



Annual Report 2014

รายงานประจำปี 2557

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Message from the Board of Directors



Dear Shareholders,

In 2014, we faced another year of challenges that an overall economic expansion was less than anticipation due to negative factors both domestic and international especially the political situation, which had an impact on our customers in the food service for tourism. Consumers were more cautious in their spending. In addition, the weakened exchange rate affected on our product costs. However, the Company's performance was satisfactory with total sales of Baht 1,431 million increasing by Baht 53.2 million or 3.9 percent from that of the previous year.

Due to more intense competition, we had to develop strategies in new product sourcing together with developing our own products, which some products have already launched while the others were under development, as to response to the market demand and seek opportunities to growth in the future.

We aimed at the goal to be a "leading company specialize in fully integrated food business for all distribution channels". The Company are committed to delivering high quality products and reliable services in respond to customer need and satisfaction as well as develop its human resources to have a strong expertise in food businesses and maintain good relationships with its suppliers.

On behalf of the Board of Directors, I express my sincere thanks to the managements and all employees for their dedication, perseverance, and hard work in handling the challenging together. I would also like to thank you our customers, shareholders and business partners for the trust and confidence placed in us all these years. We look forward to your continued support in the future.

(Mr. Prakarn Tawisuwan)
Chairman of the Board of Directors
February 25, 2015

Financial Highlights

Financial Highlights	2012	2013	2014
(thousands of Baht, unless otherwise stated)			
Total Revenue	1,411,107	1,392,514	1,444,282
Gross Profit	291,893	300,359	293,090
Net Profit	91,119	83,591	76,513
Total Assets	729,382	924,659	834,379
Total Liabilities	367,865	369,478	270,684
Total Shareholders' Equity	361,517	555,182	563,694
Key Financial Ratios			
Debt to Equity Ratio times	1.0	0.7	0.5
EPS (Diluted) Baht	0.23	0.21	0.19
Dividend per share Baht	137.18	0.17	0.16

The Board of Directors and Executives



Mr. Prakarn Tawisuwan

Age (years) : 68

Chairman of Board of Directors/ Independent Director/

Chairman of Audit Committee

Education

- XMBA Thammasat University
- Bachelor of Economic, Thammasat University
- Director Certification Program (DCP) 75/2006, Thai Institute of Directors

Proportion of shares held: - (as at 29 Aug. 2014)

Experience

Listed Companies

- 2013 - Present Chairman of the Board of Directors/Independent Director/
Chairman of Audit Committee - Winner Group Enterprise Plc.
- 2007 – 2008 Independent Director - Siam Steel Syndicate Public Company Limited

Non-Listed Companies

- 2013 - Present Advisor - CIMB-Principal Asset Management Ltd.
- 2012 – 2013 Acting President - CIMB-Principal Asset Management Ltd.
- 2011 – 2012 Advisor - CIMB-Principal Asset Management Ltd.
- 2010 – 2011 Sub-committee Reform Consideration Sub-Committee,
Bangkok Mass Transit Authority
- 2008 – 2010 Advisor - TMB Asset Management Co., Ltd.

Management Profile



Mr. Jane Wongisariyakul

Age (years) : 62

Director/ Chairman of Executive Committee/ Chairman of
Risk Management Committee / Managing Director
(Authorized Director)

Education

- XMBA Thammasat University
- Bachelor of Science, Food
- Bachelor of Business Commerce, Beijing Language and Culture University, China
- Certificate of Directors Accreditation Program (DAP) 31/2005, Thai Institute of Directors
- Advanced Certificate Course in Public Economics Management for Executives 8th, College of Politics and Governance, King Prajadhipok's Institute

Proportion of shares held: 34.03% (as at 29 Aug. 2014)

Experience

Listed Companies

- 1983 - Present Director/ Chairman of Executive Committee/ Chairman of Risk Management Committee / Managing Director - Winner Group Enterprise Plc.
- 2006 - Present Independent Director/ Audit Committee Member - Eason Paint Public Company Limited

