



T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.

ANNUAL REPORT
2016



T.Krungthai Industries Public Company Limited

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******: The company had posted 56-1 report at www.sec.or.th and www.tkrungthai.com,
So that investor can learn from both of web sites**

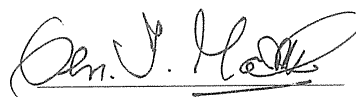
Report from Directors

In the year 2016, the automotive industry production totaled to 1.94 million units, up from year 2015 of 1.64 % Passenger car production was 0.81 million unit, 1 ton truck production was 1.10 million unit, and other vehicles was 0.03 million units. Total production shows that the purchasing power of consumers is gradually recovering

Operation result of the company : Company's total revenue for year 2016 amounted to Baht1,075 million, down 20.72 % compared to previous year due to not being able to find enough new sales to replace the expire model. The waste in production at Suwintawong plant in 2016 is a major cause company of net loss of Baht 67.54 million. The company executives and all employees strived to solve this problem urgently by obtaining more sales and reduce waste in the manufacturing process and reduce costs in order to return to its profitability.

In addition, the Board of Directors has the best interest to conduct its business with good ethics and focus on the importance of good corporate governance. The Board of Directors shall conduct annual self-appraisal as a framework of assessment of the Board performance and determine anti corruption policies in order to prevent corruption in the organization and to contribute on social and environment that will lead to sustainable development. With its commitment to the implementation of good corporate governance , the company was awarded “ **Excellent** “ by the Institute of Directors of Thailand.

On behalf of the Board of Directors , thanks to all the stakeholders, staffs at all levels along with the management of the company who are the major driving force in supporting the company. Please be ensure that we well be able to solve the problem and create a sustainable growth for the company, with transparency and good corporate governance.


.....

General Terdsak Marrome
Chairman

Vision

“To be a leader in service rendering in the automobile plastic parts production and other related industry in terms of quality and service for the interest of all.”

Mission

- ❖ To meet or fulfill the need of customers in quality and service.
- ❖ To have a chance in business expansion.
- ❖ To improve management system, production system and quality system to be of international standard.
- ❖ To improve human resources and provide them continuous knowledge and information.
- ❖ To have good and proper communication both in and out of the company
- ❖ To strengthen our image and have good relationship to our employees customers and shareholders.

Board of Director



General Terdsak Marrome
Chairman / Independent Director



Mr. Pairuch Sahamethapat
Director/Independent Director



Mr. Paotep Chotinuchit
Director/Independent Director



Mr. Virasak Sutanthavibul
Director/Independent Director



Dr. Kosol Surakomol
Director/Independent Director



Mr. Sumate Techakraisri
Director/CEO



Mr. Kumpee Chongthurakit
Director



Mrs. Yupa Techakraisri
Director



Mr. Apichart Kasemkulsiri
Director



Mr. Phreecha Techakraisri
Director/Managing Director



Mr. Chumpol Techakraisri
Director/Company Secretary



Mr. Prasong Techakraisri
Director

1. Policy and Overall business operation

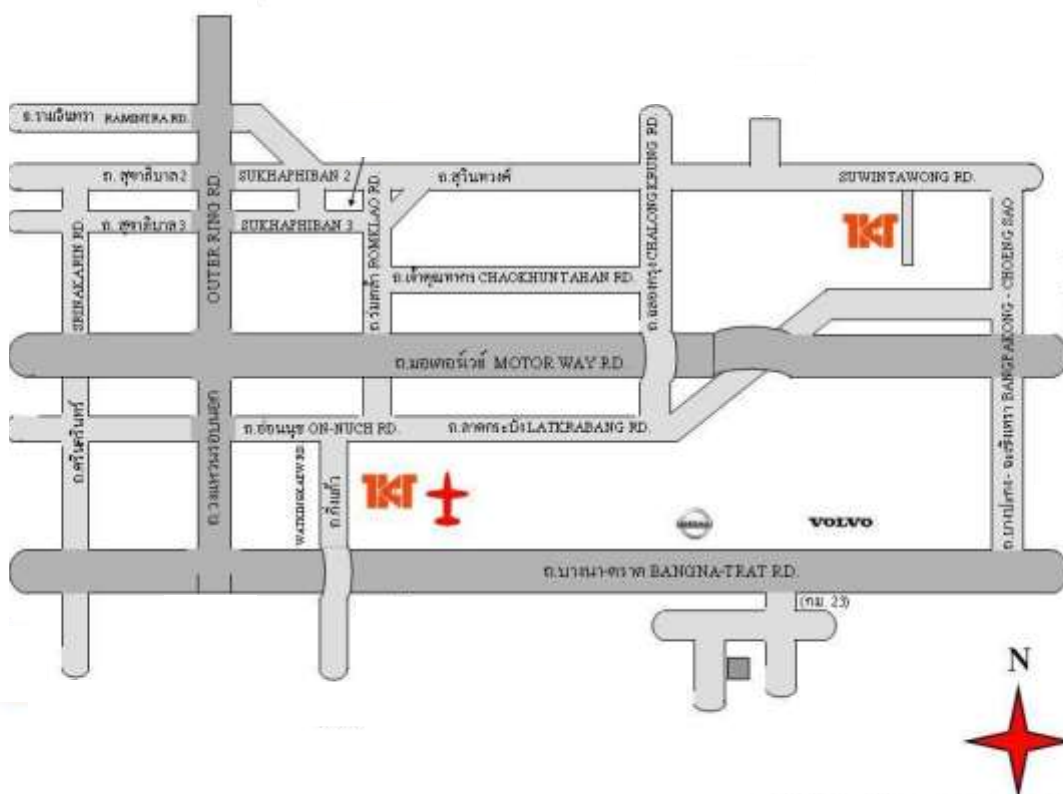
T.Krungthai Industries Public Company Limited (“TKT”) is the producer of plastic parts, including the spray painting, silk-screen & hot stamping and sub assembly, and the service provider on mold design, mold production and mold repair for plastic parts to the leading Automobile, Electrical appliance and Original Equipment Manufacturers (OEM).

Currently, the Company owns 3 production plants.

The first plant is located at Bangplee, Samutprakarn. Its production emphasizes on supporting the demand of plastic parts for automotive and electrical appliance industries.

The second plant is located at Kabinburi, Prachinburi. This plant has been operated since April 2004 and emphasizes on the production to support electrical appliance industry.

The third plant is located on Suwintawong Road, Muang, Chachengshao. This plant has been operated since Quarter 3, year 2005 and emphasizes on production of injection mold. The company purchased machineries to support the increasing production



Policies and long-term goals of the company.

In addition to the annual work plan consisting of annual budget and action plan approved by the Board of Directors. BOD and Management team also pay attention in doing business for long term and to serve needs of all stakeholders. Therefore, the company set policies and business goals in the long term period as follows:

1. Focus on developing competitive advantage by responding to customer needs in terms of quality, delivery, cost, innovation, service and development of new products. Company shall conduct a customer satisfaction survey for all 6 criteria at least 2 times a year.
2. Concentrate on the potential development of the human resources in the company by building core competencies consistent with the values of the organization which support the growth of the company.
3. The company has plans to improve growth both its sale and profit goals annually from year 2014 – 2018 based on the growth of the industry and competitors in the same industry. The Company has a strategic plans to achieve these goals.
4. The Company has established a Corporate Governance Committee to review the corporate governance policy appropriately in fairness to the shareholders as well.
5. Focused on the activities of the organization contribute. And social assistance Activities for philanthropy and events the benefit to society and to focus on the implementation of CSR.

In 2016, the Company had the following significant changes and developments.

1. The Company has been awarded Good Cooperation & Always Support Award Year 2015/2016 from Kawasaki Motors Enterprise (Thailand) Co.,Ltd.
2. The Company's Zero Defect Award from Mitsubishi Motors (Thailand) Company Limited.
3. The Company was awarded the "Investors' Choice Award for the year 2016 as listed on the Stock Exchange of Thailand. This was the assessment on the annual general meeting of shareholders of 100% for 6 consecutive years
4. The company has been awarded the Achievement Target JIT & JIDOKA 2015/2016 from Toyoda Gosei (Thailand) Company Limited.
5. The company won the award for Best Delivery 2015/2016 from Toyoda Gosei (Thailand) Company Limited.
6. The company has been Honorary Award of the Cooperation Organization “Understanding Access to Thai Vocational Education Developing” from the Dual System Project in the Establishment of the Federation of Thai Industries
7. The company has been rated as "excellent" from the assessment of corporate governance (Corporate Governance Report of Thai Listed Companies) by the Institute of Directors of Thailand and The Stock Exchange of Thailand And the Securities and Exchange Commission.

2. Nature of Business

The Company's products are classified into two categories:

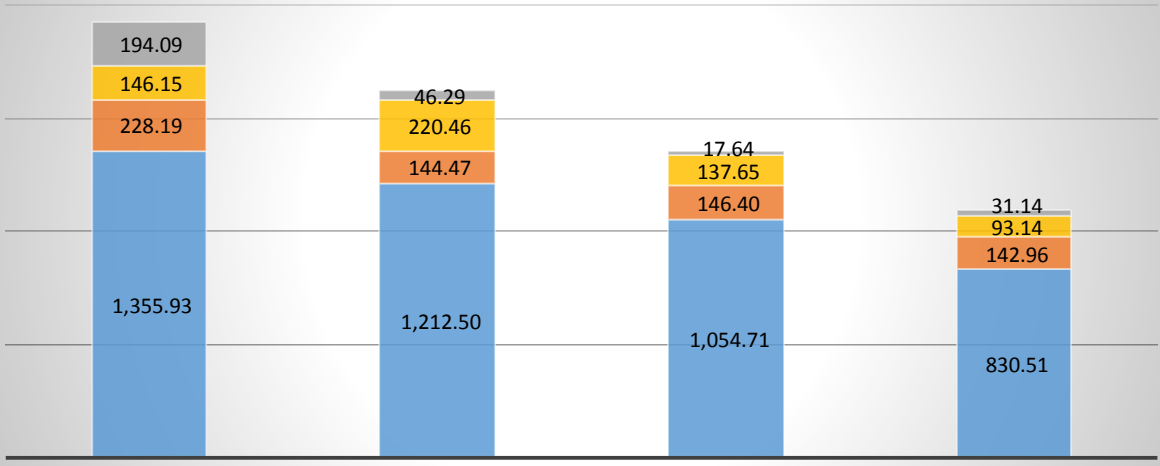
1. Injection Molding
 - Automotive Industry
 - Electric Industries
 - other Industry
2. Mold Production and repair

Income Structure

T.Krunghai Industries Public Company Limited, the Company, supplied all of its products to the domestic customers. The Company's income structure was as follows:

Income Structure Tables								
Value of Sales	2013		2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Sales Income								
Automotive Industry	1,355.93	70.46	1,212.50	74.67	1,054.71	77.76	830.51	75.66
Electrical Appliance Industry	228.19	11.86	144.47	8.90	146.40	10.79	142.96	13.02
Other Industries	194.09	10.09	46.29	2.85	17.64	1.30	31.14	2.84
Mold Production Service	146.15	7.59	220.46	13.58	137.65	10.15	93.14	8.48
Total Sales Income	1,924.36	100.00	1,623.72	100.00	1,356.40	100.00	1,097.75	100.00

Sales Value (Million Baht)



Year	Automotive Industry	Electrical Appliance Industry	Mold Production Service	Other Industries
2013	1,355.93	228.19	146.15	194.09
2014	1,212.50	144.47	220.46	46.29
2015	1,054.71	146.40	137.65	17.64
2016	830.51	142.96	93.14	31.14

2.1 Types of products and services

The Company's products are classified into two categories:

1. Injection Molding

The Company is the producer of plastic parts for industry. After the process of injection molding, plastic parts would be brought into further processes such as spray painting, silk-screen & hot stamping and sub assembly. The production of plastic parts supports the three groups of industry as follows:

Group 1 Plastic parts for Automotive Industry

- Interior Part Such as, dashboard components/trim, panel, plastic interior parts

and door panels.

- Exterior Part Such as, Radiator Grilles, Wheel Cap, Mud guards.
- Engine Room Such as, Cover Engine.

Group 2 Plastic parts for Electrical Appliance Industry

- Products including in this group parts of refrigerators, Door Handle, Base, Top Plate and other parts inside the refrigerator.

Group 3 Plastic parts for other industries

Products including in this group are plastic parts, which are the components of packaging for consumer products such as can covers, etc.

The company's quality control process are monitored and controlled efficiently starting from the import of raw materials, production process, production of good quality products ,best service and up to the time of delivery to the customer for which the company earns the customers confidence, trust and satisfaction.

2. Mold Production for Plastic Injection Production

A) Mold Design and Production

The Company provides services on mold design and manufacture of plastic injection molds. With professional teams, having more than 10-year experience in mold design and production, computers are used in designing process such as CAE (Mold Flow) which is used to analyze the design of plastic parts and mold. Computer Aid Design (CAD) and Computer Aid Manufacturing (CAM), the Company was able to produce good quality molds, which are right according to designs. Moreover, the Company has sent the technicians, who take care of the mold production, over for training both domestically and abroad. The trainings were aimed to develop on mold production of the Company

Mold making is divided into two groups.

1. New Mold for customers' order

For this, the company will make mold for injection according to the customers specification and make the mold in accordance with the design details agreed by both sides.

2. Customer provide mold for repair and adjustment

For this, the customers provide molds for repair and adjustment , both the company and the customer support each other for the improvement of surface, mold design for injection improvement and adjustment for quicker production or as per the customers requirement. This sort of service build trust from customers in the injection process and if the mold has been damaged the company also give service in this matter.

Production and repair of molds the company give quotation for their service depending on the size of the mold , difficulty and simplicity of the mold repair and the working time / lead time recorded as an income form sales and service.

B) Mold Repair

Besides from services on mold production, the Company also provides services on mold repair. The Company's professional technicians would provide immediate repair services right at the ours' sites. The customers' time would not be wasted for sending the molds externally for repair. These services are aimed to create creditability towards the Company's mold production.

Investment Support from Board of Investment Directors (BOI)

The Company has received promotional privileges from the Board of Investment (BOI) in Zone 2 (Chachoengsao) for plant Suwintawong on February 25, 2011 to indicate that the user is encouraged to invest in the business. mold manufacturing and mold repair itself. The gist has been promoted as follows.

1. Exemption in company income tax for the net profit on the BOI privilege for 8 years and reduction on corporate income tax in the Net Profit 50% for 5 years after 8 years.

2. Exemption on dividends paid by the Company has been promoted calculation . To pay income tax for the period that has been promoted is exempted from income tax throughout the BOI privilege period.

3. Reduction on imported machineries and material in the manufacturing and export for 1 year.

4. Reduction import duty for the BOI privilege import and export in 1 year.

On October 25, 2012 , the Company acquired additional type of business from Board of Investment (BOI) That is Manufacture of plastic or plastic coated. Following are the overview of the acquired privileges :

1.Exemption from income tax on profits derived from such business on the BOI privilege which does not exceed 100 percent of the investment , excluding land and working capital for a period of 3 years.

2. Exemption on the dividends paid by the company under the BOI privilege and to pay income tax for the period of the exemption given to the company by BOI.

3. Exempt from import duty on raw and essential materials imported from abroad for use in the production for export for a period of one year.

4. Exemption from import duties for imported be encouraged to return to a period of one year

2.2. Marketing and Competition

1. Marketing Strategy

Being 40 years in business the company are already familiar with our customers needs and requirements. Most of the customers are not really concern on prices but more concerned in their trust, quality of the product, service ability and capability so the company came up with a marketing strategy and policy as per our customers requirements and needs be it in short or long term period as follows :

Q (Quality) : product quality must be standard and accepted by our customers, quality
Competitive with other manufacturers.

C (Cost) : cost in production shall be lower and control production expense by increasing the
production and reduce wastes during production.

(Delivery) : Delivery efficiency by on time delivery and quicker delivery to the customers by

	setting up a section for quicker and on time delivery
M (Management) :	Management efficiency, policy making and strategy in management from board of directors emphasized on more efficiency in working and in marketing by using standard quality system such as ISO 9001 – ISO/ TS 16949 and ISO 14000 up to TPM and TPS : for customers satisfaction.
E (Engineering) :	Support and improve the ability and capability of engineering of the company in a modern way improve designing of products for (One-Stop Service)
C (Communication) :	Good quality of communication both in and out of the company.

The Company policies in marketing actuary measure for the satisfaction level of customers yearly. The target score for satisfaction is 85% up and set 5 points for rating they are Quality, Cost, Delivery, Management and Engineering, and to results were evaluated for improvement.

Nature of Customers and Customer Target Group

The company has divided target customers into 4 groups as follows :

1. **Automobile Industry Group** this group consist of : various automobile producers including the parts manufacturers with a total sales of 75.66% such as Toyota Motor Asia Pacific Engineering and Manufacturing Co.,Ltd., Kawasaki Motor Enterprise (Thailand) Co.,Ltd.,
2. household and business sector with a total sales of 13.02% such as Haier Electric (Thailand) PCL, Hitachi Consumer Products (Thailand) Co.,Ltd., Panasonic Home Appliances (Thailand) Co.,Ltd.
3. **Other Industry Group** this group consist of manufacturers of products made from plastics such as packaging, in the year 2016 revenue was 2.84% of the total income such as Prairie Marketing Co., Ltd.
4. **Molding Industry Group and Repair** in the year 2016, customer sales portion sale ratio 8.48% of the total income such as Toyota Motor Asia Pacific Engineering and Manufacturing Co.,Ltd., Kawasaki Motor Enterprise (Thailand) Co.,Ltd., Faurecia & Summit Interior Systems (Thailand) Co.,Ltd.

The company has one customer which has a market share of 30 % in the automotive industry that is Toyota Group

Sales & Method of Selling

The company make direct sales to clients (End User) by not going through an agent and it's a domestic sale but other products of the company are being assembled and exported indirectly (Indirect Export) in the form of finished product and parts. Most of our customers are Japanese companies and they normally have representative or affiliate companies to make purchases for them. From our experience our company's plastic products are well accepted and used in the assembly of electrical and automobile industries in Japan. Besides, our company has better know how in the working system of Japanese companies and use this to improve our products and service in order to be competitive with the Japanese

companies, along with the improvement of human resource in all levels. Our company uses production standard, work closely with customers, so we could know directly the requirement of the customers. This is the reason why Thai producers are well accepted in this line of products and service. The company is able to offer its service to other manufacturers on both industry.

Industry Situation and Competition

Industry Structure

The Company commercially produced and distributed the plastic parts to the customers, who further use them as a component of any readymade products that were sold to the end users.

Presently, the business on production of injection molding rapidly grew. With characteristics of being high torsion & impact resistance and light in weight, the demand of the products were rising from various industries such as automotive, electrical appliance and electronics industries. Followings are situations on the Company's principal related industries:-

Condition of Automobile Industry in the year 2016 (Data from The Federation of Thai Industries.)

Automotive industry in 2016

Car production in 2016 totaled to 1,944,417 units an increase of 1.64% compared to the same period of 2015. Passenger cars totaled to 811,805 units up 5.61% compared to year 2015, pickup truck 1 ton production totaled to 1,102,816 units or 56.72% of total production. Export Production totaled to 1,167,574 units representing 60.05% of total production in year 2015 an decrease of 2.78%.

The total value of exports, the engine, other parts, auto parts, motorcycle parts, motorcycle parts and a total of 944,434.14 million baht, an increase of 5.8 percent in year 2015.

2.3 Exploration / Search of Product or Service

Production : at present the company has a 3 plants to provide services Details as follows :

Factory 1 : Located at 59 Mu 6 Kingkaew Road, Rajateva, Bangplee, Samutprakarn 10540 with an area of 9 rai 10,200 square meter is used for factory bldg. comprise of marketing dept., engineering dept., production dept. For full production capacity we use 3,600 tons / year.

Factory 2 : Located at 517 Moo 9, Nongkee, Kabinburi Prachinburi 25110. Area -13 rai. 6,000 square meter is used for factory bldg. for better and bigger production for our customers requirement, started on February 2004 and with a full capacity of 5,040 tons/ year.

Factory 3 : Located at 28/4 Moo 1 Suwintawongse Road, Klong Udom Chulachon, Amphur Muang, Chachoengsao 24000. Area -27 rai. 8,700 square meters is used for mold making that can be used in the production of mold for injection ranging from 30 to 1,800 tons and a plastic injection molding machine ranging from 230 to 850 tons

To be able to gain the trust and provide satisfaction to our beloved customers, we have set an important policy for production i.e to concentrate on the quality of product as per customers requirements with on time delivery.

➤ **Search of Raw Material for Plastic Production**

• **Raw material for production of plastic products**

The main raw material used for production of plastic products are Pellets purchased from local representative vendors and the purchase of these materials are composed of the following groups.

• **Plastic Product for automotive industry**

Raw material to be used in the product production, the company purchase the material in advance from local vendors. 95 % purchase of plastic products , the customers and the sellers specify what kind of material is to be used in order to control the material quality according to customers requirement.

The company has 26 raw material vendors.

• **Plastic Product for Electronic Appliances Industry**

Purchase of raw material for the production of electronic appliances plastic parts comprise of two categories : customers provide the company with material and or the company purchase the material. For Kabinburi factory the year 2016 customer supplier material 45% and 55% respectively.

For the purchase of raw material of the above 2 groups, the company can deal with the customers, the company has no difficulty in finding material vendors who could provide cheaper with the same quality as per customers requirement.

Kind of plastic material are separated into the following groups : Polystyrene – PS, Polypropylene-PP (Engineering Grade), PC/ABS (PC Alloy), Nylon (PA+GF) Poly Acetal (POM),Acrylonitrile Butadiene Styrene-ABS and others.

