
Income tax expense	14	17,737	13	12,320

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.

26 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December were based on the profit for the year attributable to equity holders of the parent and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the year attributable to equity holders of the parent	100,284	85,289	110,199	84,004
Number of ordinary shares outstanding at 1 January	11,000	11,000	11,000	11,000
Effect of conversion of the par value	99,000	99,000	99,000	99,000
Number of ordinary shares outstanding	110,000	110,000	110,000	110,000
Basic earnings per share (in Baht)	0.91	0.78	1.00	0.76

During the year 2017, the Company had the conversion of the par value of the Company shares (see note 19). Consequently, the Company has restated the number of weighted average ordinary shares used in the computation of basic earnings per share for the year ended 31 December 2017, assuming the conversion of the such par value occurred on 1 January 2016.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

27 Dividends

At the annual general meeting of the shareholders of the Company held on 24 March 2016, the shareholders approved the appropriation of dividends of Baht 5.50 per share, amounting to Baht 60.50 million. The dividends were paid to the shareholders on 18 April 2016.

At the Board of Directors' Meeting of the Company held on 2 August 2016, the directors approved the appropriation of interim dividend for the year 2016 at Baht 1.75 per share, amounting to Baht 19.25 million. The dividends were paid to the shareholders on 31 August 2016.

At the annual general meeting of the shareholders of the Company held on 20 April 2017, the shareholders approved the appropriation of dividends of Baht 0.525 per share (as new par value), amounting to Baht 57.75 million. The dividends were paid to the shareholders on 17 May 2017.

At the Board of Directors' Meeting of the Company held on 3 August 2017, the directors approved the appropriation of interim dividend for the year 2017 at Baht 0.15 per share, amounting to Baht 16.50 million. The dividends were paid to the shareholders on 1 September 2017.

28 Financial instruments

Financial risk management policies

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

Interest rate risk

Interest rate risk arises from the changing of interest rates in the market which effects net interest expense. The Group manages debts by using both fixed interest rates and floating interest rates, depending on the market circumstances.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature were as follows:

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Consolidated financial statements				
	Effective interest rates (% p.a)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
Year 2017				
Current				
Short-term loans from financial institutions	2.27-3.39	60,899	-	60,899
Long-term loan from financial institution	2.90	28,333	-	28,333
Finance lease liabilities	2.11-5.52	17,333	-	17,333
Non-current				
Long-term loan from financial institution	2.90	-	56,667	56,667
Finance lease liabilities	2.11-5.52	-	13,920	13,920
Total		106,565	70,587	177,152
Year 2016				
Current				
Short-term loans from financial institutions	2.70-4.00	115,720	-	115,720
Finance lease liabilities	2.11-5.52	16,310	-	16,310
Non-current				
Finance lease liabilities	2.11-5.52	-	26,831	26,831
Total		132,030	26,831	158,861

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

		Separate financial statements		
	Effective interest rates (% p.a)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	Total
Year 2017				
Current				
Short-term loans from financial institutions	2.27-3.10	37,899	-	37,899
Long-term loan from financial institution	2.90	28,333	-	28,333
Non-current				
Long-term loan from financial institution	2.90	-	56,667	56,667
Total		66,232	56,667	122,899
Year 2016				
Current				
Short-term loans from financial institutions	2.70-4.00	92,720	-	92,720
Total		92,720	-	92,720

Foreign currency risk

The Group is exposure to foreign currency risk relates principally to its payables which are denominated in foreign currencies. However, as at 31 December 2017 and 2016, the Group does not have material foreign currency risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group 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 Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

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

Fair values of financial assets and liabilities

The fair values of the current portion of financial assets and liabilities are taken to approximate the carrying values due to the relatively short-term maturity of these financial instruments.

The fair values of finance lease liabilities approximate their carrying amounts as the market rate is close to the contract rate.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

29 Commitments with non-related parties

- (a) The Company had non-cancellable operating lease commitments and other commitments. The details are as follow:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Non-cancellable operating lease commitments</i>				
Within one year	10,616	10,352	9,889	9,911
After one year but within five years	14,821	14,930	12,788	14,208
Total	25,437	25,282	22,677	24,119
<i>Other commitments</i>				
Bank guarantees	62,062	60,901	50,074	50,775
Total	62,062	60,901	50,074	50,775