Non-Listed Companies

- 2011 - Present Director - Jamchuri Testing Laboratory Co., Ltd.
- 2012- Present Director - Jamjuree Innovations Co., Ltd.
- 2008 - Present Director - Jamjuree Innovations Products Co., Ltd.
- 2010 - Present Vice Chairman - Faculty of Science Foundation, Chulalongkorn University
- 2004 - 2014 Director - Spa Ovation (Thailand) Ltd.
- 2010 – 2013 Vice Chairman of Executive Committee - The Professor Dr. Tab Nilanidhi Foundation
- 2010 - 2013 President - Chulalongkorn University Science Alumni
- 2009 - Present Central Committee Member - Chulalongkorn University Alumni Association under the Patronage of His Majesty the King
- 2005 - 2009 President of Golf Section - Chulalongkorn University Alumni Association under the Patronage of His Majesty the King

Management Profile



Mrs. Vannaporn Wongisariyakul

Age (years) : 59

Director/ Executive Committee Member / Risk Management
Committee Member / Deputy Managing Director
(Authorized Director)

Education

- Master of Food Technology, Chulalongkorn University
- Bachelor of Food Technology, Chulalongkorn University
- Certificate of Directors Accreditation Program (DAP) 91/2011, Thai Institute of Directors

Proportion of shares held: 8.78 % (as at 29 Aug. 2014)

Experience

Listed Companies

2013 - Present Director / Executive Committee Member/ Risk Management Committee Member/
Deputy Managing Director - Winner Group Enterprise Plc.

Non-Listed Companies

1987 – 2013 Director - Winner Group Enterprise Co., Ltd.

Management Profile



Miss Kanokpan Kreangkraikrissada

Age (years) : 45

Director/ Executive Committee Member / Risk Management
Committee Member/ Deputy Managing Director
(Authorized Director)

Education

- Master of MBA, Chulalongkorn University
- Bachelor of Food Science, Kasetsart University
- Certificate of Directors Accreditation Program (DAP) 91/2011, Thai Institute of Directors
- Certificate of Mini MBA Thammasat University

Proportion of shares held: 2.93 % (as at 29 Aug. 2014)

Experience

Listed Companies

2007 - Present Director / Executive Committee Member/ Risk Management Committee Member/
Deputy Managing Director - Winner Group Enterprise Plc.

Non-Listed Companies

2005 – 2007 Assistant Managing Director - Winner Group Enterprise Co., Ltd.

2001 – 2007 Director - Winner Group Enterprise Co., Ltd.

Management Profile



Miss Kanollas Wongisariyakul

Age (years) : 32

Director/ Executive Committee Member / Risk Management

Committee Member / Assistant Managing Director

(Authorized Director)

Education

- Bachelor of Finance Thammasat University
- Certificate of Directors Accreditation Program (DAP) 91/2011, Thai Institute of Directors

Proportion of shares held: 3.90 % (as at 29 Aug. 2014)

Experience

Listed Companies

2012 - Present Director / Executive Committee Member/ Risk Management Committee Member/
Assistant Managing Director - Winner Group Enterprise Co., Ltd.

2008 – 2010 Business Development Manager Territory Manager Industry & Commerce Dept.,
Esso (Thailand) Public Company Limited

Non-Listed Companies

2010 – 2011 Business Development Manager - Winner Group Enterprise Ltd.

Management Profile



Mrs. Wilaiporn Tantanavivat

Age (years) : 64

Director/ Nomination and Remuneration Committee Member

Education

- Master of Applied Science New South Wale University, Sydney, Australia
- Bachelor of Food Science Chulalongkorn University
- Certificate of Directors Accreditation Program (DAP) 100/2013, Thai Institute of Directors

Proportion of shares held: 2.42 % (as at 29 Aug. 2014)

Experience

Listed Companies

2013 - Present Director / Nomination and Remuneration Committee Member,
Winner Group Enterprise Plc.