➤ **Finding material for mold making**

• **Material for Mold Making**

The main material is steel (Mold Base) and steel mould parts, the company purchased from many local vendors. These vendors has been with the company for a long period of time, the steel used are of good quality according to the injection mould specification with less wastes.

➤ **Analysis and Development of Mold Making**

The company got a Mold Flow to support our analysis and help us in the design and the manufacturing of plastic injection molds and as a result the molds produced higher and better quality . The company made researches to develop new technologies for the higher quality production with lower cost in collaboration with NSTDA which will start in the year 2016

➤ **Repair of Mold**

Besides offering service on mold the company also give service on damage molds during the working process and this kind of service on repair can build trust from customers. Our company's mould section officers can also give service at our customers' factory/plant.

2.4 Undelivered Job (Especially on Project with High Value)

-None –

3. Business Risk

The company had realized that risk management is an important issue and tool to management framework. Risk management is significant to investors, shareholders, business operations therefore a manual has been prepared to be followed. Risk management policy and Risk Management Committee shall assess risks and determine preventive measures along with the responsible officers for monitoring and analyzed the risk practices in the organization. Responsible authorities that has been linked to risk management strategy shall manage the organization to reduce or mitigate the risks that may cause to the organization. The company has set out the risks that may affect the business in six categories as follows :

- Risk in Business Operations and Strategy
- Risk in Operations
- Risk in Accounting and Finance
- Risk in Administration and Management
- Risk in related Rules and Regulations
- Risk in Information Systems

In year 2016, the company has to comply with the regulations of risk management manual and shall conduct a risk assessment in each group every six months and found out that the risk has materialized as follows :

- **Risk in Business Operations and Strategy**
 - **The risk in the change of raw material price**

If the price of raw material become higher our cost of goods sold will also be higher which will make out profit less

Change of material price has no impact to the company operation as prices quoted to the customers are calculated based on the raw material cost and cost structure and the responsibility on this is given to the marketing dept. to follow up the price change of the raw material and quote the price to customers as per the material cost.

- **Risk in Operations**

- **Risk in Cost of Production higher than competitor due to machinery and technology**

If production costs are higher than that of the competitors due to the obsolete / outdated machineries and technology that makes our production waste higher and less production combined with higher maintenance cost and higher cost of goods sold .

Therefore the company has to follow up any changes in technology all the time and send its employees regularly both abroad and locally. In the case of the machineries used for production, we have to check its efficiency on a regular basis and calculate the maintenance cost once a year and make sure that the maintenance expenses won't be high. If the outcome is not satisfactory then the company must take into consideration to purchase new machine

- **Risk in lack of raw materials**

Material used for production is a special kind of raw material for automotive industry, should the material used is not enough it will affect our production and delivery.

The company control this risk by purchasing the material from trusted and reliable suppliers, make plans ahead and must be under control and monitored regularly.

- **Risk in Accounting and Finance**

The Company has planned to reduce the liabilities on current loan as to give flexibility in financial management and to provide support for future business to yield satisfactory rate of return As you can see from D/E Ratio with the highest 2.5:1 at present D/E ratio 1.77 for fiscal year 2016.

The Company has focus on monetary regulations and proper financial management. The Company regularly analyzed impacts of all risks in order to prepare for the sudden affects from any unpleasant situations that might happen. Financial risks that the Company put focuses is to closely protect financial risk that can affect our expenses.

- **Risk form interest rate**

Risk from interest rates incurred from the change of interest rates in the future which effects upon results of operation and cash flow of the Company.

However, the Company has planned to reduce such risk by finance at the lower interest rate. The company interest expenses is quite low compared to the total income.

- **Risk from exchange rate**

The Company has certain foreign currency transactions that give rise to significant exposure to market risk from change in foreign exchange rates.

However, the Company has forwarding contract for foreign exchange rated as a hedge against such risk for the purchase of machineries and equipments from foreign country.

- **Risk from credit provision**

The Company constitute risk from the credit offered in respect of trading accounts receivable since trade accounts receivable may not be able to settle debt pursuant to term and covenant agreed upon and also risk from counter party who cannot comply with the term and covenant in the contract of loan which may incur financial loss.

However the Company hold the policy to hedge against such risks via the analysis of financial status and consideration of capability in term of debt repayment of clients and each counter-party. Regarding the consideration of audit granted for trading accounts receivable who are anticipated of uncollectable in debt settlement, the Company sufficiently considered the allowance of doubtful debt.

- **The risk of non-compliance with the agreement**

The company has a potential risk of the counterparties' failure to comply with contract requirements which cause a financial loss .

To avoid this risk, the Company is monitoring the compliance in each contract regularly.

➤ **Risk in related Rules and Regulations**

• **Risk on not complying to the rules and regulation of SET/SEC**

The SET / SEC have set regulations for listed companies to observe and follow rules in administering companies in appropriate manner including the prohibitions and punishments for the companies who do not observe and follow the rules.

The company has to strictly and closely follow SET / SEC rules and has to appoint someone to be directly responsible to follow up news / reports, and or latest regulations for listed companies for confidence that the company strictly follows the rules of SET / SEC on time.

The risk assessment of this aspect in 2016 found no violation of any rules, regulations or terms and conditions of the Stock Exchange of Thailand.

➤ **Risk in Information Systems**

• **Risk of data loss**

There is a risk of Enterprise Resource Planning (ERP) software database loss and malfunction of computer systems, which could cause damage to the company's operations.

Therefore, the company has applied a preventive method of data loss by improving the ERP to support increased data volumes and ensure the stability of the operation of all segments. The company has ensured that the database system features a backup storage system that is secure, and the availability of backup computers that are able to replace the main computer as soon as there are any malfunctions. The personnel provides authorities for chief information officer to support for training and other issues and let all the employees be aware and carry out effectively and adequately.

4. General Information and Other Important Information

4.1 General Information

Company Name	: T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.
Business	: Production of plastic parts and services of mold design, mold production and mold repair for plastic parts to the leading Automobile manufacturers, Electrical appliance manufacturers and Original Equipment Manufacturers ("OEM").
Authorized Capital	: The Company has an issued and paid-up share capital of 214 million baht to 214 million shares.
Head office	: 23 Soi Chan 43 Yak 21, Chan Road, Tungwatdon, Sathorn, Bangkok 10120
Plants Location	: 1. 59 Moo 6 King Kaew Road, Rajateva, Bangplee, Samutprakarn 10540 : 2. 517 Moo 9 Nongkee, Kabinbure, Prachinburi 25110 : 3. 28/4 Moo 1 Suwintawong Road, Klong-udom-Chonlajorn, Muang, Chachengshao 24000
Company Registration No.	: 0107547000010



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Investor relation : investor@krungthai.com
Audit Committee : independent@krungthai.com
(Independent Director)
Web Site : www.krungthai.com

Reference

Registrar : Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building, Rachadapisek Road,
Dindaeng, Dindaeng, Bangkok 10400
Tel: (66 2) 009-9000, Fax: (66 2) 009-9991

Auditors : Karin Audit Company Limited
138 Boonmitr 6th Floor Room B1, Silom Road Suriyawong, Bangrak,
Bangkok 10500
Tel. 0-2634-2484-6 Fax. 0-2634-2668
Auditor : Mr. Jirote Sirirorote , C.P.A. Thailand No. 5113

Legal Advisor /Consultant : Far East Law (Thailand) Co., Ltd.
127/74-75 RS Tower Bldg. 24th. Rachadapisek, Dindaeng, Bangkok 10400

4.2 Other Important Information

- None

5. Shareholders

The Company's total registered capital was Baht 214 million (Two Hundreds and Fourteen million Baht), divided into 214 million common shares with par value of Baht 1 (one Baht). Besides, The company has no other shares that is different from common shares such as Preferred shares.

Main Shareholders of the company has no agreement in terms of management of the company and the sales of company's shares.

5.1 List of major shareholders at December 27th 2016

No	Name	Share amount	(%)
1	Mr.Sumate Techakraisri	33,500,000	15.65
2	Mrs.Yupa Techakraisri	24,000,000	11.21
3	Mr.KamKwan Koon	12,750,000	5.96
4	Mr.Tanawat Kraipisitkul	12,682,820	5.93
5	Mr.Mit Techakraisri	6,500,000	3.04
6	Mr.Phreecha Techakraisri	6,138,400	2.87
7	Mrs.Taeteasri Saetae	6,000,000	2.80
8	Mr.Supakornt Techakraisri	5,740,200	2.68
9	Miss. Siri-on Isarakula Na Ayuthaya	4,293,400	2.01
10	Mr.Wiwat Kraipisitkul	4,274,900	2.00

Remark: : Major Shareholder (Techakraisri group) : Mr.Sumate Techakraisri,
Mrs.Yupa Techakraisri, Mr. Mit Techakrasri, Mr.Phreecha Techakrasri,
Mrs.Taeteasri Saetae, Mr.Supakornt Techakraisri.

Thai citizen shareholders 192,053,400 shares equal to (%) 89.74

Foreigner shareholders 21,946,600 shares equal to (%) 10.26

Foreign Shareholders' limitation

Foreigners are not allowed to hold more than 40% of total company shares.

5.2 Other Security

- None

6. Policy of Paying Dividends

The company has to pay the dividends to the shareholders not less than 40% of net profit of each year except if the company has plans to invest on others investments. Historical dividend paid date.

Year	2011	2012	2013	2014	2015
Earning per share (Baht)	-0.07	0.38	0.18	0.09	0.06
Dividend per share (Baht)	0.05	0.18	0.15	0.10	0.06
Dividend per EPS (%)	- NA -	47.12	82.39	110.02	103.63

Details of attendants in Board of Directors Meeting in Year 2016				
No.	Name - Surname	Position	DCP & DAP	Attendance
6	Mr.Sumate Techakraisri	Director / CEO Director Remuneration and Nomination Committee Director Corporate Governance Committee	DCP 137/2010	8/8
7	Mr.Kumpee Chongthurakit	Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	DCP 48/2004	8/8
8	Mr.Phreecha Techakraisri	Director / Executive Director / Managing Director Director Risk Management Committee	DAP 10/2004	8/8
9	Mr.Chumpol Techakraisri	Director / Executive Director / Company Secretary / Director Risk Management Committee / Asst. Managing Director	DCP 102/2008	8/8
10	Mrs.Yupa Techakraisri	Director	DCP 32/2003	8/8
11	Mr.Apichart Kasemkulsiri	Director	DCP 73/2006	8/8
12	Mr.Prasong Techakraisri	Director	DAP 11/2004	8/8

The secretary to the Company's Board of Directors is Mr.Chumpol Techakraisri

The Board represents all the shareholders and is responsible for governing the Company's operations in accordance with the provisions of the law, the Articles of Association, resolutions of the shareholders' meetings and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders.

The duties & responsibilities of the Board of Directors

1. The Board of Directors hold the duties & responsibilities in accordance with regulations stated in civil and commercial laws, including any regulations stated in listed companies.
2. The Board of Directors hold the duties & responsibilities in accordance with the Company's articles of association.
3. To monitor and regulate the Company's principal policies on operations, corporate finance, fund-raising, capital risk, benefit risk, and risk management.
4. To consider for the approval of investment amount and to monitor the Company's operations in pursuant to the plans.
5. Set strategy for the business goal and projection plan
6. To operate under laws, objectives and articles of association of the Company, resolution from the Shareholders Meeting and Statements in the prospects of the Company.
7. Review policy corporate governance and provide for the administration of corporate governance principles.
8. Ensure avoidance of conflicts of interest amongst the Company's stakeholders

9. Approval, assign an or several individuals as the Executive Director(s) to act on behalf of the Board of Directors.
10. Approval of company's annual and capital expenditures, budgets, budget costs, manufacturing, selling and administrative expenses for the year, sales of fixed assets between affiliates (market value of more than 1 million Baht

Followings are exceptional issues that should be raised to and required for approval from the Shareholders Meeting. Moreover, no votes should be made by directors, who may have conflicts of interest with the company or its subsidiaries.

- Legal issues that require resolution from the Shareholders Meeting
- Issues regarding the Directors interests that require resolution from the Shareholders Meeting, according to regulations of the Stock Exchange of Thailand and laws.
- Besides, followings are issues that require approvals from the Board of Directors Meeting and Shareholders Meeting with the votes of no less than $\frac{3}{4}$ or 75% of the total votes from total number of shareholders attended.
 - The sales or transference of all or parts of the Company's business to outsiders
 - The acquisition of other public or private companies
 - The agreement, amendment or termination of contracts relating with the rental, a whole business or some significant parts of business of the Company; assigning outsiders to oversee and manage the business or the merger with purpose of sharing profits and losses
 - Capitalization of the Company's debts by issuing new common shares for the creditors.
 - Decrease of the company's registered capital by the amounts of shares or par value.
 - Increase or decrease of the Company's registered Capital, bond or debenture issuance, merger or wind up of business.
 - Any other law related issues.

Authorized Directors

The authorized directors, whose signatures are required in business operation, comprised of Mr. Sumate Techakraisri to jointly-sign with Mrs.Yupa Techakraisri or Mr.Chumpol Techakraisri or Mr.Phreecha Techakraisri. Two signatures together with the Company's logo stamp are required for juristic transactions binding upon the Company.

Company Policy the variety of the Board of Directors

The Board are aware of the diversity which is the key factor in increasing the efficiency of decision making and the work of the Board of Directors. Diversity is not only about the gender but also to the age, education background, professional experience skills and knowledge.

Appointment and recruitment of company's directors shall be based on their knowledge which take into account the selection of criteria and the benefits of diversity including gender variety.

Definition of Independent Director

The Board of Directors had set the qualifications of an independent director which is in equal with the requirement of SEC and at least there must be 3 independent directors with the following qualifications :

(1) Hold no more than 0.5% of total voting stocks of TKT, its parent company, its subsidiaries and its associated companies, related juristic entity with conflicts including stocks held by related persons.

* The company has established stricter criteria than the announcement made by The Capital Market Commission in which they can hold a share of not more than 1 percent.

(2) Not a Board member or in the management team of the company / employee / wages / consultant who gets regular salary / has the authority to manage and direct the company , parent company , its subsidiaries, and its associated companies or related juristic entity with conflicts (present and for the past 2 years before the appointment)

(3) Not related by blood or legal registration such as parents, spouse, brothers, sisters and children including the directors' children spouses, main shareholders, power to control and juristic entity who is entity who is appointed to manage the company or its subsidiaries.

(4) No business relationship with TKT , parent company, its subsidiaries and its associated companies, or related juristic entity in order to have freedom in exercising the rights to express their ideas and opinions on the company performance

(5) Is not appointed as a representative of the company's director, major shareholders or shareholders who are related to the major shareholders of the company.

(6) No other impediments or impairments to express independent opinions concerning the operations of the company.

(7) If qualified for the item 1-6, the independent director may be assigned by the Board of Directors to make decisions relating to business operations of the company, the company's major shareholder, a subsidiary an associate a subsidiary of the same tier or any juristic person with a conflict of interests, on the basis of collective decision.

7.2 The Management

The Management comprise of 6 persons as follows:

No.	Name -Surname	Position
1	Mr.Sumate Techakraisri	Chief Executive Director
2	Mr.Kowate Limtrakul	Executive Director
3	Mr.Phreecha Tachakraisri	Managing Director
4	Mr.Pongsakon Phetpayullpun	Deputy Managing Director
5	Mr.Chumpol Techakraisri	Assistant Managing Director
6	Mr.Prinya Kaeoluan	Senior Accounting & Financial Manger

The duties & responsibilities of Managing Directors

1. To monitor and control on general operations and promote the qualitative management.
2. To follow up and evaluate the operational performance according to the Company's plan.
3. To be the leader in the review of qualitative management.

The Managing Directors must follow the regulations and limits assigned above from the Board of Directors and/or Executive Directors. Any other issues besides the mentioned duties and responsibilities shall be authorized by the Board of Directors or Executive Directors.

7.3 Corporate Secretary

The company entrusted Mr. Chumpol Techakraisri as the corporate secretary (Resume of Company Secretary, qualifications, working experience is shown on Appendix 1) and the professional Legal Advisory to providing legal matters and advice to the Board and the Management about the rules and regulation that the board has to know. To oversee the activities of the board along with the coordination on the compliance on the resolved matters of the company. Below are the responsibilities and duties of the corporate secretary.

1. Handle corporate governance issues and provide advice on these to the Board
2. Organize and facilitate board and board committee meetings.
3. Organize the annual general meeting of shareholders, and record and publish the related minutes
4. File all documents and related records
5. Monitor and ensure that the Board is in compliance with all related laws and regulations.
6. Contact and inform the shareholders their rights and information about the company.
7. Assist shareholders, directors and members of management with any board-related matters
8. Perform any other actions specified in the Securities and Exchange Act (Fourth Revision) B.E. 2551 or related laws and regulations, including notifications from the Capital Market Supervisory Board.

7.4 Remuneration to Directors and the Management

A) Monetary Remuneration for Company's Director year 2016

The policy company's remuneration with clarity and in accordance with the company's policy and business situation as compared to the same industry before proposing during the annual general meeting respectively.

Table: Monetary Remuneration to the Company's Board of Directors and Executive Directors in Year 2016

No.	Name - Surname	Position	Remuneration	Total Remuneration	Bonus
1	Gen.Terdsak Marrone	Chairman/ Independent Director	53,550	642,600	20,000
2	Mr.Pairuch Sahamethapat	Director / Independent Director Chairman of Audit Committee	44,750	537,000	13,000
3	Mr.Paotep Chotinuchit	Director / Independent Director Director Audit Committee Chairman of Remuneration Committee and Chairman of Nomination Committee Chairman of Corporate Governance Committee	31,500	378,000	13,000
4	Dr. Kosol Surakomol	Director / Independent Director Remuneration and Nomination Committee Corporate Governance Committee Risk Management Committee	19,100	229,200	13,000
5	Mr.Virasak Sutanthaibul	Director / Independent Director / Audit Committee	27,100	325,200	13,000

No.	Name - Surname	Position	Remuneration	Total Remuneration	Bonus
6	Mr.Sumate Techakraisri	Director / CEO Director Remuneration and Nomination Committee Director Corporate Governance Committee	0	0	0
7	Mr.Kumpee Chongthurakit	Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	19,100	229,200	13,000
8	Mr.Phreecha Techakraisri	Director / Executive Director / Managing Director Director Risk Management Committee	0	0	0
9	Mr.Chumpol Techakraisri	Director / Executive Director /Company Secretary Director Risk Management Committee. Asst. Managing Director.	0	0	0
10	Mrs.Yupa Techakraisri	Director	16,050	192,600	13,000
11	Mr.Apichart Kasemkulsiri	Director	16,050	192,600	13,000
12	Mr.Prasong Techakraisri	Director	16,050	192,600	13,000
Total				2,919,000	124,000

B) Management Remuneration

The company has policy considered a fair and reasonable compensation of the executives based of their job duties, operating results and economic conditions and is in line with other companies the same industry.

The compensation of CEO and management team is based on individual and corporate's performance result, which the target is aligned with company's vision, mission and strategy. The compensation shall motivate CEO and management to build company to grow sustainably. Details are as follows :

- Remuneration of the Chief Executive Officer (CEO) : Board of Directors requested the Remuneration Committee shall assess and evaluate the Chief Executive Officer's performance annually and the salary shall be based on the assessment result . For year 2016, the salary remuneration is equal to Baht 2.22 million/year with no other benefits.
- Remuneration of the Management of the company : The committee defines the scope of work of directors and executives according to the company's policy and the evaluation and performance of the directors and executives. CEO determine the remuneration of directors and executives including salary, bonuses and other benefits such as provident fund. Compensation shall be determined by taking into account the reference base of peer companies as well as business expansion and profit growth.

For remuneration to management in 2016 are as follows.

Item	Remuneration	
	Person	Baht
Salary	6	11,386,668
Bonus	1	43,557

Remark Management 6 person : Mr.Sumate Techakraisri, Mr.Kowate Limtrakul, Mr.Phreecha Techakraisri, Mr.Pongsakon Phetpayullpun, Mr.Chumpol Techakraisri, Mr. Priny Kaeoluan

Others Remuneration : Provident Fund

Item	Person	Baht
Provident Fund	3	156,747

7.5 Employees

As at 31 December 2016, the Company's total numbers of employees (excluding the Management) are as follows:

Department	Total numbers of employees		
	2016	2015	2014
1 Back Office	137	148	154
2 Factories	867	1,030	906
Total	1,004	1,178	1,060

Total Employees in each department :

Department	Person		
	2016	2015	2014
1. Production	602	720	620
2. Engineer & Research	38	33	47
3. Quality, Planning and Maintenance	136	174	142
4. Purchase & Delivery	38	42	47
5. Raw Material & warehouse	81	83	80
6. Human Resource & Administration	36	39	34
7. Sale & Marketing	11	11	12
8. Accounting & Financial/Information Technology	26	26	26
9. Management & Operation	36	50	52
Total	1,004	1,178	1,060

Remark : The company has no problem with employees for the past year

Employee Remuneration

The company's compensation policy for executives and employees shall be based on their qualification, competence, and work experience. Minimum salary and wages shall be according to the government policy including other benefits such as bonus, provident fund, medical compensation, annual health check up, uniform, transportation service, career promotion and continuously development program.

Company evaluates the actual performance of employees by using Key Performance Indicator (KPI).

The total employees remuneration for year 2016 amounted to Baht 245,422,429.27 less than that of 2015 by Baht 21,725,644.92 and other benefits is provident fund for Employee Baht 3,735,692.91.

Human Resource Development Policy

The Company recognized the importance of employees development not less than the quality of raw materials or production process. With the belief that the quality of products not only comes from good raw materials but quality labor directly and indirectly included into the production process.

The Company recognized the importance of human resources since the beginning of the recruitment process. The Company recruited and hired employees based on their knowledge and skills. The Company also provides a safety working environment and training both internally and externally as well as overseas training to the employees. As indirect development of employees, the Company also set up the policy on recruitment of foreigners as a consultant to help increase the employees proficiency and competency to be up to the international standards.