- (b) As at 31 December 2017, the Company had commitments from purchasing agreements of machineries and equipment amounted to Baht 1.5 million and the Company had commitments from purchasing agreements of goods amounted to Baht 4 million.
- (c) As at 31 December 2017, the Group and the Company had credit facilities with various financial institutions at the total amount of Baht 595 million and Baht 546 million respectively, which has unutilised credit facilities totalling Baht 387 million and Baht 373 million respectively.
- (d) The Company had trademark license agreement with Invenique Co., Ltd. which is related company, whereby the latter granted the Company the right to use its trademark license. Under the term of the agreement, the Company is committed to pay the service fee as agreed in the contract. The said agreement is for the period 1 year commencing from 1 January 2013 and shall thereafter be automatically renewed for 1 year term, unless either party gives a termination notice in writing to the other party at least 1 month prior to the expiration date.
- (e) The Company had land and building rental agreement with SCG Packaging Public Company Limited, which is related company, whereby the latter granted the Company the right to use its land and building. Under the term of the agreement, the Company is committed to pay the rental fee as agreed in the contract. The said agreement is for the period 1 year commencing from 1 January 2013 and shall thereafter be automatically renewed for 1 year term, unless either party gives a termination notice in writing to the other party at least 2 month prior to the expiration date.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

30 Events after the reporting period

- (a) In January 2018, Myanmar Deco-TBSP Special Products Company Limited, which is the joint venture, has increased the authorised share capital from US Dollars 2.25 million or equivalent to Baht 72.37 million to US Dollars 2.50 million or equivalent to Baht 80.41 million by issuing 250,000 new ordinary shares at par value of US Dollars 1 or equivalent to Baht 32.16. The new ordinary shares has not been allocated to the existing shareholders. Though, there is a new shareholder namely Mr. Rolles Rudolf Jurgen August, a German business partner. As a result, the portion of holding investments in joint venture of Thai British Security Printing Overseas Co., Ltd., Mr. U Kyaw Khin and Mr. Rolles Rudolf Jurgen August were changed to 40%, 40% and 20%, respectively.
- (b) On 31 January 2018, the Company had repurchased 1,666,000 ordinary shares from DataPost Pte. Ltd. The portion is 49% of the issued and paid-up share capital of Thai British DPost Co., Ltd. which is a subsidiary of the Company at the price of Singapore Dollars 0.4964 or equivalent to Baht 12.19, totaling Singapore Dollars 0.827 million or equivalent to Baht 19.90 million. As a result, the Company holds the entire its ownership interest.
- (c) On 16 February 2018, the Company received as Announcement of Intention to Make a Tender Offer (Form 247-3), for the conditional voluntary tender offer for all securities of Thai British Security Printing Public Company Limited from T.K.S. Technologies Public Company Limited which is related company at the offering price of Baht 15.70 per share. The official submission of the tender offer is expected to be within 27 February 2018.
- (d) At submit for approval at the Annual General Meeting of the Shareholders on 19 February 2018, the payment of a dividend for 2017 at the rate of Baht 0.70 per share, amounting to Baht 77 million. An interim dividend of Baht 0.15 per share was paid on 3 August 2017, as discussed in note 27. The final dividend will be at the rate of Baht 0.55 per share, payable to shareholders totalling approximately Baht 60.50 million and is scheduled for payment on 26 April 2018. The dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 28 March 2018.

Thai British Security Printing Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

31 Reclassification of accounts

Certain accounts in the 2016 financial statements have been reclassified to conform to the presentation in the 2017 financial statements. The significant reclassification as follows:

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. <i>(in thousand Baht)</i>	Before reclass.	Reclass.	After reclass.
<i>Statement of financial position</i>						
Trade and other current receivables	215,654	19,314	234,968	209,584	11,926	221,510
Other current assets	36,442	(36,442)	-	24,809	(24,809)	-
Current tax assets	-	17,097	17,097	-	12,883	12,883
Other non current assets	620	31	651	-	-	-
<i>Statement of income</i>						
Distribution costs	33,064	45,870	78,934	25,315	45,898	71,213
Administrative expenses	130,506	(45,870)	84,636	129,274	(45,898)	83,876
		<u>-</u>			<u>-</u>	



ทะเบียนเลขที่ / Registration No. 0107537002311

- **Head Office, Poochao-Saming Prai Factory**

41/1 Moo 10, Soi Wat Suan Som, Poochao-Saming Prai Road,
Samrongtai Subdistrict, Phrapradaeng District, Samutprakarn 10130
Telephone 0-2754-2650 (Auto) Fax 0-2183-2763

- **Bangpoo Factory**

Bangpoo Industrial Estate 837 Moo 4, Soi 12
Pattana 1 Road, Praksa Subdistrict, Muang District, Samutprakarn 10280
Telephone 0-2709-4201-9 Fax 0-2709-4200

- **Sales Office and Infozafe Plant**

406/1 Moo 9, Sukhumvit Road, Teparak Subdistrict,
Muang District, Samutprakarn 10270
Telephone 0-2380-1320, 0-2380-4188 Fax 0-2380-1326-7