Non-Listed Companies

1983 - Present Director - Bow Commercial Ltd.

1994 - 2013 Director - Winner Group Enterprise Co., Ltd.

Management Profile



Mr. Surapat Rojchanavisart

Age (years) : 62

Director

Education

- Master of Business, Tarleton State University, Texas, USA
- Bachelor of General Science, Chulalongkorn University
- Certificate of Directors Accreditation Program (DAP) 100/2013, Thai Institute of Directors

Proportion of shares held: 4.28 % (as at 29 Aug. 2014)

Experience

Listed Companies

2013 - Present Director - Winner Group Enterprise Plc.

Non-Listed Companies

2012 – Present Executive Committee - Chai's Clansman Association of Thailand

2010 – Present Director - Pro Master Pack Co., Ltd.

2010 – 2011 Director - Chai's Clansman Association of Thailand

1985 - 2013 Director - Winner Group Enterprise Co., Ltd.

Management Profile



Dr. Warunee Varanyanond

Age (years) : 65

Independent Director/ Audit Committee Member/

Chairman of Nomination and Remuneration Committee

Education

- Doctor of Food Technology, Kagawa University, Japan
- Master of Food Technology, Chulalongkorn University
- Bachelor of Food Technology Chulalongkorn University
- Certificate of Directors Accreditation Program (DAP) 100/2013, Thai Institute of Directors

Proportion of shares held: - (as at 29 Aug. 2014)

Experience

Listed Companies

2013 - Present Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee Member - Winner Group Enterprise Plc.

Non-Listed Companies

2014 - Present Biodiversity-Based Economy Development Office (Public Organization)

2012 - Present Director - Faculty of Science Foundation, Chulalongkorn University

2010 - Present Expert and Advisor of Director - Institution of Food Research and Product Development, Kasetsart University

2009 - Present Expert - The National Innovation Agency (NIA)

2009 - Present Expert - The Agricultural Research Development Agency (Public Organization)

2009 - Present Executive Committee Office of Certification Body of Thailand Institute of Scientific and Technological Research (TISTR)

2007 - Present Expert of Agriculture and Biology - National Research Council of Thailand

2002 - Present Executive Committee - The Food Science & Technology of Thailand

Management Profile



Miss Thipawan Uthaisang

Age (years) : 57

Independent Director/ Audit Committee Member/

Chairman of Nomination and Remuneration Committee

Education

- Master of Business, Thammasat University
- Bachelor of Account, Thammasat University
- Bachelor of Law, Sukhothai Thammathirat University
- Director Certification Program (DCP) 29/2003, Thai Institute of Directors
- Advance Certificate Course in Politics and Governance in Democratic Systems for Executive 9th College of Politics and Governance, King Prajadhipok's Institute
- Senior Executive Program 8th, Capital Market Academy, The Stock Exchange of Thailand
- Thailand National Defence 2010 National Defence Studies Institute

Proportion of shares held: - (as at 29 Aug. 2014)

Experience

Listed Companies

- 2013 - Present Independent Director/ Audit Committee Member/ Chairman of Nomination and Remuneration Committee - Winner Group Enterprise Plc.
- 2013 - Present Chairman of Audit Committee Prodigy Plc.
- 2009 - Present Audit Committee Member - Latprao Hospital Plc.
- 2009 - Present Audit Committee Member - Pailin Book Net Plc.
- 2005 - Present Independent Director and Audit Committee Member - Eason Paint Public Company Limited

Non-Listed Companies

- 2015 – Present Independent Director - AIRA & AIFUL Public Company Limited
- 2001 – Present Executive Director - Papermate (Thailand) Ltd.

Business Overview

Vision and Business Objectives

Vision

To become the leading company with expertise in integrated food business in all distribution channels.

Mission

We are committed to deliver quality products and provide reliable service, to meet the customers' needs and satisfaction with the dedication to develop company's human resources capability to have expertise in food industry and maintain good relationship with suppliers.