The Company's training system or in House training such as OJT (On the Job Training), ERP (Enterprise Resource Planning), Qualitative management as ISO/TS 16949, ISO14001 and Public Training will also be available for the employees.

In 2016 the company has conducted training to increase / develop employees knowledge, abilities in all categories. According to the employee details as follows.

Category	Training hour in for each category				
	Senior executives	Executive	Supervisor	Employee	Total
1. Management	97	251	154	193	695
2. Information and Technology		12	6	12	30
3. Quality	48	594	582	1,944	3,168
4. Safety, Occupational health and environment in the workplace, Environment, Energy Conservation	18	66	172	767	1,023
5. Professional Performance	12	49	582	2,620	3,263

Preparation for the Successor

The preparation for the successor is the duty of the directors of the organization to make work chart in order to make it convenience to the successor to go on with the work and prepare human resource to accept the work chart of the management by setting a policy for the candidate with quality and have someone to impart the knowledge and inform the weakness of the business for better quality.

8. Corporate Governance

8.1 Policy Corporate Governance

The company's Board of Directors established the Code of Best Practices for directors of a listed company according to the guidelines of the Stock Exchange of Thailand. After having the company listed on the Stock Exchange of Thailand, the firm launched the "Corporate Governance Policy" and the "Code of

Conduct" guides to distribute to the company's directors, executives and employees at all levels to adhere to and follow the practices accordingly.

The company has been operating under good corporate governance and in 2016 it has been evaluated as "Excellent" (granted 5 stars) by Institute of Directors of Thailand. It also received a 100 % score in quality assessment for the Annual General Meeting of Shareholders for six consecutive years from the Thai Investors Association.

In addition, the Company has followed the principles of corporate governance. The guidelines cover the following five categories

1. Rights of Shareholders

Besides the basic shareholder rights are rights to buy, sell or transfer shares ,the company obtained relevant and adequate information on company in a timely manner and on a regular basis, shareholders are given the rights to :

- 1.1 The company allows the shareholders to propose agenda prior to the meeting and raise questions related to the agenda of the General Shareholders Meeting for year 2016 and notify the Stock Exchange of Thailand in advance between October 1, to December 31, 2015 and publish the guidelines under the announcement clearly on the company's website (www.tkrungthai.com)
- 1.2 The company informed shareholders of the invitation and information in Thai and English on company's website in advance 44 days before the meeting occurs to enable the shareholders to examine before the meeting and allows the shareholders to send questions reg. the meeting agenda addressed to Board of Directors before the meeting at www.tkrungthai.com. For the "news" (post March 7, 2016) the company has to pass through the SET news.
- 1.3 An invitation letter notice has been published / posted in the newspaper 3 days before the meeting for 3 consecutive days.
- 1.4 The company respect the rights of shareholders by holding annual general meeting year 2016 on April 20, 2016 at Montien Riverside Hotel for the convenience of shareholders and proxies joining the said meeting.
- 1.5 All the directors attended shareholders meeting totaling 13 pax and Top Management of the company informed and answered all the questions raised by shareholders. Moreover, an auditor representative from Karin Audit was also present during the meeting to answer the question regarding company's financial statement along with one legal counselor from Far East as witness in vote counting for clarity.
- 1.6 Before the meeting the Chairman of the Board introduced to the shareholders all the Board of Directors team along with the Auditor. It was also announced during the meeting on how to vote and the rights of the shareholders. The Chairman of the Board controls the meeting as set on the agenda which was already sent to the shareholders and allocate appropriate time for discussion for each agenda and encourage shareholders to express their opinions and raise questions related to the company's operation. All the discussions made were recorded accordingly along with the resolution and transparency of voting and counting of votes.
- 1.7 Year 2016, the company cannot append or change any agendas items without notifying other

shareholders in advance. Shareholders are given rights to raise questions and free to express their opinions during the meeting before the resolution details as per the annual general meeting 2016.

- 1.8 The company assigned The Thailand Securities Depository Co., Ltd (TSD) to be the registrar and send invitations to the shareholders 21 days before the meeting. The company give rights to the late comers to vote on the agenda that are not resolved yet and counted them as attendees.
- 1.9 Any action that can be considered in violation of the shareholders' right to study the company's information should be prohibited.
- 1.10 The company announced to the shareholders through the invitation letter on how to join the AGM. Voting and counting of votes is not complicated and did not require higher cost.
- 1.11 The chairman of the meeting allocate appropriated time for discussion and encourage shareholders to express their opinions and questions related to the company's operation.
- 1.12 Minutes of meeting was posted in TKT's website 14 days after the meeting for the shareholders to express their opinion and check and shareholders do not have to wait until the next meeting.
- 1.13 The company has set a policy regarding payment of dividends of not less not 40% of the net profit except if the company has made plans for another investment. In the year 2016 the company will propose a payment of dividends from the performance of 2015 at Baht 0.05/share.
- 1.14 The company proposed principles and remunerations for the Board of Directors to the shareholders to consider and approved

2. Equitable Treatment of Shareholders

All shareholders, including those with management positions, non-executive shareholders and foreign shareholders should be treated in an equal way.

The Company continues / sustain to treat shareholders equally

- 2.1 The company allows the shareholders to cast their votes individually for the resigning directors during the annual general meeting to give chance for the shareholders.
- 2.2 The company allows the shareholders to propose an agenda and propose a name for directorship candidacy on October 1, 2015 up to December 31, 2015 through SET news information and also posted on our company's website. In the year 2016, there was no agenda proposal and name for directorship candidacy from the shareholders.
- 2.3 To give rights to the shareholders to cast votes as per their no. of shares equally and fairly.
- 2.4 The company encouraged the use of proxy forms on which shareholders are able to specify their votes and provide an option to shareholders whereby they may appoint an independent director as their proxy.
- 2.5 The company attached proxy form B for the proxy to cast votes for each agenda which was already sent by mail along with the original invitation letter along with proxy form A, B and C both in Thai and English on our website for the shareholders to download.
- 2.6 The company has a rule to prevent directors, management and employees to disclose or reveal any internal information for their own interest and benefit and make regular follow up. The board of directors and management have to inform the SET their very first shares and changes made as per matra 59 p.r.b SET/SEC 2008.
- 2.7 Board of Directors set guidelines for the executives and managements to disclose their personal

assets to stakeholders under Section 89/14 of the Securities and Exchange Act BE 2008 and report for the first time within 30 days after the trade and if there are any changes report must be done every quarter within 15 days of the following month from the last day of each quarter. The secretary must collect and keep these documents and make copies for the Chairman of the Board and Chairman of the Audit Committee within 7 days.

- 2.8 Shareholders with management positions are aware that they can not append any agenda items without notifying other shareholders in advance.
- 2.9 The company use computer in the registration and votes counting for speedy result and for the convenience of the shareholders.
- 2.10 The company use ballots in casting votes. However, the agenda regarding the resigning directors, casting of votes is obligatory for each resigning director.

As the company does not have any subsidiary and did not have any joint venture with any company so no related transaction made to any company which might have a conflict/interest and no financial help rendered to other companies.

3. Role of Stakeholders

The Company respects the rights of all stakeholders. Whether internal stakeholders. And external stakeholders to strengthen the cooperation between the company. With stakeholders To create wealth Financial stability And sustainability of the affairs Including a focus on environmental responsibility. And social well

The Company has a policy in practice is wrong. And responsibilities to all stakeholders. This includes the shareholders or investors, employees, customers, suppliers, competitors, creditors, communities, society, environment, government and companies located other agencies. Related shown clearly. "Code of Conduct" for the Directors, management and employees at all levels. Conducted in the same direction

As well as providing a fund for the employees. Policy on the development of the Company. By sending staff to training courses. A concrete And does not violate human rights, the Company's stakeholders, many groups as follows :

- **Shareholders** The company realizes that the shareholders are the business owners and the company serves to create long-term added value for the shareholders and to treat them equally. The company is operating with integrity as well as making decisions with a pure mind, thoughtfulness and fairness towards both major and minor shareholders for the best interests of the shareholders as a whole. The company is responsible for offering reports of the company's status, earnings, financial data, accounting information and other reports regularly, thoroughly and truthfully including preventing those seeking gain that may use the company's undisclosed information for their personal/others' benefit, or other, or any action which may cause a conflict of interest in the organization.
- **Employees** The company realizes that employees are valuable keys to success in achieving the company's goals, therefore company policy is made to provide fairness in opportunity and reasonable compensation. The company has launched a performance assessment with KPI indicators for objective measurement. The company also provides other benefits such as a bonus, provident fund, promotion, transfers, rewards including continuation of personnel

development policy, and employee potential development and training.

- **Customers** The company focuses on and is responsible to its customers, offering high quality, quick and punctual services. The company is responsible for maintaining customers' confidentiality and providing adequate, accurate and up-to-date information to customers in order for customers to be informed of the products and services. The company also needs to comply with the terms that it has agreed with customers. In the case of an inability to comply with any terms, the customers need to be informed immediately in order to find solutions together.
- **Trading parties** The company has a policy to treat business partners equally and fairly by taking the best interests of the company into account. The policy is based on fair and equal receipt of return for both parties and on avoiding situations that may cause a conflict of interest. The company strictly complies with its commitments, provides accurate information, correct reports and follows negotiations to find solutions for problems based on the level of business relationship. The guidelines are as follows:
 1. Do not request, receive or pay any benefits in a dishonest manner to partners and/or creditors.
 2. Strictly comply with the agreed terms and in the case of an inability to comply with any terms, the creditor needs to be informed immediately in order to find solutions together.
- **Creditors** The Company complies with the conditions stated in the loan agreement Customers The Company constantly pays attention and holds responsibilities towards all customers by providing good quality products, prompt service and keep customers' information confidentially.
- **Competitors** The company acts towards competitors in an honest practice. The company does not breach confidentiality or obtain trade secrets of competitors by fraud. The company operates under the rules of good competition practice, does not damage the reputation of trade competitors by accusations.
- **Environment** The company is concerned with the environment thus determined and has announced a policy to raise the awareness of employees' responsibilities on the environment. The company has been following the standard guidelines and has been certified with the ISO14001 quality standards. The company also applied the Corporate Social Responsibility (CSR) policy until it became corporate culture.
 In year 2016, the Company held campaign events. "Safety, Environment and Energy Conservation Week" to make the employees aware on the use of resources to achieve maximum efficiency and savings such as turning off lights when not needed ,switching off the air conditioner during the lunch break , using recycle boxes and shuttle or use Carpool.
- **Community** The Company have activities for the well being of the community such as offering scholarship to employees' children and blood donation and merit offering at employees birth place.

- **Safety, occupational health and environment in the workplace** The company is aware and recognizes the importance of safety, occupational health and the environment in the workplace as well as the life and health of employees at all levels. The company has a policy for employees to follow, including a Safety Officer, who supervises and trains employees to follow the company's policy on safety and occupational health and environment in the workplace. In 2016, the company had a record of ten accidents at work which included ten accidents in the plastic injection factory and zero accident in the mold factory. There were no severe cases or deaths. And Company has been investigated for the cause. ways to prevent recurrence and communicate with stakeholders to realize. To perform the steps carefully strictly.
- **Violation of Human Rights** The company sees the importance of human rights and equality and has determined a policy for related parties in order to treat individuals with fairness and non-discrimination regardless of similarities or differences of a physical or mental kind, race, nationality, religion, sex, age, education, or others, and provides facilities. The company also provides appropriate facilities and benefits for employees with disabilities.
- **Infringement of intellectual property or copyright** The company has determined a policy and practice with regards to the infringement of intellectual property or copyright of products.
- **Conflict of Interest** The company has determined a policy that prohibits directors, executives and employees from seeking for personal interest while working in their positions. The company's directors, executives and employees are required to adhere to the "Code of Conduct".
- **Corruption prevention/anti-corruption** The company does not support any type of corruption that may occur in the organization, such as giving and receiving bribes, contributions, etc. The company has set a policy of anti-corruption by launching guideline materials to use for communicating with the Board and for providing training for employees at all levels to comply with the practice.

The process of risk assessment to prevent and suppress corruption is done by evaluating potential risk and the effects of corruption in order to find preventative measures and monitor them consistently.

The company has guidelines on supervision and control in order to prevent and monitor corruption, with a comprehensive internal control system and risk management for the organization.

There are several channels available for reporting concerns or complaints of corruption for employees. The informant is required to identify details of their concerns or complaint including name, address and valid telephone number to the following channels:

1. Report to the Audit Committee (Independent committee) via email:
independent@tkrunghthai.com
2. Report by sending a letter to Audit Committee of T.Krunghthai Industries Public Company Limited, 23 Soi Chan 43, Yak 21 Tungwatdon, Sathorn, Bangkok 10120

The company has employee protection measures for employees who report corruption, illegitimacy or violation of the Securities and Exchange Act. The company is unable to act or

treat employees unfairly such as changing job position, job type, workplace, office or termination when the employee reports their concerns/complaint.

The shareholders and stakeholders may contact/raise concerns to the independent committee directly at email address: independent@tkrungthai.com

The stakeholders may report infringements or complaints at Tel. 02-211-3732 central office or contact the company secretary, Mr.Chumpol Techakraisi via email: chumpol@tkrungthai.com or Report by sending a letter to Audit Committee of T.Krungthai Industries Public Company Limited, 23 Soi Chan 43, Yak 21 Tungwatdon, Sathorn,Bangkok 10120.

The company has a policy to protect the informant and maintain their information and details confidentially if the company sees that the disclosure of such information may cause danger to the informer/complainant.

In the year 2016, there is no whistle blowing received from employees or any stakeholders and The Company has conducted a self evaluation on the anti corruption and to obtain a certificate from Private Sector Collective Action Coalition Against Corruption.

4. Disclosure and Transparency

The Board of Directors have a policies to make the company a good example by working in transparency which can be verified and disclose .These are IT policy, Environmental policy, Energy policy and others and must be published on the company website (www.tkrungthai.com) under Investor Relations / Corporate

Following have been disclosed to all concerned :

- 4.1 Send financial report to SEC / SET on time and the report was in conformity with generally accepted accounting principles. For year 2016, the company did not receive any order from SEC to change the said financial report or any related documents.
- 4.2 Give significance in disclosing financial status with transparency and other information such as annual report on time both in English and Thai through SET Community portal and company website (www.tkrungthai.com)
- 4.3 The board of directors should provide a summary of the corporate governance policy approved by the board together with the implementation of the policy through various channels such as the company's annual report and company's website
- 4.4 The board of directors provided a statement of its responsibilities concerning the company's financial reports. The statement should be presented along side the auditor report in the company's annual report.
- 4.5 The board of directors and other directors ensured that its roles and responsibilities together with those of its committees are disclosed in the company's annual report.
- 4.6 The board of directors ensured the disclosure of its remunerations according to related regulations, which is compared with the same industry, company performance and responsibilities of each person.
- 4.7 The board of directors ensured the number of meetings and attendance of each directors.
- 4.8 The board of directors must disclose to the stakeholders their personal and other relatives in case of personal interest with the company.

4.9 The company has implemented a whistle blower crime (whistle blowing) to promote cooperation between the company and stakeholders and protect the interest in promoting the operations of the company which serves as an instrument /defines mechanisms to protect the rights of the stakeholders. Board of directors must monitor the accuracy of the financial report, internal control deficiency or unethical practice by the audit committee (Independent Director)

independent@tkrunghthai.com and publish on the company's website www.tkrungthai.com

4.10 To disclose the no. of shares of the Board of Directors and Top Management, both directly and indirectly and set a policy for directors and executives and report to the Chairman the sale and purchase of shares through the company secretary

Sharedolding Details Board of Directors and Management						214,000,000
No.	Name - Surname	Position	Number of shares December 31, 2015	Number of shares December 31, 2016	Number of shares changed (Increase/Decrease) 2016	Shareholding (%)
1	Gen.Terdsak Marrome (spouse and children who are underage)	Chairman/ Independent Director	220,000 0	220,000 0	0 0	0.10 0
2	Mr.Pairuch Sahamethapat (spouse and children who are underage)	Director / Independent Director Chairman of Audit Committee	0 0	0 0	0 0	0 0
3	Mr.Paotep Chotinuchit (spouse and children who are underage)	Director / Director Audit Committee/ Independent Director Chairman of Remuneration Committee and Chairman of Nomination Committee Chairman of Corporate Governance Committee	5,000 0	5,000 0	0 0	0.002 0
4	Dr. Kosol Surakomol (spouse and children who are underage)	Director / Independent Director / Director Remuneration and Nomination Committee / Director Corporate Governance Committee / Director Risk Management Committee	0 0	0 0	0 0	0 0
5	Mr.Virasak Sutanthaibul (spouse and children who are underage)	Director / Director Audit Committee/ Independent	0 0	0 0	0 0	0 0
6	Mr.Sumate Techakraisri (spouse and children who are underage)	Director /CEO /Director Corporate Governance Director of Remuneration and Nomination Committee	33,500,000 24,000,000	33,500,000 24,000,000	0 0	15.65 11.21
7	Mr.Kumpee Chongthurakit (spouse and children who are underage)	Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	500,000 0	500,000 0	0 0	0.23 0
8	Mr.Phreecha Techakraisri (spouse and children who are underage)	Director / Executive Director / Managing Director Director Risk Management Commirree	6,138,400 3,258,940	6,138,400 3,258,940	0 0	2.87 1.52
9	Mr.Chumpol Techakraisri (spouse and children who are underage)	Direct / Executive Director / Asst. Managing Director Company Secretary / Director Risk Management	956,940 0	956,940 0	0 0	0.45 0
10	Mrs.Yupa Techakraisri (spouse and children who are underage)	Director	24,000,000 33,500,000	24,000,000 33,500,000	0 0	11.21 15.65
11	Mr.Apichart Kasemkulsiri (spouse and children who are underage)	Director	0 0	0 0	0 0	0 0
12	Mr.Prasong Techakraisri (spouse and children who are underage)	Director	2,903,606 0	2,903,606 0	0 0	1.36 0
13	Mr.Kowate Limtrakul (spouse and children who are underage)	Executive Director Chairman Risk Management Committee	275,000 0	275,000 0	0 0	0.13 0
14	Mr. Pongsakron Phetpayullpun (spouse and children who are underage)	Deputy Managing Director Accounting & Financial	0 0	0 0	0 0	0 0
15	Mr. Prinya Kaeoluan (spouse and children who are underage)	Senior Accounting & Financial Manager.	0 0	0 0	0 0	0 0

4.11 The company give importance to investors so we organize opportunity day every quarter and designated a department to perform the “investor relations” function to communicate with outsiders such as shareholders .The company gives significance on the information of the company performance for ransparency whatever the performance of the company on that quarter.

4.12 The company gave chances to investors and analysts to visit our plants and to have a chance

meeting and talking with the management during the company visit. In the year 2016 investors and analysts visited our King Kaew plant on the 6th of October. The investors can also ask information through IR Contact and can contact at e-mail address : investor@tkrungthai.com, telephone no. 02-211-3732 ext. 104.

5. Responsibilities of the Board

The company gave importance to the role and responsibility of the Board of Directors to protect the benefits of the shareholders and stakeholders for transparency of the business as follows :

5.1 Board Structure

5.1.1 The company's Board of Directors consists of individuals who have knowledge, abilities and experience which benefits the company, for example, knowledge of the industry, accounting and finance, business, management, skills of mold works, etc. The Board of Directors includes both sexes and a wide range of ages of members. There is one female director.

The company has 12 directors details as follows :

○ Independent Directors	4 pax	(25.00%)
○ Directors who are not in the management team	9 pax	(75.00%)
Directors who are in the management team	5 pax	(41.66%)

5.1.2 Board Directors must not have any criminal record as per the policy requirement of SEC/SET

5.1.3 Board of Directors set internal control system appropriately where the internal auditor is an independent auditor and report directly to the Audit Committee

5.1.4 Board of Directors set a policy of mismanagement appropriately and follow – up regularly and by appointing mismanagement team for the evaluation of the risk that might occur. In addition to this the team find ways to protect the company from this risk.

5.1.5 The term of service of directors is 3 years, and no limitation of terms and this is clearly stated in the company's corporate governance policy.

5.1.6 The company had disclosed the information details about board positions (details of directors and management)

5.1.7 The roles and responsibilities of the chairman of the board are different from those of the managing director, the two positions to be held by different individuals.

5.1.8 The board of directors appointed independent director to elect chairman of the company.

5.1.9 The company has Mr. Chumpol Techakraisri as the Company Secretary and the professional Legal Advisory Board to provide legal advice and regulations which the Board is required to know and comply with.

5.1.10 The Board of Directors do not serve on not more 5 listed companies and the company must disclosed these information in the Directors Annual Report and Form 56-1

5.1.11 The company has adopted a policy that the Managing Director can serve as a director to other companies. The said company shall not have any conflict with the company prior to the appointment and this has to be informed and reported to the board of directors.

5.1.12 Company policy limiting Director do not serve on not more 3 listed companies.

5.1.13 During the annual general meeting, 1/3 of the company directors will have to resign. Should the directors cannot be divided into 3 groups, then it has to be divided to the nearest no.

5.1.14 The company informed in 56-1 and annual report the names of Directors holding other positions in other companies. The holding of such positions by the directors will not surely affect their position with the company as they have given advices to the company in the past.

5.2 Committees

The Board of Directors appointed 5 committees they are : 1) audit committee 2) executive committee 3) remuneration and nomination committee 4) corporate governance committee and 5) risk committee with clear roles and responsibilities, the chairman is not allowed to be a chairman and member of this committee

5.3 Roles and Responsibilities of the Board

5.3.1 Division of roles of board of directors and other positions are divided clearly. All important matters has to be approved by the board of directors to be fair and clear to all concerned.

5.3.2 The board of directors review and approve of company visions and mission at least every five years.

5.3.3 The Board of Directors held meetings with the management on February 10, 2016 to review and approve the vision, mission, strategies, goals, plans and budget.

5.3.4 The Board of Directors after the implementation of management policies , the management team has to make a report on the results of 2016 operation with the acknowledgement from the committee respectively.

5.3.5 The board of directors are free from the management team and no position as independent director.

5.3.6 As one or under separate position the chairman of the board shall not be with the management team and different from the CEO and roles and responsibility is obviously spited. The chairman has to act as the chairman during the meeting of the board, has to set the policy, planning, and the most important is to ensure that management team has to strictly follow. All the directors are free to propose agendas, voice out ideas regarding the company performance along with evaluation and solution of any problems with transparency and must be regularly monitored.

5.3.7 The CEO of the board is the leader of the board, responsible to the company directors in taking care of the business conduct and the company performance to be in compliance with the directors policy. CEO has to monitor the directors performance by holding meetings to report on the success of the performance monthly. Division of power shall be given to the management responsibility and approve financial amount.

5.3.8 The directors ensured that a written code of business conduct be in place so that all directors, executives and employees understand business ethical standards of the company. Compliance to the code should be closely monitored by the board.

5.3.9 The board of directors established a risk management policy to cover all activities of the company and reviewed the risk management system or assess the effectiveness of risk management at least twice a year.

5.3.10 The board of directors ensured that internal control system is in place, including financial, work

performance, in compliance with the policy .The board also assigned an external auditor to independently audit and report on the system.

- 5.3.11 The Board of Directors take a responsibility to company's financial statement and information regarding financial status which is in the annual report. This financial statement has to be of standard as per Thai accounting law and has to be posted on the remarks of the financial statement.
- 2.3.12 The Board of Directors has set a policy for all directors and senior executives to report their stock trading to the Board of Directors at least one day in advance of operations.
- 5.3.13 The directors shall set a policy to all the directors to inform the stakeholders to the company.
- 5.3.14 The company directors ensured that internal financial control system, work performance has to be in compliance with the policy by assigning independent internal auditor and report to the auditor committee. On Feb. 24, 2016, the audit committee assessed that we have enough internal control system.
- 5.3.15 The Board of Directors has an annual meeting with senior executives to acknowledge the report of the previous operations of all departments in the company and sets out work plans including the Key Performance Indicators (KPI).

5.4 Board Meetings

- 5.4.1 The board of directors set its meeting schedule in advance and notify each directors of the schedule so that each member of the board can manage time to attend the meeting. For year 2016 set 8 times.
- 5.4.2 The number of board meeting are appropriated to the obligations and responsibilities of the board and nature of the company.
- 5.4.3 The chairman of the board and the managing director set the board meeting agenda together.
- 5.4.4 Meeting documents are sent to each director in advance 7 days prior to the meeting date for the directors to have ample time to review the topics before the meeting.
- 5.4.5 The company of the board appropriately allocate the meeting time for complete management's presentation and comprehensive directors' discussion and the CEO shall assess the ideas and give the final resolution.
- 5.4.6 Top executives of the company, other than the managing director, should be able to attend the board meeting to present details on the issues that they are directly responsible for.
- 5.4.7 During the directors meeting, all directors are free to openly discuss their ideas and the chairman shall collect these ideas and the resolution for each topic. For each resolution there must be 2 out of 3 from the total director which shall be recorded by the secretary of the board and after the approval, this record has to be kept on the 2nd floor of the head office at Trokchan in order to have easy access of all the directors.
- 5.4.8 Non-executive directors are able to meet, as necessary, among themselves without the presence of the management team in order for them to discuss their concerns. The meeting outcome should be notified to the managing director. For year 2016, a meeting was held on Dec. 17th 2016.

Details of attendants in Directors Meeting and in Year 2016								
No.	Name - Surname	Position	BOD	AC	RC & NC	CG	Risk	Ex-com
1	Gen.Terdsak Marrome	Chairman/ Independent Director	8/8	---	---	---	---	---
2	Mr.Pairuch Sahamethapat	Director / Independent Director Chairman of Audit Committee	8/8	4/4	---	---	---	---
3	Mr.Paotep Chotinuchit	Director / Independent Director Director Audit Committee Chairman of Remuneration Committee and Chairman of Nomination Committee Chairman of Corporate Governance Committee	8/8	4/4	2/2	2/2	---	---
4	Mr.Virasak Sutanthaibul	Director / Independent Director / Audit Committee	8/8	4/4	---	---	---	---
5	Dr. Kosol Surakomol	Director / Independent Director Remuneration and Nomination Committee Corporate Governance Committee Risk Management Committee	8/8	---	2/2	2/2	2/2	---
6	Mr.Kumpee Chongthurakit	Director Director Remuneration and Nomination Committee Director Corporate Governance Committee	8/8	---	2/2	2/2	---	---
7	Mrs.Yupa Techakraisri	Director	8/8	---	---	---	---	---
8	Mr.Apichart Kasemkulsiri	Director	8/8	---	---	---	---	---
9	Mr.Prasong Techakraisri	Director	8/8	---	---	---	---	---
10	Mr.Sumate Techakraisri	Director / CEO Director Remuneration and Nomination Committee Director Corporate Governance Committee	8/8	---	2/2	2/2	---	12/12
11	Mr.Phreecha Techakraisri	Director / Executive Director / Managing Director Director Risk Management Committee	8/8	---	---	---	2/2	12/12
12	Mr.Chumpol Techakraisri	Director / Executive Director /Asst. Managing Director Company Secretary /Director Risk Management Committee	8/8	---	---	---	2/2	12/12
13	Mr.Kowate Limtrakul	Executive Director Chairman of Risk Management Committee	---	---	---	---	2/2	12/12

5.5 Assessment of CEO

The company gives importance in assessing the working performance of the CEO and the purpose of this assessment is to improve the working performance in many ways such as planning strategy , leadership, financial , management of the company, planning to replace the resigning staffs, human resource, communication and good relationship among the Board of Directors by having assessment form from the SET to be check for improvement as per our company's requirement

5.6 Board Self Assessment

The Board of Directors sets an annual performance assessment of the company directors to review the performance and governance for adequate and effective determination and/or improvement. By evaluating three types: 1) self-evaluation of the Board, 2) assessment of individual 3) evaluation committees.

The forms have been developed from the example assessment form from the Stock Exchange of Thailand to be appropriate and consistent with the characteristics of the Board.

Criteria for board self-assessment and individual assessment are as follows:

<u>Score (%)</u>	<u>Level</u>
90 – 100	Very good
80 – 89	Good
70 – 79	Standard
60 – 69	Fair
50 – 59	Need improvement

The process of assessment is conducted by company secretary who encloses the form into an envelope and delivers to each director. The individual assessments are done by the directors randomly, selecting the form from the box and performing the assessment. After completion of the two assessment forms, they are handed back over to the company secretary for the assessment report Evaluation conducted in each committee in year 2016

1. The Board self-assessment included six main areas and the average score was at a very good level of 91%. The details as follows:

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of Director	89
2	Responsibilities and Duties of the Director	85
3	Directors meeting	95
4	Work Performance of Director	93
5	Relationship towards management division	93
6	Self improvement of directors and management	88
average percentage		91

2. The individual assessment included 3 main areas and the average scores is at a good level of 89%. The details are as follows:

No.	Topic of Assessment	Result (%)
1	Structure and Qualifications of Director	90
2	Director Meeting	89
3	Responsibilities and Duties of the Director	89
average Percentage		89

3. Evaluation Sub Committees consist of three main is Structures and Qualifications of Director / Director Meeting / Responsibilities and Duties of the Director, and committee meetings which has given the organization a very good result to best result.

No.	Sub Committee	Average Result (%)
1	Executive Committee	85
2	Audit Committee	100
3	Remuneration and Nomination Committee	99
4	Corporate Governance Committee	95
5	Risk Management Committee	90

The Result was satisfactory and productive for year 2016

Evaluation of Managing Director Performance

There is a regulation from the Board of Directors to assess and evaluate the Managing Director performance annually as per the rules set by the Board of Directors for the success of the administration and approve appropriate salary for the Managing Director.

Orientation of New Director

The company has a rule to have new director's orientation along with the all the directors to explain the scope of our business. The secretary of the Board of Directors has to prepare all the necessary documents, besides, the new director will be introduced and visit the 3 plants including the Head office for them to understand more about the scope of our business. For year 2016, the company did not have any new Director so no orientation was done. The 2016, the company has no new director so no orientation was made.

5.7 Remuneration

The company has to policy the remuneration of the directors as compared to the same industry, company performance and their responsibilities. However, the remuneration committee will assess the managing director's performance and the chairman of the board will be the one to inform the managing director.

5.8 Board and Management Training and successor during their absence

The company recognized the significance on Directors' know-how, ability and capability so the company supports and give convenience to the directors and the secretary of the board to have regular and continuous training held by Director Accreditation Program (DAP) and Director Certification Program (DCP).

In year 2016, Directors of the company had attended the following :

1. Audit Committee and Director Joined : Seminar topic "Meeting and discussion of management. In order to have a good internal control system of listed companies " held by the Securities and Exchange Commission.
2. Managing Director and Management attended the SET Social Impact Day 2016 "Sustainable consumption reform the next growth" held by the Stock Exchange of Thailand.
3. Managing Director joined the activity to CEO Club "CEO Branding & CEO as a Brand Champion for Sustainability" held by the Stock Exchange of Thailand.
4. Managing Director joined : Seminar topic: "The principles of good governance" and "good governance a major investment for institutional investors" held by the Securities and Exchange Commission.
5. Managing Director and Management attended training on " Push Forward the Manpower Super Cluster Automotive and Parts for New Engine of Growth" organized by the Department of Skill Development.
6. The management trainee "Social Business: A Solution to achieve SDGs" organized by the Institute of Thailand, together with Pat Thailand Social Business Initiative (TSBI).
7. The management team attended the "Anti-Corruption: The Practical Guide (ACPG) organized by Thailand Institute of Directors (IOD).

In additional, there are succession plan to ensure the business continuity when one of the directors is not able to perform his/her duties. Further, a meeting is held on our plants on rotation basis for the directors to see and observe the work performance of the employees.

8.2 Committee

The Board of Directors appointed 5 committees :

1. Executive Directors
2. Audit Committee
3. Remuneration and Nomination Committee
4. Corporate Governance Committee
5. Risk Management Committee

The chairman is not allowed to be a chairman and member of this committee

1. Executive Directors

Executive Directors as at 31 December 2016 comprise of:

No	Name -Surname	Position
1	Mr.Sumate Techakraisri	Chief Executive Director
2	Mr.Phreecha Techakraisri	Executive Director / Managing Director
3	Mr.Chumpol Techakraisri	Executive Director
4	Mr.Kowate Limtrakul	Executive Director

The duties & responsibilities of Executive Directors

1. To make decision on the Company's significant operations such as to limit and regulate the Company's objectives, dimension of missions, policies; to monitor the overall operations including products and customers relationship all of which should be done within the Company's plan and budget set by the Board of Directors.
2. To consider and give approval on procurement, investment and sales & purchase of the Company's fixed assets. Proposal to the Board of Directors is needed in the case of procurement, investment and sales & purchase of the Company's fixed asset is not in plan or budget assigned.
3. To be the representative of the Company to agree upon with outsiders on any related issues that are beneficial to the Company's business.
4. To propose to the Board of Directors the issue on fund raising.
5. To authorize any consultancies that are necessary to business operations.
6. To manage the general operations of the Company.
7. To consider and authorize any duties and plans of each department together with considering the approval on each department requests that are beyond the department's decision authority
8. To propose and ask for approval from the Executive Directors if the operations according to the Company's plan exceeds 10% of the proposed budget.
9. Set the guidelines for evaluating the performance of the Managing Director. And the remuneration of the Managing Director.

The Executive Directors must follow the regulations and limits assigned above and shall not approve any transactions that self or other will have benefits over the Company or approve any transactions that will create a loss to the Company. All approvals must be reported to Board of Directors. Any other limits that do not include in the above, the authority from the Board of Directors is needed.

2. Audit Committee

Company's audit committee who has qualification according to the rules set by SET / SEC totaling 3 persons and one of them must have accounting and financial knowledge for which at present there are 3 directors, all of which are independent directors and set that audit committee will serve 3 years term. Names of these directors are as follows :

No	Name -Surname	Position
1	Mr. Pairuch Sahamethapat	Chairman of Audit Committee
2	Mr.Paotep Chotinuchit	Audit Committee
3	Mr.Virasak Sutanthavibul	Audit Committee

The secretary to the Company's Board of Directors is Mr.Chumpol Techakraisri

The duties & responsibilities of Audit Committee

1. To examine and ensure that the Company's financial reports were correct, complete and sufficiently disclosed. This was to do with the cooperation from the external auditor and the management, who were responsible for providing quarterly and annually financial reports.
2. To examine and ensure that the Company operated the proper and effective internal control system and internal audit. This was to do with cooperation from both external and internal auditors.
3. To examine and ensure that the Company's operations were conducted in accordance with the regulations of the Stock Exchange of Thailand (SET) or any regulations related with the Company's business.
4. To recruit, assign and termination the Company's auditor together with his/her remunerations through the consideration of creditability, sufficiency of resources, quantity of auditing works of the particular audit office and the experience of the individual assigned for the Company's auditing.
5. To examine and ensure that the Company's related transactions or any issues that might incur conflict of interests to be clearly and completely revealed.
6. To proceed according to the delegation of the Board of Directors (if Audit Committee deemed appropriate to do so) such as to review the policies on financial and risk management; to review the implementation on code of conduct of the management; to review with the management on any significant reports (such as the executive report and analysis, etc.) that should be publicized according to the legal regulations.
7. To provide report on activities of Audit Committee and reveal the report in the Company's annual report. The report should attach the signature of the Chairman of Audit Committee and contain the following information:
 - point of view on process of report composition and disclosure in the Company's financial reports (with consideration on correctness, completeness and reliability)

- point of view on sufficiency of internal control system of the Company
- reasons to support whether The Company's auditor is appropriate to be assigned for another term
- point of view on the Company's operations whether they were conducted in accordance with the regulations of the Stock Exchange of Thailand (SET) or any regulations related with the Company's business
- other reports that deemed appropriate to publicize according to duties and responsibilities assigned from the Board of Directors
- Report on the performance of the Audit Committee, the Board of Directors acknowledged every quarter

3. Remuneration Committee and Nomination Committee

In looking after the business and better administration of the Board of Directors for listed companies, Company Directors appointed remuneration committee and nomination committee to be responsible in finding qualified candidates for directorship and be responsible in director and board of directors remuneration as per the rules set as follows :

Rules in determination of board of directors remuneration

"Determination of this remuneration, the company has to consider the suitability and the duty and responsibility that has been assigned to him and able to compare with other listed companies in the same industry and similar size for which the remuneration of the director is enough to persuade them to have quality and capability in their assigned job with honesty"

Limitation and Power of Remuneration Committee Directors

1. To consider and determine the standard procedure for the company's directors' remuneration
2. To consider the remuneration of directors and propose to the company's board of directors and put as an agenda during the shareholder meeting.
3. To consider and propose the remuneration of CEO during the Directors' meeting for consideration and approval.
4. To be responsible in the job assigned by the Board of Directors.

Policy in Nomination Committee Candidates

"Search of Directors :-the company has to consider the qualification , ability, experience, good work history, and a leader having broad vision along with virtue and morality including good attitude to the organization, able to dedicate sufficient time which is essential to the company's activities with clear procedures"

Limitation and Power of Nomination Directors

1. To determine the qualification of the candidates for directorship.
2. To propose the qualified candidates for the directorship and propose during the Annual General Meeting for approval.
3. To propose successor CEO, together with the President. for presentation to Board of Director approval
4. Consider successor Managing director. presented by the president for presentation to the board of director approved the company

5. Consider the appropriateness of the Board of Directors. To be presented to the conference board approval
6. To be responsible in the job assigned by the Board of Directors.

The Board of Directors has approved the remuneration committee and nomination committee. The term of office in 3 years commencing from 13 August 2015 to 12 August 2018 with 4 Directors as follows :

No	Name -Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Remuneration Committee and Nomination Committee (Independent)
2	Dr. Kosol Surakomol	Executive Director of Remuneration and Nomination Committee (Independent)
3	Mr.Sumate Techakraisri	Executive Director of Remuneration and Nomination Committee
4	Mr.Kumpee Chongthurakit	Executive Director of Remuneration and Nomination Committee

The secretary to the remuneration and nomination committee is Mr.Chumpol Techakraisri

4. Corporate Governance Committee

Board of Directors give importance for good corporate governance and on Feb. 20th, 2013, governance committee has been appointed to help promote on the corporate governance and management to be the best under the principles of good Corporate Governance. To focus on maximizing the shareholders. Taking into account the stakeholders as a whole integrity in business practices, with transparency, accountability, monitoring the implementation of the social responsibility for the community and environment. The commission are to provide good governance to the stakeholders and efficiently. There are 4 committee members with two independent directors as follows :

No	Name -Surname	Position
1	Mr.Paotep Chotinuchit	Chairman of Corporate Governance Committee (Independent)
2	Dr. Kosol Surakomol	Corporate Governance Committee (Independent)
3	Mr.Sumate Techakraisri	Corporate Governance Committee
4	Mr.Kumpee Chongthurakit	Corporate Governance Committee

The secretary to the remuneration and nomination committee is Mr.Chumpol Techakraisri

Limitation and Power of Corporate Governance Committee

1. Rules and Regulations and best practices of effective corporate governance processes appropriately.
2. Propose and practice good corporate governance to the Board of Directors of the company.
3. Follow up new announcements involved and to determine the appropriate improvements.
4. To review and consider the practice and principles of corporate governance that are appropriate to the business.
5. Propose Code of Conduct regulations in business ethics for the management and staffs to practice.
6. Provide policies and practices in the area of corporate social responsibility (CSR) and to the surrounding environment

5. Risk Management Committee

On 26th February 2014, BOD appointed Risk Management Committee. The term of office is 3 years commencing from 26 February 2014 to 25 February 2017 comprising 7 members of the company director and senior management

No	Name - Surname		Position
1	Mr. Kowate	Limtrakul	Chairman of Risk Management Committee
2	Dr. Kosol	Surakomol	Risk Management Committee
3	Dr. Phreecha	Techakraisri	Risk Management Committee
4	Mr. Chumpol	Techakraisri	Risk Management Committee
5	Mr. Pongsakron	Phetpayullpun	Risk Management Committee
6	Mr. Pitsanu	Vilawanjit	Risk Management Committee
7	Mr. Saksit	Lerthasdeerat	Risk Management Committee

And committee secretary of the Risk Management Committee is Miss Pornthip Puangsab

Scope and Authority of the risk management committee

1. To study, review and evaluate the risks that may occur which may affect the company.
2. To set a risk management policy and propose to the Board of Directors.
3. To formulate strategies to meet the risk management policy and strategic direction of the company.
4. To review the adequacy of the risk management policy and to assess with continuous control and monitoring of the system.
5. To seek and push the support, cooperation and to monitor the set policy in order to mitigate or eliminate the risk according to the set target.
6. To continue develop the risk management, monitor regularly throughout the company in consistent with the international standard.
7. To analyze the damage which may occur in a systematic way both normal or abnormal to ensure that the survey has covered all stages of the risk in doing business and report to the BOD at least twice a year.

8.3 Recruitment and appointment of director and management

Remuneration and Nominating Committee are responsible to look for new directors or replace the directors who resigned / retired and fill in the vacated position based on knowledge, integrity, experiences in a related business which conform with the requirement of the Securities and Exchange Commission

The remuneration and nomination committee propose the recruitment to the company directors that deemed appropriate and to approve the said appointment as per the company's requirement and standard during the company's shareholders meeting

In considering candidates for the directorship position, the Nominating Committee shall consider individual candidates from various sources

1. Shareholders who hold shares of not less than 5 % with voting rights are entitled to cast their votes.

2. Database of Directors of the Institute of Directors of Thailand.
3. Consulting outside firm.
4. The Board of Directors recommend.

The Nomination Committee Considers that appropriate Therefore, the Board of Directors. The approval and be appointed as Directors to the AGM. By Following the regulations of the company

Appointment process of the Board of Directors.

Board of Directors must be appointed by the shareholders in the shareholder meeting and comprised of at least 5 persons. The Board of Directors will select Chairman, Deputy Chairman, Managing Director and any other positions that deemed appropriate. At least, half of the Board of Directors must reside in Thailand.

Methods of election are as follows :

1. Each shareholder has the voting right of one share per one vote.
2. The election of the Board of Directors may be done for one or more directors at a time at the discretion of the Company's shareholders' meeting. Nevertheless, for each shareholders' resolution, all shareholder's votes shall be given to a particular candidate or group of candidates. Each shareholder's votes cannot be divided for each candidate or group of candidates.
3. Persons who receive the highest votes arranged in order from highest to lowest in a number equal to that of directors are to be appointed and or elected as directors of the company. In the event of a tie at a lower place, which would make the number of directors greater than that required the Chairman shall cast his vote to be considered as final

Yearly evaluation of Managing Director's Responsibilities

The Board of Directors set a policy to yearly assess and evaluate the responsibilities of Managing Director by using the objective and criterion as set by the company for remuneration consideration.

8.4 Preventative usage of Company's internal information by the Management

The company has a strict internal security measures. Particularly information that has not made public. Or data that affects business operations and stock price by the directors, management and employees inside information to use. The Company has established policies for personal following

1. The Company has set up policy of not to reveal any information to non related persons or business groups.
2. The Company's Management who are involved with the financial information must not take any advantages prior the information has been revealed to public. Moreover, the Company's management is not allowed to make any transactions on the Company's share 1 month prior to the public announcement of financial information.
3. After the Company was enlisted in the Stock Exchange of Thailand (SET), Directors and the Management must report the holding of Company's shares according to code no. 59 of the announcement made by the Securities and Exchange Commission at Sor.Chor. 14/2540 with the subject of provision and disclosure of report on share holding status dated 12 of May 1997.
4. The responsibilities of the first 4 levels of directors and management team is to reveal the information on gain and loss for their own and relatives interests.