Business Objectives

The Company plans to develop and supply new products to meet a wide range of requirement of customers in food industry and food service operators (Food Service/HoReCa) and supply innovative products to meet consumer's needs to diversify product ranges distributed by the Company.

1. The Company will develop more customized products to meet customers' needs, OEM premix products and packaging filling services. Also, we aim to export our own products such as icing sugar and baking powder to neighboring countries. To increase the plant's production to attain maximum capacity and reduce operating costs per unit to be more competitive.

2. The Company plans to develop consumer food products under our own brand to enter new markets.

3. The Company will expand customer base to include more customers in all segments of the food industry by expanding customer base from primarily food industry manufacturers to food service customers (Food Service/HoReCa) and end consumer. The Company aims to expand customer groups from Bangkok and Greater Bangkok to major cities in each region especially tourist provinces.

4. The Company plans to expand its food business to other businesses such as drugs, cosmetics, personal care, animal feed, etc. to expand growth and business diversity.



History and Development

History

Winner Group Enterprise Public Company Limited (“the Company or Winner”) was founded in 1983 by a group of experts in food science and technology led by Mr. Jane Wongisariyakul. At present, Winner engages in the business of importing, manufacturing and distributing of raw materials, food ingredients and food chemical used in food processing from all over the world such as potato starch, modified starch, wheat starch, egg power, thickener and gelling agent, stabilizer, cocoa, preservative, artificial sweetening agent and other kinds of food chemical.

In 2004, the Company expanded its business by acquiring the factory for production lines of food additive and premix such as icing sugar, and sugar used in food industry, baking powder, thickening agent, seasoning etc.

With the expertise and skills in supplying of raw materials, food chemical related in food industry and strong sales teams that understand our customers’ business, the Company could supply suitable products met our customer needs. The Company expanded our product range, distribution channels and customer base to new groups of customers who are likely to grow continuously in various types of food industry.

With the expertise and skills in supplying of raw materials, food chemical related in food industry and strong sales teams that understand our customers’ business, the Company could supply suitable products met our customer needs. The Company expanded our product range, distribution channels and customer base to new groups of customers who are likely to grow continuously in various types of food industry.

Additionally, the Company expanded into consumer products under the world leading brand such as Pop Secret microwave popcorn, Nature Valley serial bar, Betty Crocker bakery and cake mix, Streamline fruitjam, Harvey Fresh juice distributed in modern trade and traditional trade channel and expanded our customer base to food service business such as hotels restaurants, catering and other retail traders.

Key Milestones in 2014

Winner Group Enterprise Plc. has significant changes and developments in business operations as follow:

Month	Changes and Developments
March	<ul style="list-style-type: none"> - Received “Halal Certificate” from the Central Islamic Committee of Thailand; for the product type: icing sugar, ground sugar, glazing sugar, donut sugar, baking powder, baketex, winsoft and wingum - Closed down Delice shop at The Walk (Kaset-Nawamin Road)
July	<ul style="list-style-type: none"> - Closed down Delice shop at Tesco Lotus (Srinakarin) - Closed down Delice shop at Tesco Lotus (Salaya)
September	<ul style="list-style-type: none"> - Signed a Thailand exclusive distributor agreement with Osterberg International A/S – an international supplier of fruit filling and fruit products from Denmark



Nature of Business

The Company's core business is an importer, manufacturer and distributor of food ingredients and food additives used in food processing industry, including raw materials, ingredients and additives from sources around the world, as well as food ingredients and additives manufactured by the Company. The Company also imports and distributes consumer food products under the world's leading brands such as microwave popcorn, granular bars, seasoned laver, pasta, olive oil, fruit jams, juices, etc.

Revenues by product group in 2012-2014 were as follow:

Type of Revenue	2012		2013		2014	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
1.Sales Revenue						
1.1 Industry Products	609.5	43.2	629.6	45.2	636.0	44.1
1.2 Consumer Food Products	785.0	785.0	748.0	53.7	749.8	55.0
2. Other Incomes ^{1/}	16.6	1.2	14.9	1.1	13.5	0.9
Total	1,411.1	100.0	1,392.5	100.0	1,444.3	100

Note: ^{1/} Other incomes consist of commission, interest revenue, marketing support s, gain on sales of unit trust, etc.



Products

The products are divided into two groups which are industry products and consumer food products. The proportion of revenue from industry products was 44.1 percent in 2014 and the revenue from consumer food products was 55.0 percent, details as follows:

1. Industry Products (Raw Materials, Ingredients and Additives for Food Industry)

Industry products can be divided into (1) food ingredient e.g. potato starch, wheat flour, cocoa powder, egg powder, sugar and seasoning, and (2) food additive e.g. thickeners, stabilizers and preservatives. These 2 groups are from worldwide producers and manufacturers with high quality standard and from our own plant under a modernized production process and GMP standard to meet a wide range of requirement of the customers in food industry, which need their own specific formula. Our Company's products are used as raw materials, ingredients and intermediate substances in food processing by various types of food manufacturers.



Product Samples



Brands Distributed by the Company

2. Consumer Food Products

Consumer food products consist of 4 main groups which are (1) snacks (2) semi-processed raw materials and frozen products (3) gourmet foods (4) beverages. Such products are imported from various countries including USA, Spain, Italy, Australia, Singapore, China, Japan and Korea.



Product Samples



Brands Distributed by the Company

Marketing and Competition

(A) Marketing Strategies

As the executives of the Company have experiences and expertise in sourcing of raw materials, ingredients and additives to producers and manufacturers in food industry in Thailand for a long period of time, the Company has been widely accepted by customers as one of the leading importer, manufacturer and distributor of food ingredients and food additives used in food industry, and also consumer products with quality and standard. We offer a wide and integrated range of products. The Company has been certified ISO 9001:2008 quality, while the production system has been certified with Good Manufacturing Procedures (GMP). The Company has the policy of maintaining long and good relationship with customers and partners; developing competitive strategies to retain existing customers and increasing market share of the Company as follows:

1) Selecting and offering products with world-class quality constantly

The Company is an experienced specialist in supplying raw materials, food ingredients and additives used in food processing for over 30 years. So the Company has the information of all manufacturers and sources of raw materials with quality and production standards worldwide. The Company will select a manufacturer that has their own technology, acceptable production standards, and specializes in research and development. Because the Company needs to get information from research and development department of manufacturers in order to be able to advise customers on product selection for production efficiently.

Meanwhile, from getting advantage of the expertise in food products, the Company has the policy to focus on customer services to meet and satisfy our customers by providing quality products that meet their price requirements or selecting other supplier to substitute raw materials or selecting other ingredients to create a product that meets customer specification. We also offer technical assistance to develop products of customers by offering technology and innovation used in food processing, including importing new products continuously to help improve quality, lower costs and increase the variety of goods.

2) Meeting customer requirements of export industry

The Company focuses on distributing quality standard products; we then meet the needs of customers who are in food production industry for export. They need to produce products with quality and standards of each destination country, such as exports to Europe, USA and Japan, etc. The industrial customers are required to have a certificate of quality for raw materials used in production as a reference for export their products, such as certificate of origin, certificate of analysis (COA), certificate of quality control system, and manufacturing standards e.g. ISO GMP HACCP HALAL KOSHER and Material Safety Data Sheet (MSDS), etc.

3) Developing premix for customers

The Company takes part in customer's product development which is our services provided to the customers by producing customized blend or premixes especially the industrial customers that we help decrease processes of production and reduce production costs.

4) Offering OEM (Original Equipment Manufacturer) and packaging services

The Company has expanded its production capacity by purchasing additional machines and packaging tools to support the production of different types of premixes such as coffee powder coffee, tea powder, seasoning powder and flours, as well as repacking products to retail sizes. The Company has plans to offer OEM services to customers and re-packaging products that we import or produce. The packaging services of such goods are to expand distribution channels and products to a broader group of customers.