In this connection, the company has a punishment procedure should a certain director and managements do not follow the set rules.

8.5 Audit Fee

1. The fee Auditing complete on 31 December 2016

List	The payer company	Auditors	Audit Fee
1	T. Krungthai Industries Public Company Limited.	Karin Audit Company Limited.	903,000.00
Total Audit fee			903,000.00

2. Non-Audit Fee

- None

8.6 Investor Relationship

The Company's Board of Directors realized that either Company's financial or non financial information has an influence on the decision making of the investors as well as all of the stakeholders. The Company has always stressed out to the management to provide regular, complete, correct, accurate, and prompt information to the public. Moreover, the Company has appointed Mr. Chumpol Techakraisri, Assistant Managing Director, to be a contact person with financial institutions, shareholders, analysts and related government sectors on the investors' relations related issues.

In this connection, the company held an activity who are interested in the company's performance by inviting them to visit our King Kaew plant on October 6, 2016.

Besides, the company holds "Opportunity Day" every quarter for the investors and analyst to regularly be informed the performance of the company.

9 Corporate Social Responsibility

For the company, regarding social responsibility, it is not just an activity but responsibility. For this, our company follows the words of Mr Bjorn Stigson, Chairman of the World Business Council for Sustainable Development or (WBCSD) that "Business cannot succeed in a society that fails" :

Social responsibility , Safety, Health and Environment policies

The company operates under principle and good governance along with attentive care of the environment and society and aims to contribute to the development of sustainable business with transparency and social responsibility. Board of Directors have approved the policy on social responsibility in business ethics of the company.

The objective is to run a business that is beneficial to the economy and society. The importance on the preservation of local traditions is the company's policy to adhere, to behave as a good citizen , law- abiding and committing oneself to follow regulations, cooperate with the government and community to enhance the quality of society to follow regulations.

The Implementation and Report Preparation

The company has implemented and report corporate social responsibility. Details of these implementation of principles and 8 guidelines set by the SET has been published on the company website

(www.tkrungthai.com) In year 2016 the company had conducted its activities to communities and environment as follows:

1. Respect the human rights of the employees

Better business foundation depends on the foundation of the employees which is significant for the success of the business, Meaning, business has to show the importance of employees by giving them proper and good working environment, good and better life and offering them good privileges and respect their human rights and fair treatment to the employees. The company has to improve the working environment, offer better life as follows :

- 1.1 Have to follow human rights and not to use underage children and not use illegal labor.
- 1.2 Give support by offering better privileges to the employees in terms of salary/wages, bonus, social security system like giving free rice, discounted lunch cost, diligent allowance, fund for family death, give support on education of our employees' children from kindergarten up to 3rd year high school (mathayom3), yearly health check-up, give presents to the employees' children..
- 1.3 Define security policies within workplace such as in the factory and organize annual fire prevention practice, fire evacuation drills and regular checking the availability of firefighting equipments The company shall provide personal protective equipment to workers according to their job description for their confidence and safety in the workplace.
- 1.4 Safety measures for the working area environment like production safety not to affect the health of the employees, working safety measure week, put exhaust fans to reduce the heat in production line, small relaxing area and resting place during the break.
- 1.5 Provide adequate, appropriate, safe and hygienic consumer amenities and conduct assessment on the scheduled rota such as canteen, drinking water machine, toilets, etc.
- 1.6 Supervise, monitor, and measure the environment within the factory and production process such as wastewater treatment systems to prevent any bad effects on the health of employees and people in the factory and nearby community such as wastewater treatment system .
- 1.7 Officer to listen to the problems of the employees on fair treatment of the company.
- 1.8 Sending employees to a seminar in and out of the organization to prepare the suitable person for the position.
- 1.9 To improve the human resource in all levels as per the policy of the company for short and long term basis under Knowledge Management to make our company as Learning Organization.
- 1.10 To improve the management and leadership for all management level through training and coaching.
- 1.11 Merit offering in temples at employees birthplace and meditation practice and listen to monk sermon during mother and father's day at company premises.
- 1.12 Encourage the employees to use sufficiency economy along and well done Social.
- 1.13 Promote sport activities to keep employees healthy and do not use drugs.
- 1.14 There is bone mass check-up and pap smear.
- 1.15 Factory safety in join "The security establishment" in honor of Her Royal Highness Princess Maha Chakri Sirindhorn

- 1.16 Carry on the Thai customs and tradition such as New Year, Songkran Festival, Father and Mother's day

2. Environmental Protection

The company pays attention to and is aware of environmental effects that may affect employees and the nearby community and therefore complies with related laws and regulations continuously and measures environmental quality annually.

In the year 2016, the benchmark company hired C.E.M. Technology (Thailand) Co., Ltd. which is an outside agency to conduct environmental measurement as follows :

C.E.M Technology (Thailand) Co., Ltd. was hired to do the effluent (waste matter) to do the measurement and the result was within the standard level required by law.

The light and sound intensity level and the amount of hot air contaminants including the ecosystem are of standard required by law by C.E.M Technology (Thailand) Co., Ltd.

The company has held training with regards to the environment and effects, and promotes the economical use of resources to reduce global warming and the impact to the employees in all areas. A campaign has been launched to use resources sparingly and wisely such as turning lights off after use, shuttle carpool by rotation and using recycle papers and to avoid color printing , etc.

The company has arranged to for a consultant on electrical power consumption reduction and has allocated funds to invest in energy-saving devices as well as rigorously complying with the ISO 14001 standard.

3. Community Development

Business can be successful if it is with strong community, long time improvement so the company holds community improvement by searching proper way as per our kind of business such as :

- 3.1 Provide gifts, Sport equipment for Wat Bangplanak School, Amphon Muang, Chachoengsao; Surao Lamchala School, Amphoe Bang Nam Priao, Chachoengsao.
- 3.2 Teachers and students of Lat Krabang Technology visited Suwintawong factory to observe and learn the design process and the manufacture of injection molded plastics
- 3.3 Blood Donation with Red Cross Very Quarter
- 3.4 Support and give chance to Autistic Children from Yowaprasart Hospital to work at the company.
- 3.5 Giving a chance for the Disabled from Bang Klang and Khlong khoi Disabled Club to sell OTOP products in the factory , proceeds goes to support the disabled as per international project for disabled people.
- 3.6 Merit and candle offering in communities near factory : Wat Bangplanak, Chachoengsao; Wat Pa Suanprueksachart , Prachinburi ; Wat Utaitamtarom, Bangkok.
- 3.7 Make and off-season offering of robes to temple in employees's hometown at Samnak Song Wetsarisrimongkoltam, Kongkaen; Wat PaBungRanam, Sri Saket Provinc; Wat Bungmanaw , Chaiyapom.
- 3.8 Donated flashlight and foot massage equipment for the “ Day of the Disabled on their 50th anniversary, year 2016”

☺ Various Activities For Year 2016 ☺

☺ New Year Party ☺



☺ Songkran Day Festival ☺



☺ off-Season Offering of robes offered to employees hometown ☺



😊 Buddhist Lent Candle Offering 😊



Wat Utaitamtarom, Bangkok. Wat Bangpanak, Chachoengsao. Wat PaSuanprueksachart, Prachinburi.

😊 Education support for employees' children 😊



😊 Mother's Day 😊



★ Blood Donation ★



★ Giving presents on childrens' day at Bupram School ★



Kabinburi Industrial Zone



Surao Lamjalark Schools, Chachoengsao.

❖ Training “Safety, occupational health and environment / Fire Protection” ❖



❖ Training “Committee of Occupational Safety, Health and Work Environment of the Workplace Course” ❖



❖ Training “In-Company Trainer Course on the Basis of the German Educational Standard” ❖



❖ Training “Overall Equipment Effectiveness (OEE)” / “Overall Plant Effectiveness (OPE)” ❖



❖ Training “Kaizen Techniques” ❖



❖ Training “Happy Workplace Officer Course” ❖



❖ Training “Fork Lift” ❖



☆ Activity “Big Cleaning Day for better hygiene at the workplace” ☆



☆ Activity "Safety, Environment and Energy Conservation Week" ☆



☆ Company Visit at King Kaew Plant ☆



10. Control System and Internal Audit

The Company recognized the importance of internal control system for the management as well as the operation level so that they could work effectively. The Company has already, put clearly in writing, set duties and responsibilities for operators and management as well as the usage of Company's assets. The duties in operation and monitor, control & evaluation were separated. This was to balance and cross check each function easily. Moreover, there was a financial control system, where a financial report was required to be submitted to the line responsible person at each sector.

At the meeting for Audit committee No.1/2016 on 24 February 2016 hired IVL as our Internal Audit Officers and shall work with the head of Compliance, and their duties and responsibilities are to ensure that the key operation and financial activities have effectively pursued the Company's objectives. This would also include the examination on law enforcement in operation and compliance control. To ensure the independency and effectiveness on working of internal audit, the Internal Audit Department would be directly reported and evaluated to the Audit committee.

Risk Management

To reach our goal in good governance and protect the interest of company's stakeholders the company made a rule for risk management in controlling related to management of the organization in order to control the risk of the company.

1. Risk in Business Operations and Strategy
2. Risk in Operations
3. Risk in Accounting and Finance
4. Risk in Administration and Management
5. Risk in related Rules and Regulations
6. Risk in Information Systems

In 2016 present the results of the meeting and action plans. To the Board of Directors is two times.

11. Related Transactions

Disclosure of Related Transactions

Details on individual accounting or related activities have been attached to the fifth (5)th note to financial statements:

Necessities and Reasonable of related-transactions

The related transactions in Year 2016 were reasonable and necessary to bring about the best benefit to the Company. It was making a full use of the production capacity on machine. This related transaction was examined by the Audit committee which deemed the transaction as a common nature of business and the Company has received and paid the fees at fair prices.

Rules and Procedure in approval of related transactions

As the Rules and Procedure in approval of related transactions, any transactions that involve with the

individuals, who might have conflicts of interest with the Company's business should be proposed to and taken into consideration by the Audit committee and get approval from the Board of Directors. The Audit committee should be presented in any meeting regarding the related transactions. In addition, votes from directors that might have conflict of interests will not be counted.

Policy and Trend of Related Transactions

If there is a necessity to have related transaction with individuals that might have conflict of interests with the Company in the future, the Company would set up policy to ensure the normal transaction and prices shall be marked to market and can be comparing with the outsiders. Hence, the Company's Audit Committee or the Company's auditor should help consider whether the prices are suitable and reasonable for having this related transaction.

For any related transactions that might occur in the future, the directors shall follow the Company's rules and regulations and shall not approve any transactions in which themselves will have conflict with the Company's interests. The Company must follow the rules and regulations set by the Stock Exchange of Thailand (SET) and must disclose all related information on any gains or losses of assets in related transactions of the Company or the affiliates.

If there are any related transactions with individuals that may have conflict of interests with T.Krungthai Industries Public Company Ltd. now or in the future, the Audit committee will be responsible to give suggestion or advise on price, compensation and necessity of such transactions. In the case that the Audit Committee lacks of knowledge in considering, the Company directors will make decision by opinion of independent specialists or the auditor. The Company will also disclose any related transactions in the note to financial statements that has been given approval from Company auditor.

Related Transactions			
Name / Description of business	Relationship	The nature and amount of the transaction	Necessary and reasonable
1. Prairie Marketing Co., Ltd. Business trade - Consumer Goods	Mr. Sumate Techakraisri, Director and a shareholder with a ratio of 6 % of the paid up capital and is authorize to sign documents of Prairie Marketing.	Prairie Marketing Co., Ltd. purchase gear boxes for plastic tampon, cotton bowl. In 2016, TKT company acquired total sales of 3.47 million Baht and as at December 31, 2016 the outstanding balance of trade account receivable was 0.65 billion Baht.	The business is about selling a piece of plastic to its regular customer which is sold at a market price locally. The audit committee has considered that transaction being reasonable with a fair price.
2. The office building of	Mr.Sumate Techakraisri Director of the Company	The company has rented a 3 storey building located at 23,	Leasing office space to facilitate business contacts



Related Transactions			
Name / Description of business	Relationship	The nature and amount of the transaction	Necessary and reasonable
Mr.Sumate Techakraisri		Soi Chan 43, Yak 21, Tungwatdon, Sathorn, Bangkok 10120. The rental term is 3 years commencing from 1 st April 2016 to 31 st of March 2019 at Baht 66,550.- / month .	and rental rate is not different from the rate around the vicinity. The Audit Committee has considered and regarded that rental charge is reasonable and fair.

12. Financial Highlights

		2016	2015	2014
Performance				
Revenue from sales - Plastic products	'000 Baht	1,004,413	1,218,751	1,403,258
Revenues from sales - Moulds	'000 Baht	93,338	137,646	220,462
Net profit	'000 Baht	-67,535	12,396	19,447
Balance sheet highlight				
Total Assets	'000 Baht	1,054,324	1,138,498	1,216,373
Total liabilities	'000 Baht	673,889	677,687	746,558
Shareholders' equity	'000 Baht	380,435	460,811	469,815
Common stock highlight				
Authorized share capital	Mil' share	214,000	214,000	214,000
Par value	Baht / share	1.00	1.00	1.00
Book value	Baht / share	1.78	2.15	2.19
Basic earning per share	Baht / share	-0.32	0.06	0.09
Financial Ratio				
Current Ratio	Times	0.58	0.67	0.81
Account Receivable Turnover	Times	6.12	5.23	4.79
Inventory Turnover	Times	5.72	6.54	8.48
Account Payable Turnover	Times	7.01	7.25	6.69
Debt to Equity Ratio	Times	1.77	1.47	1.59
Sale's Growth	%	-19.07	-16.46	-15.64
Profit before interest and income tax expenses	%	-6.06	2.38	2.63
Net profit	%	-6.15	0.91	1.19

13. Management's Discussion and Analysis

Overview

T. Krungthai is a manufacturer and a designer of plastic components, as well as manufacturer and service provider for molds which are used for manufacturing of plastic components. Major Customers are a leading automotive and electric appliances factories, including original equipment manufacturers (OEM) mainly based in Thailand. In 2016 the Company's income dropped by 258.65 million THB as a result of the cancellation of automotive components production as well as income recognition from electrical appliances that was not meet the target.

1 Operation Result

Income

In 2016 the Company's total income from sales and service was 1,097.75 million THB, with 19.07 percent declination (258.65 million THB), while the income index recorded 67.61 percent comparing to the base year (2014).

Decreased income from sales and services was related to the following elements:

1. Internal factors were such as: cancellation of some series of automotive production and decreased sale volume of electric appliances (what didn't meet projected target) - resulting in sale volume declination. However, in 2017 the Company will strive to boost the sale volume, and it is likely that 2017 year target will be achieved.
2. External factors were caused by the economic slowdown on domestic and global scale. Purchases from local and foreign manufacturers gradually dropped.

According to the financial statement, the income categorized by production line in 2016 and 2015 were 830.51 and 1,054.71 million THB respectively. Income from manufacturing of electric appliances were 142.96 and 146.40 million THB respectively. Income from mold production were 93.14 and 137.65 million THB respectively. Income from other industries were 31.14 and 17.64 million THB respectively.

Cost of sales and expenses

Cost of sales and services

In 2016 the Company's cost of sales and service recorded 1,026.88 million THB, a decrease by 139.60 million THB or 11.97 percent from the previous year. Cost of sale index recorded 72.41 percent comparing to the base year (2014), or reached 93.54 percent when comparing to the ratio of cost of sale to sale volume in year 2016, an increase of 7.54 percent. The cutback was a result of damages in spray painting department of our factory in Suwintawong, while some fixed expenses had not been adjusted to be consistent to the reduction in sale volume. However, the Company resolved most of the problems in Suwintawong factory. We are now proceeding the adjustment of fixed expenses as to conform to the reduction of sale volume.

Sale and administrative cost

The Company's sale and administrative cost in 2016 recorded 150.40 million THB, a decrease by 15.53 million THB or 9.35 percent from the previous year. Sale and administrative cost index was 89.14 percent comparing to the base year (2014). The ratio of sale and administrative expenses compared to the sale volume, represented a declination in comparison to the previous year due to the Company's policy

related to minimizing expenses in response to the sale volume cut back. For example, reducing office expenses, or transportation costs. Such ratio of sale and administrative cost has declined comparing to the previous year.

Finance costs

The Company's finance costs in 2016 recorded 17.94 million THB, which was similar to 2015 year, where the finance cost was 17.93 million THB. Comparing to the income, the finance cost accounted 1.63 percent. The Company's interest coverage ratio in 2016 was -3.71, a 7.33 time decrease from the previous year due to the loss in operations.

Corporate income tax

The Company had no corporate income tax as a result of loss in operations. However, due to net loss of the current year, the Company had a deferred tax amounted to 16.10 million THB which may be used to reduce any corporate income tax expense in the future.

Net profit

In 2016, the Company had a net loss of 67.43 million THB, or -6.15 percent of the total sale volume. The net profit contracted by 7.06 percent, in comparison to 2015 due to the

1. Downturn of the sale volume, which was caused by the cancellation of some series of automotive products, the sale volume of electric appliance and molds which did not meet the target. In addition, the external factors such as economic situation both domestically and globally also affected the number in purchases from customers,
2. Increase in cost of production due to the problem in Suwintawong factory, and some fixed expenses which cannot be adjusted to support the sale volume downturn.

Nevertheless, most of the issues in production have been resolved. On the other hand, some fixed expenses which are not in line with the sale volume, are under the planning and managing process with aim to boost up the sale volume by year 2017.

2 Financial status

Asset

As of 31 December 2016 and 2015, total assets of the Company amounted to 1,054.32 and 1,138.49 million THB respectively, a decrease of 84.17 million THB or 7.39 percent.

Trade and other receivables

Total trade receivable account and other receivables of the Company as of 31 December 2016 and 2015 amounted to 174.38 and 184.19 million THB. Net trade receivables as of 31 December 2016 and 2015 amounted to 168.51 and 182.78 million THB. The proportion between trade receivables and total assets were 15.97 and 16.05 percent respectively.

Average collection period in 2016 was 58 days, showing improvement comparing to previous year at 70 days. Most of the accounts were paid on time as Company credit terms between 60-90 days. In addition, Company follow-up closely all debts, therefore, the payables were reduced. The majority of our customers are leading automotive and electric appliance manufacturers, which are reliable in terms of payment. The Company has not experienced any issues in collecting debts. Company will maintain debt collection period

to be in line with respective policy. Trade receivables of the Company in year 2014 - 2016 categorized by aging are as follows;

Unit: Million THB

Receivable aging	2014	2015	2016
Within the due date	240.81	126.39	117.66
Within 90 days	95.11	54.59	49.79
Between 90 -180 days	0.0001	1.30	0.73
Between 180 - 365 days	0.18	0.48	0.19
Over 365 days	2.30	0.02	0.04
Total	338.40	182.78	168.41

Inventory

Inventory of the Company as of 31 December 2016 and 2015 amounted to 167.70 and 191.10 million THB respectively. The ratio between inventory and total asset were 15.91 and 16.79 percent respectively since the Company has adjusted the stock volume to support the purchase orders received.

The average sale period in 2016 was 64 days. The molds which were during the production process were among those. However, when excluding the said molds, the average sale period in 2016 was 38 days. The Company is well aware of the importance of control the inventory, and has no policy to produce and order raw materials in the excessive volume. The Company sets the plan on weekly basis, specifying the quantity of products for manufacturing and raw materials to be ordered. The manufacturing and delivery are being studied and improved in order to maintain the sale period in proper level.

Property, plant and equipment and intangible assets

As of 31 December 2016 and 2015, the property, plants, equipment and intangible assets (net) of the Company valued 668.56 and 727.27 million THB, while the ratio between the property, plant and equipment and intangible assets and total asset were 65.31 and 63.88 percent respectively.

Total liabilities

As of 31 December 2016, total liabilities of the Company amounted to 673.89 million THB (current liabilities amounted to 635.10 million THB and non-current liabilities amounted 38.79 million THB), an increase from the previous year by 3.80 million THB or -0.56 percent.

Shareholders' equity

Shareholders' equity as of 31 December 2016 was 380.44 million THB, an increase of 80.37 million THB, representing 17.44 percent. By resolution passed on the 2016 Annual General Meeting of shareholders held on 20 April 2016, the dividend payment from operation result of year 2015 is to be paid at 0.06 THB per share, from total 214 million shares, representing 12.84 million THB. The dividend payment was paid to the shareholders on 13 May 2016.

As of 31 December 2016, capital structure of the Company consisted of total liabilities 673.89 million THB, and shareholders' equity 380.43 million THB. Ratio of debt to shareholders' equity was approximately 1.77 times.

3 Analysis of cash flow

Liquidity

Liquidity of the cash flow as of 31 December 2016 decreased by 12.20 million THB, while the liquidity of cash flow in 2015 increased by 26.39 million THB. The shrinkage of cash flow liquidity was due to the reduction of sale volume to 258.65 million THB or 19.07 percent. As a result, in 2016, trade and other receivables dropped by 9.92 million THB and the net cash from operation amounted to only 10.16 million THB, a decrease by 108.84 million THB comparing to the same period last year. Investing activities amounted to 34.20 million THB, a decrease from the same period last year by 24.93 million THB due to the fact that the Company undertook cautious actions in investment and selected only the necessary business deals. The Company repaid the long-term loans on time, therefore, the loans were reduced from 87.26 million THB to 45.90 million THB in 2015. In 2016, with due consideration on granting credit, the cash flow from investing activities reached only 11.83 million THB.