5) Building and maintaining long-term relationships with customers

The Company aims at building long-term relationships with customers by providing technical consulting services and taking care of customers closely. The Sales division of the Company has expertise in food science and technology and responsible for dealing with customers to find their needs and supply products that suit them. The Company also provides technical advices on product usage to the customers and collaborates with them to develop new products. In addition, the Company also finds alternative products for the customers in order to improve product quality and reduce costs.

6) Expanding distribution channels to Food Services and consumers

The Company plans to expand the Company's product distribution channels to directly reach our target customers such as Food Services by focusing on restaurants, bakery shops (for both stand-alone restaurants and chain restaurants) and catering. Moreover, the Company also focuses on expanding distribution channels to bakery sections in modern retail outlets including supermarkets and hypermarkets, etc. which enables the Company to increase distribution channels along with the expansion of modern retail outlets of which have branches across country. For consumer food products, the Company has plan to expand to new distribution channels in which the Company has never distributed any products such as convenience stores and mini-marts, etc. so the Company can access to consumers easily and extensively.

7) Branding food products to be well-known to consumers

The Company held marketing activities including publicity through various media, special events of consumer food products, etc. In addition, the Company also uses online media to create brand awareness, especially for snacks and beverages so that consumers know more about products and brands that the Company distributed.

Our Customers

Products that the Company distributes are in wide range such as raw materials, ingredients and additives for food processing and consumer products so we can fulfill the customer's needs from food industry, food services providers to retail customers as follows:

Industry consists of food producers, food processing manufacturers and bakery, in private and government sectors. This group uses the Company's products for their production then sell their final products to consumers e.g. instant noodles manufacturer, egg noodles manufacturers, rice noodles manufacturers, vermicelli manufacturers, juices and beverages manufacturers, canned food manufacturers, frozen food manufacturers, sauces and seasonings manufacturers, milk producers and dairy products manufacturers and large and medium bakery manufacturers.

Food services consist of customers who buy products of the Company to use for themselves and the products are used for consumer's food production. This group of customers comprises of hotels, catering companies, stand-alone restaurants and chained restaurants and bakery shops.

Consumers refer to customers that buy products from the Company directly for their own consumption through retail channels such as modern trade and traditional trade or directly get services from Delice, a coffee and bakery shop owned by the Company.

Distribution Channels

The Company distributes the products through distribution channels that consistent with the characteristics of customers i.e. industry, food service/ HoReCa such as hotels, restaurants, chained bakery and restaurants, and retail to consumers through modern trade and traditional trade and coffee shops owned by the Company.

1) Food Industry Manufacturers

The Company distributes directly to more than 500 bakeries and food processing manufacturers in Bangkok and across country. The Company also sells products to dealers that sell the Company's products to small-sized factories. The Company does not officially appoint any individuals to be the Company's distributor. When selling to bakeries and food processing manufacturers, they will use the products for their own production. Then the finished products will be sold to end-consumers and/or exported to foreign countries. For this distribution channels, the Company has sales teams with expertise in food science technology to provide technical advice on the products and together with our customers to select and develop products to meet the customers' needs.

2) Food Service

The Company is a direct supplier to food service providers e.g. hotels, restaurants, catering, chained bakeries and restaurants, stand-alone bakeries and restaurants nationwide, and bakery department in modern retail outlets. These food service providers will use the Company's products to make ready-to-eat food and bakery then sell to consumers afterwards.

3) Modern Trade and Traditional Trade

The Company sells the products in modern trade e.g. Tops Supermarket, Siam Paragon, Emporium, the Mall, Makro, Tesco Lotus, Big C, Foodland, Villas, Family Mart, etc. and traditional trade e.g. wholesalers, bakery specialized wholesalers, etc. for over 3,000 outlets. The modern trade and traditional trade channel is expanding in Thailand. As a result, the Company's products are accessible to consumers more thoroughly; especially through modern trade which targeting at customers in Bangkok and Greater Bangkok, touristic provinces and other provinces with high purchasing power.

The ownership of products distributed through modern trade and traditional trade will be transferred to modern retailers and traditional retailers instantly after the Company delivers such products. If there are any damages after delivery, the Company has no obligation in the value of such products. However, the Company might consider product return for some cases, such as product ages less than 3 months, to ensure the confidence of customers in the quality of our products; to maintain brands' image; and the Company's reputation as an importer and distributor of such goods.

Market conditions and competition

Thailand's economy in year 2014 was sluggish, which was a result of political conflict as well as global economy slowdown. This also directly affected the food industry. However, food is one of the fundamental needs for the human being; therefore, the impact was not as high as the other industry. For the year 2015, it is expected that the food industry will have a positive trend as the political situation becomes more stable; economic development policy through investment projects and higher government spending; tourism recovery and the launch of ASEAN Economic Community (AEC) at the end of 2015.

The food industry is growing steadily because food is the one of the four human basic needs. Even in 2013 when the Thai economy was affected by the global economy and domestic consumption. However, the demand for products related to the food industry continues to grow.

Regarding the market competition, it can be divided into two categories (according to the product group) as follows:

1. Industry Products

Competitors are mostly importers and distributors. This sector's competition focuses on sourcing quality products with diversity and competitive pricing. The Company will have to compete with 3-5 competitors for each product. The Company set strategies to gain competitive advantage by continually and carefully select quality products that are globally accepted with international standards. The Company maintains existed customers base and expand continually by consistently supplying products, giving technical services as well as maintaining good relationships with the customers.

In addition, the Company focuses on a variety of products that fulfill the requirements of customers in food industry such as noodles, vermicelli, beverages, milk and dairy products, canned foods, frozen foods , etc., which makes sales of the Company successively grew according to the growth of the industry.

2. Consumer products

Currently, most of the Company's products are imported products with premium quality. The Company's competitors in the same product categories mainly focus on selling products through modern trade. They compete with us by doing marketing activities at point of sale in the form of promotions, such as price reduction, special product display, product demonstration, free samples, and premium giveaway, etc. The Company focuses on various activities to suit each brand's images; to build brand awareness and to boost sales constantly.

Besides modern trade, the Company has focused heavily on food services in which the products are used directly. To be able to compete in this channel, the Company's strategies focus on sourcing more products varieties and provide fast services to the customers. As there are many food service providers and need product varieties; however, their purchasing volumes are small and more frequent. The Company's sales staffs will need to monitor them closely in order to meet their needs quickly and offer customized services

or repackaging in quantity and size that they need. The distribution of products through the two channels mentioned above enables the Company to have the ability to strengthen competitive advantage as we have more channels to distribute and increase sales volume.

The distribution of products through the two channels mentioned above enables the Company to have the ability to strengthen competitive advantage as we have more channels to distribute and increase sales volume.

Source of Supply

Winner Group Enterprise Public Company Limited operates as an importer and manufacturer of raw materials, ingredients, additives and consumer food products to distribute in Thailand. Most products are imported from abroad. The total imported value represented 90.8 percent of the total purchase value in 2014 and the local order represented 9.2 percent of the total purchase value in 2014.

The Company ordered finished goods and raw material from suppliers and distributors details as follow:

Purchase Value	2012		2013		2014	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Import	946.2	92.2	905.8	91.4	936.4	90.8
Local	80.1	7.8	84.9	8.6	94.4	9.2
Total	1,022.7	100.0	990.7	100.0	1,030.8	100.0

In 2014, the Company purchased from 10 major suppliers representing for approximately 73.3 percent of total purchase value. The Company ordered products from 2 major suppliers representing more than 10 percent of the total orders. We have been purchasing from these two suppliers for a long period of time and bond good business relationship throughout the years of business.