Cash flow and cash equivalents from the beginning of the period being brought forward was 35.22 million THB. As a result cash flow and cash equivalents remained at 23.02 million THB at the year end of 2016.

Investment expenditure

In 2016 the net cash amount to 33.20 million THB was spent in investing activities. Most of the transactions were investment in machines and equipment in support of new order, machine maintenance, including the repayment of machine and equipment cost being due.

Source of the fund

Source of the fund of the Company in 2016 were from collection of receivables, trade receivables, loans from financial institutions. The Company managed the debt collection to ensure the payment will be made on time. In 2016 the average debt collection period was at 58 days, which was shorter when comparing to 2015 where the average debt collection period was at 70 days. Close inspection on receivables were proceeded to ensure customers will pay within specified time which was between 60-90 days, according to the credit policy of the Company. The debt repayment period was 52 days in 2016 and 50 days in 2015 in which both were considered as being in line with our credit term set forth and the period set forth in the previous years.

The debt ratio to shareholders' equity in 2014, 2015 and 2016 were 1.59, 1.47 and 1.77 respectively. Despite the increase in 2016, the ratio was still in the level where the Company was able to manage it.

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS
DECEMBER 31, 2016
AND AUDITOR'S REPORT

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To The Shareholders of T.Krungthai Industries Public Company Limited

I have audited the accompanying of financial statements of T.Krungthai Industries Public Company Limited which comprise the statement of financial position as at December 31, 2016, the statements of comprehensive income, changes in shareholders' equity and the cash flows statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.Krungthai Industries Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

Deferred Tax Assets

Risk

As described in the Note 13 to the financial statements, the Company recorded deferred tax assets of Baht 21.48 million in the statement of financial position. The recognition of deferred tax assets is based on possibility of actual utilization and subject to management's judgment. Expected benefits from such assets depend on many factors, including appropriateness of temporary difference and sufficiency of future taxable profit.



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Risk Responses of Auditor

- evaluated the Company management's judgment regarding sufficiency of future taxable profit that will be available to utilize tax losses. Evaluation focused on the reasonableness of future cash flow projection and preparation process of cash flow projection;
- tested reliability of calculation and compared with the latest annual budget approved by the Company's board of directors;
- enquired the Company's management regarding a key assumption, long term growth rate, and compared with historical performance, economic conditions, and industrial trend;

No material differences found from my audit.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report. My opinion on the 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 financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jirote Sirirorote



(Mr. Jirote Sirirorote)

Certified Public Accountant

Registration No. 5113

Karin Audit Company Limited

Bangkok

February 28, 2016

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

		Baht	
	Note	December 31,2016	December 31, 2015
ASSETS			
Current assets			
Cash and cash equivalents	6	23,026,758.20	35,226,588.16
Trade accounts receivable and other receivable	7	174,385,469.11	184,189,792.27
Inventories - net	8	167,707,274.67	191,103,578.59
Other current assets	9	646,592.16	707,575.80
Total current assets		365,766,094.14	411,227,534.82
Non - current assets			
Property, plant and equipment - net	10	616,889,551.13	665,493,862.10
Intangible assets - net	11	12,652,481.96	11,847,570.63
Other non - current assets - net	12	46,168,665.37	49,928,662.38
Deferred tax assets	13	12,847,634.16	-
Total non - current assets		688,558,332.62	727,270,095.11
Total assets		1,054,324,426.76	1,138,497,629.93

Authorized Signatory.....Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

The accompanying notes are an integral part of these financial statement. 65

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (cont.)

AS AT DECEMBER 31, 2016

		Baht	
	Note	December 31,2016	December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank overdrafts and short - term loans from financial institutions	14	465,014,097.25	397,531,146.74
Trade accounts payable and other payables		128,408,629.85	164,755,415.85
Payable for purchase on assets		508,545.70	4,833,985.92
Current portion of long - term loans	15	26,841,768.00	41,355,768.00
Current portion of liabilities under hire - purchase and financial lease contracts	16	1,719,497.92	1,454,761.40
Current portion of employee benefit liabilities	17	1,344,574.00	218,401.00
Other current liabilities		11,266,360.00	2,371,732.54
Total current liabilities		635,103,472.72	612,521,211.45
Non - current liabilities			
Long - term loans - net	15	19,067,224.00	45,908,992.00
Liabilities under hire - purchase and financial lease contracts - net	16	5,689,298.97	1,680,769.89
Deferred tax liabilities	13	-	4,063,037.56
Employee benefit liabilities	17	14,029,139.78	13,512,814.86
Total non - current liabilities		38,785,662.75	65,165,614.31
Total liabilities		673,889,135.47	677,686,825.76
Shareholderes' equity			
Share capital			
Authorized share capital			
Common share 214,000,000 shares Baht 1.00 par value		214,000,000.00	214,000,000.00
Issued and paid - up share capital			
Common share 214,000,000 shares Baht 1.00 par value		214,000,000.00	214,000,000.00
Premium on ordinary shares		144,236,932.71	144,236,932.71
Retained earnings			
Appropriated			
Legal reserve	19	21,400,000.00	21,400,000.00
Unappropriated		798,358.58	81,173,871.46
Total shareholders' equity		380,435,291.29	460,810,804.17
Total liabilitise and shareholders' equity		1,054,324,426.76	1,138,497,629.93

Authorized Signatory.....Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

The accompanying notes are an integral part of these financial statement. 66

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht	
	Note	2016	2015
Revenue from sales - Plastic Parts		1,004,413,098.96	1,218,750,938.45
Revenue from rendering of services - Moulds		93,337,998.87	137,645,633.00
Total Revenue from sales and rendering of services		1,097,751,097.83	1,356,396,571.45
Cost of sales of goods and rendering of services		(1,026,885,597.05)	(1,166,489,189.22)
Gross profit		70,865,500.78	189,907,382.23
Other income		13,022,086.32	8,298,435.80
Profit before expenses		83,887,587.10	198,205,818.03
Selling expenses	19	(29,360,300.38)	(32,259,900.28)
Administrative expenses		(105,578,093.08)	(115,275,620.69)
Director and Management ' s remunerations	5	(15,458,557.97)	(18,393,314.36)
Total expenses		(150,396,951.43)	(165,928,835.33)
Profit(loss) before finance costs and income tax		(66,509,364.33)	32,276,982.70
Finance cost		(17,936,820.27)	(17,930,465.14)
Profit(Loss) before income tax		(84,446,184.60)	14,346,517.56
Income tax expense	22	16,910,671.72	(1,950,557.80)
Profit(Loss) for the years		(67,535,512.88)	12,395,959.76
Other comprehensive income			
Defined benefit plan actuarial gain		-	-
Income tax on other comprehensive income		-	-
Total other comprehensive income for the years		-	-
Total comprehensive income for the years		(67,535,512.88)	12,395,959.76
Basic Profit(loss)per share			
Net Profit(loss) (Baht per share)	21	(0.316)	0.058

Authorized Signatory.....Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

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

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht				
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total
Note				Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2015		214,000,000.00	144,236,932.71	21,400,000.00	90,177,911.70	469,814,844.41
Dividend	18	-	-	-	(21,400,000.00)	(21,400,000.00)
Profit and other comprehensive income for the year		-	-	-	12,395,959.76	12,395,959.76
Balance at December 31, 2015		214,000,000.00	144,236,932.71	21,400,000.00	81,173,871.46	460,810,804.17
Dividend	18	-	-	-	(12,840,000.00)	(12,840,000.00)
Profit and other comprehensive income for the year		-	-	-	(67,535,512.88)	(67,535,512.88)
Balance at December 31, 2016		214,000,000.00	144,236,932.71	21,400,000.00	798,358.58	380,435,291.29

Authorized Signatory.....Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

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

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht	
	Note	2016	2015
Cash flows from operating activities			
Profit(Loss)for the years		(67,535,512.88)	12,395,959.76
Adjustments for to net profit(loss)for cash received(paid)from operations			
Depreciation		71,148,019.05	68,088,287.64
Loss from discontinued assets		10,075,507.13	-
Amortization		2,036,488.67	1,574,214.62
Loss from decline in inventory value		4,407,678.79	484,972.65
(Profit) loss on sale of fixed assets		140,208.83	(354,891.32)
Unrealized(gain)loss on exchange		(113,549.65)	-
Employee benefit expense		1,642,497.92	(1,796,573.14)
Interest income		(57,567.64)	(100,609.62)
Interest paid		17,936,820.27	17,930,465.14
Deferred tax income		(16,910,671.72)	1,950,557.80
Profit (Loss) provided by operating activities before changes		22,769,918.77	100,172,383.53
in operating assets and liabilities			
Change in operating assets (increase) decrease			
Trade accounts receivable and other receivable		9,919,058.59	156,330,832.69
Inventories		18,988,625.15	(32,960,456.76)
Other current assets		60,983.64	882,506.37
Other non - current assets		3,924,334.42	(9,599,530.20)
Change in operating liabilities increase (decrease)			
Trade accounts payable and other payables		(36,523,280.24)	(52,117,273.40)
Other current liabilities		8,894,627.46	(8,746,557.46)
Cash received (paid) from operating			
Income tax received		16,773,382.93	-
Income tax paid		(16,937,720.34)	(17,341,929.83)
Interest received		57,567.64	100,609.64
Interest paid		(17,761,517.81)	(17,715,397.04)
Net cash provided by operating activities		10,165,980.21	119,005,187.54

Authorized Signatory.....Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

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

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOW (cont.)

FOR THE YEAR ENDED DECEMBER 31, 2016

		Baht	
		2016	2015
Cash flows from investing activities			
Purchase of assets		(33,161,463.20)	(56,195,635.71)
Proceeds from disposal of assets		1,804,625.91	567,359.79
Purchase of intangible assets		(2,841,400.00)	(3,501,560.00)
Net cash (used) in investing activities		(34,198,237.29)	(59,129,835.92)
Cash flows from financing activities			
Bank overdrafts and short - term loans from financial institutions increase(decrease)		67,482,950.51	47,917,654.03
Payment for long - term loans from financial institutions		(41,355,768.00)	(57,806,768.00)
Payment for liability - hire purchases and financial lease agreement		(1,454,761.39)	(2,268,629.54)
Dividend		(12,839,994.00)	(21,329,332.09)
Net cash provided(used)in financing activities		11,832,427.12	(33,487,075.60)
Net increase(decrease)in cash and cash equivalents		(12,199,829.96)	26,388,276.02
Cash and cash equivalents, at beginning of years	6	35,226,588.16	8,838,312.14
Cash and cash equivalents(used), at end of years	6	23,026,758.20	35,226,588.16

Supplemental disclosures of cash flows information :

In 2016, the Company has entered into a finance lease agreement with respect to purchase of energy saving light bulbs by Baht 6.39 million.

Authorized Signatory.....Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

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

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

1. GENERAL INFORMATION

1.1. Legal status and address for company

The Company established as juristic person in accordance with the public company limited on January 22, 2004, while the Head Office is located at 23 Soi Chan 43, Yak 21, Tungwatdon, Sathorn, Bangkok. There are 3 factories which are located as follow:

Factory 1 was located at 59 Mu 6, King Kaew Road, Rajateva, Bangplee, Samutprakarn.

Factory 2 was located at 517 Mu 9, Nongki, Kabinburi, Prachinburi.

Factory 3 was located at 28/4 Mu 1, Sunwinhawong Road, Khlong Udom Chonlachon Muang, Chacheangsoa.

The major shareholders of the Company are Techakraisri family (owned 48.81%)

1.2. Nature of the Company's business

The principal business activities of the Company are manufacturing plastic part products and plastic part moulds.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statements of compliance

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

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

2.2 Financial reporting standard that became effective in the current year.

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

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

2.3 Financial reporting standard that will become effective in the future

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

The management of the Company believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied.

3. Significant accounting judgments and estimates

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affect the reported amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management judgment.

Depreciation

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and residual values if there are any changes.

Intangible assets

Intangible assets are systematically amortized over their estimated useful lives, and are subject to impairment if there is an indication they may be impaired.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

Fair value estimation

The Company estimates fair value for available for sale investments, investment property and long-term borrowings from financial institutions. The different levels of fair value estimation have been defined as follows:

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

Impairment of Inventory

In order that financial statements report present value of inventory and performance. The company has reviewed and revised policy for impairment of inventory to cover all inventories, which include finished goods, raw material, spare part and supply. The impairment is considered when book value of inventory is higher than its net realizable value and when the inventory has no movement for a certain period, whichever is practical.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

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

Note 17 Discount rate, salary increase rate, employee turnover rate and mortality rate.

The Company discloses the fair value measurement of above items in related notes to financial statement.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates.

Assets and liabilities denominated in foreign currencies outstanding at the reporting date are translated into Baht at the exchange rates ruling on the financial position date.

Gains and losses on exchange are included in determining comprehensive income.

4.2 Financial instruments

The Company does not engages in the trading of any derivative financial instruments. The accounting policies on recognition and measurement of financial assets and financial liabilities are disclosed in the related notes to financial statements.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

4.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid short-term investments that are readily convertible to known amount or that are subject to an insignificant risk of change in value, but not include time deposits with maturity exceed three-month period (fixed deposits). Time deposits with maturity exceed three-month period but less than twelve-month period are recorded as current investment (if any).

4.4 Trade account receivables

Trade account receivables are presented at realizable value. The Company provides allowance for doubtful accounts equal to the amount of expected uncollectible receivable which are based on management evaluation of ability to pay of each receivable.

4.5 Inventories

Inventories are presented at the lower of cost or net realizable value. Cost of inventories is recorded under the basis as follows:

Finished goods and work in process	First in first out (By standard cost which approximate to actual cost)
Raw materials	First in first out

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories. The Company estimates net realizable value from the estimated selling price in the ordinary course of business, less the estimated expenses necessary to make the sale.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

4.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs. In addition, cost also may include transfers from other comprehensive income. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that Property, Plant and Equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items for major components.

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 recognized net within other income in profit or loss.

Leased assets

Leases in terms of which the Company 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 capitalized 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 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 statement of income.

Subsequent costs

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

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

Depreciation

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

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

Land improvement	20 years
Buildings and structures	20 years
Buildings and land	20 years
Machinery and equipment	10-20 years
Tools and equipment	10 years
Fixtures and equipment	3-10 years
Vehicles	5 years
Moulds	5 years

4.7 Intangible assets

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

Subsequent expenditure

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

Amortization

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

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

The estimated useful lives for the current and comparative periods are as follows:

Computer software	5 years
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Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

4.8 Impairment of assets

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

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

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

4.9 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

4.10 Employee Benefits

Post - employment benefit plan other than a defined contribution plan. The Company's obligation in respect of post-employment benefits under defined benefit plans recognized in the financial statements based on calculations by a independent actuary using the projected unit credit method estimating 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.

Actuarial gain or loss are recognized in Other Comprehensive income and recognizes gains and losses on the settlement of a defined benefit when the settlement occurs.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be reasonably estimated. The Company recognizes salary, wages, bonus, social and security and provident fund as transaction incurred.

4.11 Liabilities, provisions and expenses

The Company recognizes liabilities, provisions and expenses in the financial statements when the Company has a legal obligation or probable obligation as a result of past events. It is probable that to settle the obligation the Company's outflow resources may be required, and a reliable estimate amount of that obligation can be determined.

The Company recognizes dividends payable in the period when dividends are proposed, declared, and approved by the shareholders.

4.12 Related party transactions

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

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

4.13 Revenue recognition

The Company recognizes revenue as sale when title to the goods sold passed to buyer and the invoice amount has been used to record the sale. Estimated discount and goods return are deducted from sale (if any).

Revenue from service agreement is recorded under the completion method and invoice, because the service agreements are normally in a short-term period.

Interest income is recognized under the accrual basis. The Company will discontinue to record accrued interest when collectability is in doubt.

Dividend income is recognized when dividend is proposed and declared

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

4.14 Expenses

Expenses are recognized on an accrual basis.

4.15 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets (other than trade receivables), and losses on hedging instruments that are recognized in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

4.16 Lease - where the Company is the lessees

Leases of vehicles and equipment where the Company assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of the leased assets or estimated present value of the underlying lease payments, whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Lease payments deducted by financial charges are recognized as liabilities under finance lease agreements. The financial expense is charged to the statement of comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets in which the lessor effectively retains all the risks and benefits of ownership, are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on the straight - line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required by the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

4.17 Lease payments

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

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

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Company's incremental borrowing rate.

4.18 Income tax

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

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

Deferred tax is recognized 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 recognized 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 jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment 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 realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.19 Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of paid-up ordinary shares in issue during the year.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

5. TRANSACTIONS WITH RELATED PARTIES

Significant related parties transactions can be summarized as follows:

- 5.1 The Company and other related parties are related by share the same of directors or shareholders and as the Company's directors as follows:

Related parties	Type of business	Type of relation
Prairie Marketing Co., Ltd.	Consumer products trader	Share the same directors
Chai Wattana Construction Co., Ltd.	Construction materials	Share the same directors
Sri Sam Ank Supplier Co., Ltd.	Footwear manufacturer	Share the same directors
T.Thai Snack Foods Co.,Ltd.	Baked seasoned squid, Coated peanut	Share the same directors
Mr. Sumate Techakraisri	-	Director
Key management personnel	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company

- 5.2 The pricing policies for transactions with related parties are explained further below:

1. purchase, sale and services revenue from sales has the pricing policy for purchase, sale and services with the related parties at the market price the same basis as to other parties in the normal course of business.
2. Office rental April 2016 - March 2019 at rate Bath 66,550 per month

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016**

5.3 Significant related parties transactions can be summarized as follows:

Revenues and expenses transactions with the related parties for the year ended December 31, 2016 and 2015, are as follows:

	Baht	
	2016	2015
Office rental		
Mr. Sumate Techakraisri	798,600.00	798,860.00
Key management personnel compensation		
Short - term employee benefit	15,378,557.00	18,089,029.40
Long - term employee benefit	80,000.97	304,284.96
Total	15,458,557.97	18,393,314.36

6. CASH AND CASH EQUIVALENTS

Consists of :

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Cash	180,000.00	180,000.00
Saving deposit accounts	12,820,239.97	8,436,050.96
Current deposit accounts	10,026,518.23	26,610,537.20
Total	23,026,758.20	35,226,588.16

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016****7. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE**

Consists of :

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
The aging of the outstanding trade account receivable are as follows :-		
Trade account receivable not yet due	117,664,734.18	125,118,625.78
Trade account receivable over due		
Less than 3 months	49,791,138.99	53,071,371.66
Over 3 months to 6 months	724,295.44	1,302,687.05
Over 6 months to 12 months	187,669.66	483,392.13
Over 12 months	37,473.63	18,286.89
Total Trade account receivable	168,405,311.90	179,994,363.51
Other receivable	5,980,157.21	4,195,428.76
Total Trade accounts receivable and other receivable	174,385,469.11	184,189,792.27

There is no provision set up for the whole amount of doubtful accounts for overdue trade account to base on the past experience and current situation of collection performance, the management has closely monitored and believed that the overall overdue trade accounts will eventually be collected.

8. INVENTORIES - NET

Consists of :

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Raw materials and others	86,581,068.60	92,101,337.10
Work in process	59,836,423.59	66,095,743.22
Finished goods	29,359,776.55	36,568,812.25
Total	175,777,268.74	194,765,892.57
<u>Less</u> Allowance for declining in inventory valuation	(8,069,994.07)	(3,662,313.98)
Net	167,707,274.67	191,103,578.59

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016**

Allowance for declining in inventory valuation is changed during the years as follows :

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Beginning balance	(3,662,313.98)	(3,177,341.33)
Increase	(11,065,451.12)	(658,433.02)
Decrease	6,657,771.03	173,460.37
Ending balance	(8,069,994.07)	(3,662,313.98)

As at December 31, 2016 and 2015, the Company has recorded allowance for declining in inventory valuation amount of Baht 11.06 million and Baht 0.66 million, respectively and reversed allowance amount of Baht 6.66 million and Baht 0.17 million, respectively. This is due to the Company has use to produce and destructed inventories which has been previously set up allowance.

9. OTHER CURRENT ASSETS

Consisted of :

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Undue Refundable Input Tax	534,592.16	699,475.80
Others	112,000.00	8,100.00
Total	646,592.16	707,575.80

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

10. PROPERTY, PLANT AND EQUIPMENT - NET

Movements of property, plant and equipment during year ended December 31, 2016 and 2015, are summarized below:

	Baht										
	Land	Land improvement	Buildings and structures	Buildings and land	Machineries and equipments	Tools and equipments	Fixtures and equipments	Vehicles	Moulds	Work in progress	Total
<u>At Cost</u>											
Balance as at January 1, 2015	45,191,709.76	11,267,753.05	211,617,250.16	3,274,906.00	666,840,631.95	197,457,725.03	43,259,594.09	31,049,184.26	93,314,098.02	62,679,708.62	1,365,952,560.94
Acquisitions	-	312,800.00	15,941,208.85	-	6,796,383.90	3,442,804.03	837,715.02	1,770,242.99	-	33,832,436.32	62,933,591.11
Disposal	-	-	-	-	(440,000.00)	(1,002,500.00)	(161,613.33)	(959,813.08)	-	-	(2,563,926.41)
Transfer in (out)	-	-	-	-	60,434,173.01	27,322,295.15	1,229,520.00	-	2,519,161.72	(91,885,802.20)	(380,652.32)
Balance as at December 31, 2015	45,191,709.76	11,580,553.05	227,558,459.01	3,274,906.00	733,631,188.86	227,220,324.21	45,165,215.78	31,859,614.17	95,833,259.74	4,626,342.74	1,425,941,573.32
Acquisitions	-	117,000.00	700,100.00	-	3,480,396.90	22,537,676.89	615,018.69	-	-	7,113,857.50	34,564,049.98
Disposal	-	-	-	-	(590,000.00)	(10,984,851.81)	(449,150.00)	(3,342,813.08)	-	-	(15,366,814.89)
Transfer in (out)	-	1,625,000.00	3,483,650.00	-	4,176,299.00	1,776,225.00	(1,824,500.00)	-	-	(9,489,315.27)	(252,641.27)
Balance as at December 31, 2016	45,191,709.76	13,322,553.05	231,742,209.01	3,274,906.00	740,697,884.76	240,549,374.29	43,506,584.47	28,516,801.09	95,833,259.74	2,250,884.97	1,444,886,167.14

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

	Baht										
	Land	Land improvement	Buildings and structures	Buildings and land	Machineries and equipments	Tools and equipments	Fixtures and equipments	Vehicles	Moulds	Work in progress	Total
<u>Accumulated depreciation</u>											
Balance as at January 1, 2015	-	(5,709,708.27)	(120,244,861.84)	(1,694,618.63)	(297,806,099.40)	(129,123,751.89)	(31,009,914.18)	(14,466,691.46)	(92,303,777.92)	-	(692,359,423.59)
Depreciation for the year	-	(562,081.99)	(11,072,364.77)	(162,119.87)	(36,933,074.98)	(16,426,650.53)	(3,900,251.24)	(1,146,043.81)	(787,167.45)	-	(70,989,754.64)
Disposal	-	-	-	-	183,136.24	1,049,748.36	708,770.33	959,812.08	-	-	2,901,467.01
Balance as at December 31, 2015	-	(6,271,790.26)	(131,317,226.61)	(1,856,738.50)	(334,556,038.14)	(144,500,654.06)	(34,201,395.09)	(14,652,923.19)	(93,090,945.37)	-	(760,447,711.22)
Depreciation for the year	-	(642,488.64)	(12,503,614.04)	(162,562.56)	(36,726,403.72)	(15,667,800.76)	(3,598,658.31)	(990,779.02)	(855,712.00)	-	(71,148,019.05)
Disposal	-	-	-	-	29,386.63	-	449,132.00	3,115,343.10	-	-	3,593,861.73
Transfer in (out)	-	-	-	-	(1,417,440.35)	-	1,422,692.88	-	-	-	5,252.53
Balance as at December 31, 2016	-	(6,914,278.90)	(143,820,840.65)	(2,019,301.06)	(372,670,495.58)	(160,168,454.82)	(35,928,228.52)	(12,528,359.11)	(93,946,657.37)	-	(827,996,616.01)
<u>Net book value</u>											
Balance as at December 31, 2015	45,191,709.76	5,308,762.79	96,241,232.40	1,418,167.50	399,075,150.72	82,719,670.15	10,963,820.69	17,206,690.98	2,742,314.37	4,626,342.74	665,493,862.10
Balance as at December 31, 2016	45,191,709.76	6,408,274.15	87,921,268.36	1,255,604.94	368,027,389.18	80,380,919.47	7,578,355.95	15,988,411.98	1,886,602.37	2,250,884.97	616,889,551.13

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016**

Depreciation for the year 2106 and 2015 of the Company are totaling Baht 71.15 million and Baht 70.99 million, respectively. The amount of Baht 65.66 million and Baht 65.58 million was included in cost of sales and service, respectively and the amount of Baht 5.49 million and Baht 5.41 million was included in administrative expenses, respectively

As at December 31, 2016 and 2015, Land, buildings, machineries and equipment in the cost amount of Baht 720.71 million and Baht 720.71 million, respectively computed to the net book value of Baht 295.81 million and Baht 328.50 million, respectively are pledged as collateral for loans from financial institutions as described in Note 15.

As at December 31, 2016 and 2015, a part of Tools and equipment in the cost amount of Baht 6.39 million were pledged under hire-purchase contracts and financial leases agreements.

As at December 31, 2016 and 2015, a part of vehicles in the cost amount of Baht 3.74 million and Baht 9.88 million, respectively were pledged under hire-purchase contracts and financial leases agreements.

As at December 31, 2016 and 2015, a part of equipment in the cost amount of Baht 393.37 million and Baht 297.35 million, respectively, which are fully depreciated but still operated.

11. INTANGIBLE ASSETS - NET

The movement transactions for the years ended December 31, 2016 is as follow :

	Baht			Balance as at December 31, 2016
	Balance as at January 1, 2016	Increase	Decrease	
Software copyright	26,272,000.90	12,366,720.00	-	38,638,720.90
Work in progress	9,525,320.00	969,040.00	(10,494,360.00)	-
Net cost	35,797,320.90	13,335,760.00	(10,494,360.00)	38,638,720.90
<u>Less</u> Amortization	(23,949,750.27)	(2,036,488.67)	-	(25,986,238.94)
Net	11,847,570.63			12,652,481.96

As at December 31, 2016 and 2015, a part of intangible assets in the cost amount of Baht 22.08 million and Baht 20.75 million, respectively.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

AS AT DECEMBER 31, 2016

Consisted of:

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Withholding tax refundable	33,983,998.89	33,819,661.47
Deferred Expenses	11,952,139.19	15,878,673.62
Others	232,527.29	230,327.29
Total	46,168,665.37	49,928,662.38

As at December 31, 2016 and 2015, the components of deferred tax asset and liabilities are as follows:

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Net deferred tax assets (Asset)	21,480,990.90	3,478,705.95
Net deferred tax assets (Liabilities)	(8,633,356.74)	(7,541,743.51)

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

	Baht				
	(Changed) / credited to :				
	As at	Other			As at
	January	Profit	comprehensive		December
	1, 2016	(loss)	income	Equity	31, 2016
Deferred tax assets					
Allowance for diminution in value					
of inventories	732,462.78	881,536.03	-	-	1,613,998.81
Employee benefit obligations	2,746,243.17	328,499.59	-	-	3,074,742.76
Tax losses that have not been used	-	16,792,249.33	-	-	16,792,249.33
Total deferred tax assets	3,478,705.95	18,002,284.95	-	-	21,480,990.90

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

	Baht			
	(Changed) / credited to :			
	As at	Other		As at
	January	Profit	comprehensive	December
	1, 2016	(loss)	income	Equity
				31, 2016
Deferred tax liabilities				
Accumulated depreciation Building				
extension	(7,541,743.51)	(1,091,613.23)	-	-
Total deferred tax liabilities	<u>(7,541,743.51)</u>	<u>(1,091,613.23)</u>	<u>-</u>	<u>-</u>
Total income (expense)		<u>16,910,671.72</u>		

14. LONG - TERM LOANS - NET

Consists of :

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Bank overdrafts	14,097.25	2,531,146.74
Short - term loan from financial institutions	465,000,000.00	395,000,000.00
Total	<u>465,014,097.25</u>	<u>397,531,146.74</u>

- a) As at December 31, 2016 and 2015, the Company has credit facilities with financial institutions covering overdraft and short - term loans in amount of Baht 780 million and Baht 870 million, respectively. For the short-term loans are loans in promissory notes. The Company bears interest at the rate of 3.00% - 7.40% per annum which have maturity date during January 5, 2015 to May 13, 2017 and 3.55 - 7.425 % per annum which have maturity date during January 12, 2015 to March 25, 2016, respectively.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016****15. Current portion of long term - net**

Consists of :

	Baht	
	As at December 31, 2016	As at December 31, 2015
Long term	45,908,992.00	87,264,760.00
Current portion of long - term loans	(26,841,768.00)	(41,355,768.00)
Total	19,067,224.00	45,908,992.00

- a) As at December 31, 2016 the Company has credit facilities for long - term loan amount of Baht 132.16 million which interest rate of MLR - 2% to MLR - 1.5% per annum for a period of 5 years to purchase machines and additional machinery equipment. Such loans are securitized by such machines and additional machinery equipment.
- b) As at December 31, 2016 and 2015, Long - term loans from two local financial institutions, respectively bears interest at the rate of MLR - 2% to MLR - 1.5% . The repayment of the loans will be paid as specified in the loan agreements. The loan's maturity will not be later than year 2019. Amounts of Baht 26.84 million and Baht 41.36 million, respectively will be repayable in the next 12 months and presented as "current liabilities".
- c) The Company has to comply with the loan covenants such as maintaining the Debt and Equity ratio at 2.5 to 1 since the accounting period ended December 31, 2004. As of December 31, 2016, D/E ratio was 1.79 to 1.
- d) Land, buildings, machineries and equipment (as described in Note 10) are pledged as collateral for loans from financial institutions.

16. ACCOUNTS PAYABLE UNDER HIRE – PURCHASES AND FINANCIAL LEASES AGREEMENTS - NET

Consists of :

	Baht	
	As at December 31, 2016	As at December 31, 2015
Accounts payable for assets	7,408,796.89	3,135,531.29
<u>Less</u> Current portion of accounts payable for assets	(1,719,497.92)	(1,454,761.40)
Net	5,689,298.97	1,680,769.89

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016**

As at December 31, 2016, The Company has signed hire-purchases and financial leases contracts for energy saving light bulbs total Baht 6.39 million. The installment is ranging from 60 months at approximately Baht 106,360.00 per month. The remaining unpaid is scheduled to be paid within next 12 months and was presented as current liabilities.

As at December 31, 2016 and 2015, The Company has signed hire-purchases and financial leases contracts for total 13 vehicles and 20 vehicles, respectively. The installment is ranging from 48 months at approximately Baht 171,769.76 per month and Baht 344,597.56 per month, respectively. The remaining unpaid is scheduled to be paid within next 12 months and was presented as current liabilities.

17. EMPLOYEE BENEFIT OBLIGATIONS

The Company operates a post-employment benefit based on the requirement of Thai Labor Protection Act B.E. 2541 (1998) to provide post employee benefit to employees based on pensionable remuneration and length of service.

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Current portion of employee benefit obligations	1,344,574.00	218,401.00
Employee benefit obligations - net	14,029,139.78	13,512,814.86
Defined benefit obligations	15,373,713.78	13,731,215.86

Movement in the present value of the defined benefit obligations:

	Baht	
	2016	2015
For the year ended December 31		
Defined benefit obligations at January 1	13,731,215.86	15,527,789.00
Current service costs and interest	1,860,899.00	764,126.86
Benefits paid by the plan	(218,401.08)	(2,560,700.00)
Defined benefit obligations at December 31	15,373,713.78	13,731,215.86

Post - employee benefit expenses included in the statements of comprehensive income for the years ended December 31, 2016 and 2015 were as follows:

	Baht	
	2016	2015
Recognised in profit or loss:		
Current service costs and interest	1,860,899.00	764,126.86

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016**

Principal actuarial assumptions at the reporting date

For the year ended December 31

Discount rate (%)	3.12 - 3.99
Salary increase rate (%)	4.20 - 6.10
Retirement age (year old)	60

18. DIVIDEND PAYMENT

At the Annual General Meeting on April 20 ,2016 the shareholder passed a resolution to approve the dividend payment from net after tax for the year 2015 at Baht 0.06 per share for 214,000,000,000 share totaling amount of Baht 12.84 million and the Company already on May 13, 2016

19. LEGAL RESERVE

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve not less than five percent of the annual net profit until the reserve reaches the reserves mentioned in the articles of associate. Currently, the reserve is fully appropriated

20. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	Baht	
	2016	2015
Salary and wages and other employee benefits	279,059,694.10	308,957,479.33
Depreciation and Amortization	73,184,507.75	72,563,969.27
(Gain)Loss on exchange	(397,550.55)	270,402.60
Raw materials and consumables used	578,939,245.26	704,731,743.85
Changes in inventories of finished goods and work in progress	(10,058,936.81)	10,788,142.03
Selling expenses	29,360,300.38	32,259,900.28

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

21. EARNINGS(LOSS) PER SHARE

Basic earnings(loss)per share is calculated by dividing the net profit(loss)attributable to shareholders by the weighted average number of paid - up ordinary shares in issue during the periods.

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

	Net Profit(Loss)		The Weighted Average Number Of Ordinary Shares		Profit(Loss)Per Share	
	2016	2015	2016	2015	2016	2015
	Thousand	Thousand	Thousand	Thousand		
	Baht	Baht	Share	Share	Baht	Baht
Basic Profit (Loss) Per Share						
Net Profit(Loss)	(67,535)	12,395	214,000	214,000	(0.316)	0.058

22. DEFERRED TAX

Income tax expense for the years ended December 31, 2016 and 2015 Consist of

	Baht	
	2016	2015
Income tax		
Income tax for the year	-	295,651.29
Defer income tax :		
Deferred income tax effect of temporary difference and the reversal of temporary differences	(16,910,671.72)	1,654,906.51
Operating (expense) income tax present in the statement	(16,910,671.72)	1,950,557.80

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

Reconciliation for Effective Tax Rate

	Baht			
	Rate (%)	2016	Rate (%)	2015
Profit before income tax expense		(84,446,184.60)		14,346,517.56
Income tax using the Thai corporation tax rate	20	(16,889,236.92)	20	2,869,303.51
Profit from investment promotional benefit and privileges				(1,279,257.87)
Expenses not deductible for tax purposes		1,590,395.69		2,016,272.99
Expenses deductible increases for tax purposes		(1,493,408.10)		(1,655,760.83)
Total		16,792,249.33		1,950,557.80

Income tax reduction

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after January 1, 2015 and onwards in order to give full effect to the Cabinet resolution dated October 11, 2011 to increase Thailand's competitiveness.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

23. DISCLOSURE OF SECTORAL BUSINESS OPERATION

The Company's operations are manufacturing and distribution of plastic products as well as moulds design, moulds production and moulds repairing in which separate as follows :-

Million Baht						
For the year ended December 31, 2016						
	Manufacturing and distribution of plastic products				Moulds	
	A motor vehicle	Electricity	Other	Total	production and moulds repairing	Total
Revenue	830.51	142.96	31.14	1,004.61	93.14	1,097.75
Operation Earning(Loss) from	(60.15)	(10.18)	(2.16)	(72.49)	5.98	(66.51)
Finance costs						(17.94)
Income tax expenses						16.91
Net Profit(Loss)						(67.54)
As at December 31, 2016						
Property, plant and equipment and Intangible assets - net				573.03	56.03	629.54
Other assets						433.42
Total assets						1,062.96

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

Million Baht					
For the year ended December 31, 2015					
	Manufacturing and distribution of plastic products				Moulds production and moulds
	A motor vehicle	Electricity	Other	Total	Total
Revenue	1,054.71	146.40	17.64	1,218.75	137.65
Operation Earning (Loss)	(3.28)	(0.45)	(0.12)	(3.85)	36.13
Finance costs					(17.93)
Income tax expenses					(1.95)
Net Profit					12.40
As at December 31, 2015					
Property, plant and equipment and Intangible assets - net				615.24	61.85
Other assets					461.41
Total assets					1,138.50

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016****24. INVESTMENT PROMOTIONAL BENEFITS AND PRIVILEGES**

By virtue of the Investment Promotion Act, B.E. 2520 (1977), the Company was granted some promotional privileges from the Board of Investment as follows :

1. Promotional certificates Nos.	1899(2)/2553	1965(2)/2553	1241(1)/2554	2593(2)/2555
2. Date of promotional certificates	27/8/2010	8/9/2010	25/2/2011	19/9/2012
3. Date of generating income	12/1/2011	14/9/2010	15/9/2011	16/5/2013
4. The promotional privileges for manufacturing of	plastic products or plastic mould	plastic products or plastic mould	moulds and repairing self- manufactured moulds	plastic products plastic mould
5. Important privileges and benefits which are granted				
5.1 Exemption from corporate income tax on net profit from promotional operations and totaling is not amount exceed 100 % of investment commencing from the generating revenue date.	3 years	8 years	8 years	3 years
5.2 Exemption from income tax on dividends from Promoted business which was exempted from income tax as 5.1	3 years	8 years	8 years	3 years
5.3 Exemption from import duty on raw materials and necessary supplies imported from overseas for export manufacturing.	-	-	1 year	1 year
5.4 Exemption from import duty on materials imported for export manufacturing at the first time of import date.	-	-	1 year	1 year
5.5 Exemption of import duty for necessary machineries upon the approval of the Board of Investment.	-	import on March 8, 2014	import on August 25, 2014	-
5.6 Exception at 50% from import duty on machineries approved by the Board of Investment, except for machineries which import duty rate is below 10%	import on February 27, 2014	-	-	import on April 25, 2015
5.7 Allowance of reduction the corporate income tax from promotional net profit at 50% of normal rate after the exemption for corporate income tax's period is expired as per 5.1.	-	5 years	5 years	-
5.8 The companies are entitled for allowance to double deduction of annual transportation expenses, electricity expenses and water supplies expenses from the generating revenue date.	-	10 years	10 years	-

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

As a promoted company, the Company has to strictly comply with certain terms and conditions outlined in the promotional certificate Statement of income divided by the promoted and non-promoted activities are as follows :

	Baht		
	For the year ended December 31, 2016		
	Investment promotional activities	Non - investment promotional activities	Total
Revenue from sales - Plastic products	17,786,428.49	986,626,670.47	1,004,413,098.96
Revenue from rendering of services - Moulds	49,704,321.87	43,633,677.00	93,337,998.87
Total revenue from sales and services	67,490,750.36	1,030,260,347.47	1,097,751,097.83
Cost of sales and services	(65,189,321.38)	(961,696,275.67)	(1,026,885,597.05)
Gross profit(loss)	2,301,428.98	68,564,071.80	70,865,500.78
Other income	-	13,022,086.32	13,022,086.32
Profit(loss) before expenses	2,301,428.98	81,586,158.12	83,887,587.10
Selling expenses	(1,011,203.99)	(28,349,096.39)	(29,360,300.38)
Administrative expenses	(9,097,398.02)	(96,480,695.06)	(105,578,093.08)
Directors and Management's remuneration	(927,513.48)	(14,531,044.49)	(15,458,557.97)
Total expenses	(11,036,115.49)	(139,360,835.94)	(150,396,951.43)
Profit(Loss) before finance costs and income tax expenses	(8,734,686.51)	(57,774,677.82)	(66,509,364.33)
Finance costs	(2,140,180.65)	(15,796,639.62)	(17,936,820.27)
Profit(Loss) before income tax expenses	(10,874,867.16)	(73,571,317.44)	(84,446,184.60)
Income tax expenses	-	16,910,671.72	16,910,671.72
Net Profit(Loss) for the period	(10,874,867.16)	(56,660,645.72)	(67,535,512.88)

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

	Baht		
	For the year ended December 31, 2015		
	Investment promotional	Non-investment promotional	Total
Revenue from sales-plastic products	18,946,104.90	1,199,804,833.55	1,218,750,938.45
Revenue from rendering of services - Moulds	70,279,300.00	67,366,333.00	137,645,633.00
Total revenue from sales and services	89,225,404.90	1,267,171,166.55	1,356,396,571.45
Cost of sales and services	(65,845,855.16)	(1,100,643,334.06)	(1,166,489,189.22)
Gross profit margin	23,379,549.74	166,527,832.49	189,907,382.23
Other income	-	8,298,435.80	8,298,435.80
Profit before expenses	23,379,549.74	174,826,268.29	198,205,818.03
Selling expenses	(1,790,659.12)	(30,469,241.16)	(32,259,900.28)
Administrative expenses	(11,206,149.03)	(104,069,471.66)	(115,275,620.69)
Directors and Management's remuneration	(1,103,598.86)	(17,289,715.50)	(18,393,314.36)
Total expenses	(14,100,407.01)	(151,828,428.32)	(165,928,835.33)
Profit before finance costs and income tax expenses	9,279,142.73	22,997,839.97	32,276,982.70
Finance costs	(2,882,853.39)	(15,047,611.75)	(17,930,465.14)
Profit before income tax expenses	6,396,289.34	7,950,228.22	14,346,517.56
Income tax expenses	-	(1,950,557.80)	(1,950,557.80)
Net profit for the year	6,396,289.34	5,999,670.42	12,395,959.76

The Company holds the basis of expense allocation and interest, which cannot be classified as which type of business in accordance with the proportion of revenue of each entity.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2016

25. FINANCIAL INSTRUMENT

25.1 Regarding the management policy of financial risk

The Company is exposed to the fluctuation of interest rate and foreign exchange rate. The Company will consider the utilization of appropriate financial instrument so as to hedge against the risk from foreign exchange rates. However, the Company does not constitute any policy to hold or issue financial instrument so as for trading.

25.2 Risk form interest rate

Risk from interest rates incurred from the change of interest rates in the future which effects upon results of operation and cash flow of the Company. Bank deposit, short-term loan and long-term loan. However, the Company has planned to hedge against such risk by finance at the interest rate of the lower market rate.

25.3 Risk from exchange rate

The Company has certain foreign currency transactions that give rise to significant exposure to market risk from change in foreign exchange rates. However, the Company has committed purchase-sell forward contract for foreign exchange rated as a hedge against such risk.

As at December 31, 2016, the Company did not have any forward contract.

25.4 Risk from credit provision

The Company constitute risk from the credit offered in respect of trading accounts receivable since trade accounts receivable may not be able to settle debt pursuant to term and covenant agreed upon and also risk from counter party who cannot comply with the term and covenant in the contract of loan which may incur financial loss. However the Company hold the policy to hedge against such risks via the analysis of financial status and consideration of capability in term of debt repayment of clients and each counter-party. Regarding the consideration of audit granted for trading accounts receivable who are anticipated of uncollectible in debt settlement, the Company sufficiently considered the allowance of doubtful debt.

25.5 Fair Value

The following method and assumptions were used by the Company in estimating fair value of financial instruments as disclosed herein. The management believes that the fair of the financial assets and financial liabilities do not materially differ from their carrying value.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016**

- Deposits at financial institutions and trade account receivables carry values approximately at the fair value because these monetary assets will be due in a short period.
- Short-term loans from financial institutions and trade account payables carry values approximately at the fair value because these monetary liabilities will be due in a short period.
- Long-term loans from financial institutions carry values approximately at the fair value because these loans bear interest at floating rates close to current market rates.

25.6 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. To control the risk, the Company has a prudent credit control policy, constant follow up account receivables, vary large number of customers base. Therefore, the management of the Company does not anticipate significant losses from debt collection

26. CAPITAL MANAGEMENT

The primary objectives of the Company's capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at December 31, 2016 and 2015, debt to equity ratio in the financial statements is 1.78 : 1 and 1.47 : 1 respectively.

27. COMMITMENTS AND CONTINGENCY LIABILITIES

27.1 As at December 31, 2016 and 2015, the Company has commitments to bank according to letter of guarantee as follows :

	Million Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Electricity Guarantee	9.82	9.82

27.2 As at December 31, 2016 and 2015, the Company had other contingent liabilities as follows :

	Million Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Letters of Guarantee		
- Credit Line Baht 27.50 Million		
- Outstanding Credit not used	17.68	17.68
Unused long term loan	-	-

Authorized Signatory..... Director
(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

T. KRUNGTHAI INDUSTRIES PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT DECEMBER 31, 2016**

27.3 As at December 31, 2016 and 2015, the Company has capital commitments as follows :

	Million Baht	
	As at	As at
	December 31, 2016	December 31, 2015
- Purchasing raw materials	23.60	91.26
- Purchasing assets	2.10	4.38

27.4 As at December 31, 2016 and 2015, the Company has commitments under operating lease contracts are as follows :

	Baht	
	As at	As at
	December 31, 2016	December 31, 2015
Within 1 year	1,987,375.00	3,290,340.00
More than 1 years	3,102,550.00	-
Total	5,089,925.00	3,290,340.00

28. RECLASSIFICATION

Certain transactions of financial statements for the year ended December 31, 2015 were reclassified to be comply with the presentation of the financial statements for the years ended December 31, 2016.

29. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by Board of Directors the Company's on February 28, 2017.

Authorized Signatory..... Director

(Mr. Sumate Techakraisri , Mr. Chumpol Techakraisri)

Report of the Board of Directors on financial statements.

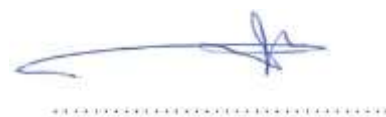
The Board of Directors' duty and responsibility is to appraise the financial reporting in the annual report and to ensure that it is prepared in accordance with the international financial reporting standards by selecting appropriate accounting policies and shall be practiced regularly along with prudence in the preparation as well as sufficient information disclosed in the notes to the financial statement to provide benefits to the shareholders and investors with greater transparency.

The Board of Directors realize that the financial reporting must be effectively reviewed. Responsible knowledgeable authorities shall review the quality of financial reporting and accounting policy, risk management system, internal control system and consider the disclosures and transactions to prevent or reduce the risk for fraud or irregular operation. To ensure that the accounting information is accurate and sufficient to maintain the company's assets.

The Board is of the opinion that the company's internal control system is sufficient and ensure the accuracy of the financial statement as at December 31th, 2016. The auditor of the company confirm and checked in accordance with the generally accepted auditing standard and express their opinion that the financial statements, presented the financial position and results of operations as it should be according to generally accepted accounting principles.



General Terdsak Marrome
Chairman



Mr. Phreecha Techakraisri
Managing Director

Message from Chairman of the Audit Committee

T. Krungthai Industries Public Company Limited has appointed Audit Committee comprise of 3 competent and qualified non executive directors.

- | | |
|------------------------------|-----------------------------|
| 1. Mr. Pairuch Sahamethapat | Chairman of Audit Committee |
| 2. Mr. Paotep Chotinuchit | Audit Committee |
| 3. Mr. Virasak Sutanthavibul | Audit Committee |

And committee secretary of the Audit Committee is Mr.Chumpol Techakraisri

In the year 2016 the Audit Committee has performed their duties as assigned by the Board of Directors which is in consistent with the requirements of the Stock Exchange of Thailand. Audit Committee meetings are held four times a year then report the result to the Board of Directors. The Audit Committee made a report, expressed their opinions and gave recommendations independently. The main topics in 2016 are as follows.

1. To review the quarterly financial statements and annual financial statements including those transaction items that may have conflict of interests with executives. Auditors are requested to attend every meetings in order to let the committee inquire on the accuracy of the statements and to improve significant transactions, adequacy and scope of audit disclosure .To ensure that the preparation of financial statements is in accordance with the generally accepted accounting standards with reliability for the investors and users of financial statements.

2. To consider and revise the internal control system based on the wastes, leakage, corruption, material defects, errors and lost in the operation. Both internal auditors and management shall revise its internal control system as appropriated and effective to the organization.

3. To Select and propose appointment the Company's auditor including consideration on remuneration of the Company's auditor to the Board of Directors. In year 2016 Karin Audit Co., Ltd. was proposed for approved from annual general shareholder meeting.

4. To Report the result of operation to Board of Directors and suggest the improvement of internal control system.

Besides the above, in the year 2016 Audit Committee held a meeting with auditors and internal auditors without the presence of management on November 11th, 2016 to consider and acknowledge the scope of the annual audit plan and information on important issues freely and without restrictions.

In conclusion, the Audit Committee has performed its duties according to their authority and responsibilities as assigned by the Board of Directors with due care and knowledge and are given enough independence for the benefit of all stakeholders equally. According to the results of the evaluation of the internal auditors and the auditor's report, the Audit Committee believe that the company's preparation and disclosure in financial reporting is appropriate and reliable. The method of internal control and risk management is adequate, and no significant flaws.



Mr. Pairuch Sahamethapat

Chairman of the Audit Committee

Message from Chairman of Remuneration and Nomination Committee

Remuneration and Nomination Committee appointed by the Board of Directors with a term of 3 years from August 13th, 2015 to August 14th, 2018 comprising / encompass of the following 4 persons which 2 of them are Independent Directors.

- | | |
|-----------------------------|---|
| 1. Mr. Paotep Chotinuchit | Chairman of Remuneration and Nomination Committee |
| 2. Dr. Kosol Surakomol | Remuneration and Nomination Committee |
| 3. Mr. Sumate Techakraisri | Remuneration and Nomination Committee |
| 4. Mr. Kumpee Chongthurakit | Remuneration and Nomination Committee |

And committee secretary of the Remuneration and Nomination Committee is Mr. Chumpol Techakraisri.

In the year 2016, Remuneration and Nomination Committee had 2 meetings To take action as assigned by the Board of Directors in their duty with care. The meeting result has to be reported during the board meetings. The main topics in 2016 are as follows :

The Remuneration

1. To consider the remuneration of the Directors and sub-committee in accordance with the rules for compensation taking into account the company's operations result compared to the other company with the same level. Compensation and benefits shall be suitable for responsibilities which will be presented to the shareholders meeting for approval. For year 2016, the Remuneration Committee has proposed no year end bonus paid and not to increase board of director's compensation for year 2017.
2. The company has determined fairly and reasonable remuneration of the Chairman of Executive Committee based on the performance of the company and suitable with responsibilities.

The Nomination

1. On the election of Independent Director to replace the resigning directors will be based on the qualification of the candidate and this shall be proposed during the Annual General Shareholders' meeting for approval.
2. Review the structure of the Board of Directors and make sure it aligns with guidelines provided that board members shall consist of 5-12 people.


.....

Mr. Paotep Chotinuchit

Chairman of Remuneration and Nomination Committee

Message from Chairman of Corporate Governance Committee

Corporate Governance Committee gives priority and abide to the good corporate governance policy and business ethics by directing them to promote compliance with the principles of corporate governance continuously.

Corporate Governance Committee consist of board of directors with a term of 3 years from December 19th, 2015 to December 18th,2018 comprising / encompass of the following 4 persons which 2 of them are Independent Directors.

- | | |
|-----------------------------|--|
| 1. Mr. Paotep Chotinuchit | Chairman of Corporate Governance Committee |
| 2. Dr. Kosol Surakomol | Corporate Governance Committee |
| 3. Mr. Sumate Techakraisri | Corporate Governance Committee |
| 4. Mr. Kumpee Chongthurakit | Corporate Governance Committee |

And committee secretary of the Corporate Governance Committee is Mr. Chumpol Techakraisri.

In the year 2016, Corporate Governance Committee had 2 meetings for follow up and considered important matters. The main topics in 2016 are as follows:

1. The present criteria for the assessment of good governance and international practices along with the recommendation of various institutions are to be presented to the Board of Directors for approval.
2. To review and update the Code of Conduct Policies and Corporate Governance Policy.To keep them updated and aligned with SET regulation and put into practice for the approval of the Board of Directors.
3. To promote directors and executive to perform their duties based on Governance Policy and Code of Conduct by following the updated knowledge and understanding the good corporate governance and corporate ethics.
4. Supervise the company and support the anti corruption practice and internal control with effective policies .

The committee shall monitor and review the corporate governance and business ethics with due care, ability and independence in giving opinion openly. The committee also promote sustainable practices at the best interest of the company and the stakeholders.

The committee trust that the implementation of good corporate governance is important to promote the stability of the company in the long run as well as to earn confidence of its stakeholders and shall be recognized internationally.



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Mr. Paotep Chotinuchit

Chairman of Corporate Governance Committee

Message from Chairman of Risk Management Committee

Risk Management Committee appointed by the Board of Directors with a term of 3 years from February 26th 2014 to 25th February 2017 comprising / encompass of the following 6 persons.

- | | |
|---------------------------------|---------------------------------------|
| 1. Mr. Kowate Limtrakul | Chairman of Risk Management Committee |
| 2. Dr. Kosol Surakomol | Risk Management Committee |
| 3. Mr. Phreecha Techakraisi | Risk Management Committee |
| 4. Mr. Pongsakron Phetpayullpun | Risk Management Committee |
| 5. Mr. Chumpol Techakraisri | Risk Management Committee |
| 6. Mr. Pitsanu Vilawanjit | Risk Management Committee |
| 7. Mr. Saksit Lerthasdeerat | Risk Management Committee |

And committee secretary of the Risk Management Committee is Miss. Pornthip Puangsab

Risk Management Committee establish risk management plans and processes for the whole organization and keep track on the impact of various risk factors to the organization and to prevent and reduce these risks. Risk Management Committee shall adhere to the policies and report the results of the risk assessment to the Board of Directors.

In the year 2016, Risk Management Committee has 2 meetings. The main topics as follow.

1. Establish a policy and suggest guidelines for managing risks both in short and long term as well as monitor new risk that may be occur.
2. Advise and Communicate, risk management regulations and risk assessment for concerned party to use it as a guideline for risk assessment.
3. The Board of Risk Management Committee shall review the risk assessment and identify and additional risk that may occur. Then find out how to prevent or minimize the impact of risk and how to improve the risk policy continuously.
4. Risk Management Committee shall be presented to the Board of Directors twice a year (every six months)
5. The Risk Management Committee conducted a thorough review of the risk procedures and assessment along with the risk control. Presently, the result of the review is sufficient and in line with the current situation.



(Mr. Kowate Limtrakul)

Chairman of Risk Management Committee



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
1	General Terdsak Marrome • Independent Director • Chairman January 6, 2004	80	<ul style="list-style-type: none"> Bachelor of Science, Chulachomklao Royal Military Academy Command and General Staff College Royal Thai army war college Law Program of Commander, Ministry of defence National Defence College of Thailand Doctor of Science in Innovation and Technology Education (honorary), Rajamangala University of Technology Phra Nakhon. <p>Governance Training of IOD</p> <ul style="list-style-type: none"> DAP : Director Accreditation Program Class 10/2004 	0.10	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Chairman
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						2012 - Present	Chairman, East Coast Furnitech Public Company Limited
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (9 position)	
						2013 - Present	Chairman, Lions Club Thailand
						2012 - Present	President, Sahapant Santiphap International (Thailand)
						2004 - Present	Global Vice Presidents Sun Moon University, Chungnam Republic of Korea.
						2004 - Present	President, Vietnam War Veteran Association under Royal Patronage
						1998 - Present	Vice President, Pavena Foundation For Children and Women.
						1997 - Present	Royal Guard
						1992 - Present	President Tai Kaew Foundation, Tamwati School
						1987 - Present	Chairman of the Advisory and Director, Eastern Technological college (E-Tech)
						1986 - Present	Special force in 21 Royal Guard Regiment. Of Majesty Queen Sirikit The Queen



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
2	Mr. Pairuch Sahamethapat • Independent Director • Chairman of Audit Committee • Director January 6, 2004	72	<ul style="list-style-type: none"> Bachelor of Accountant, Chulalongkorn University. Governance Training of IOD <ul style="list-style-type: none"> DCP : Director Certification Program Class 102/2008 	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Chairman of Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						2004 - Present	Audit Committee, Siam Sport Syndicate PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	
3	Mr. Paotep Chotinuchit • Independent Director • Chairman of Remuneration and Nomination Committee • Chairman of Corporate Governance Committee • Director of Audit Committee • Director January 6, 2004	83	<ul style="list-style-type: none"> M.Sc Metallurgical engineer, University of Arizona, USA. Governance Training of IOD <ul style="list-style-type: none"> DAP : Director Accreditation Program Class 11/2004 	0.002	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (2 position)	
						1995 - Present 2006 - 2013	President, Qualine Management Co., Ltd. Audit Committee, Technology Suranaree University
4	Dr. Kosol Surakomol • Independent Director • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee • Director of Risk Management Committee April 7, 2010	76	<ul style="list-style-type: none"> M.S. in Chemical Engineering, Wayne State University, Detroit, Michigan, U.S.A. Governance Training of IOD <ul style="list-style-type: none"> DCP : Director Certification Program Class 137/2010 	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2010 - Present	Independent Director
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						2013 - Present	Advisors office of The President, Loxley PCL.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
5	Mr. Virasak Sutanthavibul • Independent Director • Director of Audit Committee • Director January 6, 2004	59	<ul style="list-style-type: none"> Master Degree, Industrial Engineering, Texas A&M University, Texas,USA. Governance Training of IOD <ul style="list-style-type: none"> DAP : Director Accreditation Program Class 21/2004 	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Independent Director / Audit Committee
						POSITIONS IN LISTED COMPANIES IN SET. (3 position)	
						2015 - Present	Chairman of Audit Committee, Thai Plaspac Public Company Limited.
						2011 - Present	Director, Bangkok Insurance Public Company Limited.
						1997 - Present	Senior Executive Vice President in charge of Commercial Bangkok Bank Public Company Limited
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (4 position)	
6	Mr. Sumate Techakraisri • Chief Executive Director • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee January 6, 2004	69	<ul style="list-style-type: none"> Bachelor of Economics, Thammasat University. Mini MBA Chulalongkorn University Governance Training of IOD <ul style="list-style-type: none"> DAP : Director Accreditation Program Class 137/2010 Program Executives Capital Market Academy (CMA) Class 17 	15.65	Father of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						1980 - Present	Director / Chief Executive Directors and Authorized Director.
						POSITIONS IN LISTED COMPANIES IN SET.	
						- None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (5 position)	
						2003 - Present	Director, Cinkara Co., Ltd.
						1987 - Present	Executive Directors, Prairie Marketing Co., Ltd.
						1985 - Present	Chief Executive Directors of PEACE & LIVING Co., Ltd.
						1978 - Present	Chief Executive Directors of Greenland Marketing Co., Ltd.
						1984 - 2015	Executive Directors, Data Products Toppan Form Co., Ltd.



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
7	Mr. Kumpee Chongthurakit • Director • Director of Remuneration and Nomination Committee • Director of Corporate Governance Committee January 6, 2004	62	<ul style="list-style-type: none"> Bachelor of Marketing, Assumption University. Governance Training of IOD <ul style="list-style-type: none"> DCP : Director Certification Program Class 48/2004 	0.23	Uncle of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						1989 - Present	Director
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						1992 - Present	Director & Executive Director, LPN Development PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (3 position)	
						1992 - Present	Director, Lumpini Property Management Co., Ltd.
8	Mr. Phreecha Techakraisri • Director • Executive Director • Managing Director • Director of Risk Management Committee January 6, 2004	54	<ul style="list-style-type: none"> Master of marketing Youngstown State University ,USA Governance Training of IOD <ul style="list-style-type: none"> DAP : Director Accreditation Program Class 10/2004 	2.87	Nephew of Mr.Sumate Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2015 - Present	Managing Director
						2010 - Present	Authorized Director
						1989 - Present	Director / Executive Directors
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (4 position)	
						1997- Present	Director, Sri Sam-Ank Supplier Co., Ltd.
						1996 - Present	Director, T. Thai Snack Food Co., Ltd
						1992 - Present	Director, T Thai Trade Development Co.,Ltd.
						1993 - Present	Deputy Manging Director, T.Krungthai Industries PCL.



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
9	Mr. Chumpol Techakraisri • Director • Executive Director • Director of Risk Management Committee • Company Secretary • Asst. Managing Director January 6, 2004	36	<ul style="list-style-type: none"> Bachelor of Finance and Banking, Chulalongkorn, University Governance Training of IOD <ul style="list-style-type: none"> DCP : Director Certification Program Class 102/2008 Fundamentals Practice for Corporate Secretary (FPCS) 21/2009, Thai Listed Companies Association 	0.45	Son of Mr. Sumate and Mrs. Yupa Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director / Executive Director and Authorized Director
						2003 - Present	Asst. Managing Director
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						2011 - Present	Director of Pace Development Corporation PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (13 position)	
						2015 - Present	Director, Pace Creative Agency Company Limited
						2015 - Present	Director, Pace Interior Services Company Limited
						2014 - Present	Director, Pace Country Club Company Limited
						2014 - Present	Director, Pace Food Retail Company Limited
						2011 - Present	Director, Pace Real Estate Company Limited
						2011 - Present	Director, Pace Project One Company Limited
						2011 - Present	Director, Pace Project Two Company Limited
						2011 - Present	Director, Pace Project Three Company Limited
						2011 - Present	Director / Managing Director, YLP Company Limited
						2011 - Present	Director, lean-enterprise Company Limited
						2007 - Present	Director, Cinkara Property Company Limited
						2004 - Present	Director, MFT Development Company Limited
						2001 - Present	Director, Chadsan Phansuan Company Limited



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
10	Mrs. Yupa Techakraisri • Director January 6, 2004	66	<ul style="list-style-type: none"> • Bachelor of Economics, Ramkamheang University • Accounting Advance of Pitman Examination Institute. Governance Training of IOD <ul style="list-style-type: none"> • DCP : Director Certification Program Class 32/2003 	11.21	Mother of Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						1989 - Present	Director and Authorized Director
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						1989 - Present	Director and Executive Director of LPN Development PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (4 position)	
						1992 - Present	Director of Lumpini Property Management Co.,Ltd
						1992 - Present	Director of Lumpini Project Service Management Co.,Ltd
11	Mr. Apichart Kasemkulsiri • Director January 6, 2004	50	<ul style="list-style-type: none"> • MBA National of business administration of Sasin Chulalongkorn university Governance Training of IOD <ul style="list-style-type: none"> • DCP : Director Certification Program Class 73/2006 	N/A	Cousin of Mr. Phreecha Techakraisri and Mr. Chumpol Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 - Present	Director
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						2005 - Present	Senior Executive Vice President, ICBC PLC.
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (3 position)	
						2007 - Present	Executive Director, Sri Sam Ank Supplier Co., Ltd.
						2005 - Present	Director, ICBD Leasing Co., Ltd.
						1996 - Present	Director, T. Thai Snack Food Co., Ltd



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
12	Mr. Prasong Techakraisri • Director January 6, 2004	48	<ul style="list-style-type: none"> Bachelor of Economics Ritsumeikan University, Japan Governance Training of IOD <ul style="list-style-type: none"> DAP : Director Accreditation Program Class 11/2004 	1.36	Nephew of Mr.Sumate Techakraisri	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2004 -Present	Director
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (1 position)	
						1996 - Present	Managing Director, Chaiwattana Accessories Co., Ltd.
13	Mr. Kowate Limtrakul • Chairman of Risk Management Committee • Executive Director December 17, 2016	64	<ul style="list-style-type: none"> Master of Business Administration, Chulalongkorn University Governance Training of IOD <ul style="list-style-type: none"> DCP : Director Certification Program Class 105/2008 	0.12	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2016 - Present	Executive Director
						2004 - 2016	Director
						POSITIONS IN LISTED COMPANIES IN SET. (1 position)	
						2014 - Present	Audit Committee, Multibax Public Company Limited
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
14	Mr. Pongsakron Phetpayullpun • Deputy Managing Director April 18, 2014	46	<ul style="list-style-type: none"> BA in Cost Factory Accounting : 1987 UTCC(Thai & Australia Project), Bangkok (GPA 3.67) MBA in Business Administration : 1998 Chulalongkorn University,Bangkok (GPA 3.95) CERT. Accounting Public - CIA , 1994 Melbourne University, Australia 	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2014 - 2016	Deputy Managing Director Accounting & Financial.
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS (1 position)	
						2009 - 2013	CFO Administration, AMS Group LTD



Details of the Directors, the Management and the Authorized Directors, Company Secretary

No.	Name –Surname Position Date of Appointment	Age	Education	Share holding Structure (%)	Relationship	Working Experience in the past 5 years	
						Duration	Position- Company
15	Mr. Prinya Kaeoluan • Accounting & Financial Senior Manager May 2, 2012	50	<ul style="list-style-type: none"> • Bachelor of Accounting Ramkhamhaeng University • Master of Accountancy Kasetsart University 	N/A	N/A	T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.	
						2012 - Present	Senior Accounting & Financial Manager.
						POSITIONS IN LISTED COMPANIES IN SET.	
						-None-	
						POSITIONS IN OTHER COMPANIES/ ORGANIZATIONS	
						-None-	