(A) Import of products for sale

The products that the Company sold approximately 90.7 percent of the revenue in 2014 are imported products. The selection of raw materials, ingredients and additives from each supplier is determined by the customers' requirements both in quality and prices. Because each manufacturer has different sources of raw materials, the products from each of them have different features even though they are same kind of products. At all events for every purchase order, the Company will need to have a certificate from the manufacturer specifying product details and features clearly, as the customers who are food processing manufacturers, especially exporters need to know the country of origin, quality, standards and detailed specification of raw materials prior to manufacture. And the documents will also be used as a reference for export.

(B) Production under the Company's product line for sale.

The production plant used for manufacturing located at Bangpa-In Industrial Estate, on land area of 5 Rai, 3 Ngan and 76 Square Wah with the approximate utilization area of 4,700 square meters. The products from own production lines are food ingredient, food additives and premixes, including icing sugar, coating sugar, industrial sugar, baking powder, stabilizer, etc. These products are for both standardized and made to order.

In addition, the Company also has production lines for repackaging products into different sizes to meet the customer's requirements. The products which are repackaged by the Company include raw materials, ingredients and additives used in food processing manufacturers and bakeries such as cocoa powder and spices, etc. The re-packaging is in various sizes for both directly distributing by the Company and OEM.

The main raw materials that the Company uses as ingredients in manufacturing of food additives and premixes include refined sugar, tapioca starch, corn starch, etc. The Company purchases raw materials for food additives and premixes from the domestic dealers and manufacturers.

Production Capacity and Utilization Rate

In 2014, maximum capacity was 6,110 ton/year, increased from year 2013 by 437 ton/year, which resulted from 2 additional packing machines, packing size 5-50 gram and packing size 0.5-1 kilogram, were completely installed and ready to use in July 2014. Meanwhile, the actual utilization in year 2014 was 3,505 ton/year, which increased from year 2013 by 171 ton/year

		2012	2013	2014
Maximum Capacity ^{1/}	Ton/year	4,305	5,673 ^{2/}	6,110
Actual Utilization	Ton/year	3,472	3,334	3,505
Utilization Rate	Ton/year	80.7	58.8	57.4

Note: ^{1/} Maximum capacity is calculated by the number of normal working hours of 6.5 hours per day (the hours spent in actual production) which already subtract the time spent in machine preparation and cleaning for each production) and the number of working days is 262 days a year.

^{2/} The Company has moved old machines to a new production building which helped de-bottleneck process, as a result the maximum capacity increased to 5,673 tons per year in 2013.

Quality Systems and Environmental Management

The Company has the measurements to control and monitor quality of the ingredients used in production strictly, we have a quality assurance unit to check the quality of raw materials. The quality monitoring measurements are used from the beginning process to the end, including the quality check of raw materials when stored in warehouses and in preparation for production; the ingredients quality check before production; and the products quality check after production prior to distribution. All strict measurements of quality control and monitoring ensure the Company's products to reach clean and safety standards.

The Company has continuously engaged in activities for development of quality and safety standards to ensure that the Company has acceptable quality and safety standards. During the past 3 years, the Company has been certified by the following institutions:

Standards		2012	2013	2014
Quality Management System (ISO 9001:2008) by International Organization for Standardization-ISO certification by SGS United Kingdom Ltd. ("SGS")		✓	✓	✓
Good Manufacturing Practice (GMP) – Very Good, from the Food and Drug Administration, the Ministry of Health, Thailand		✓	✓	✓
Halal Assurance & Liability Quality System Certificate (HAL-Q) by The Halal Science Center, Chulalongkorn University			✓	✓
HALAL Certificate by the Central Islamic Committee of Thailand, for the product type: icing sugar, ground sugar, glazing sugar, donut sugar, baking powder, baketex, winsoft, wingum				✓

The Company has been supporting the environmental protection by providing wastewater treatment to comply with the Bangpa-In Industrial Estate's regulations. In the past 3 years, the measurement results were according to the criteria of the estates, details as follow:

Wastewater Analysis Report

No.	Report Date	Sampling Locations	Para-metre	Method-ology	Laboratory	Result	Unit	Standard	Test Result
1	12 May 2011	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	59	mg/l	500	Pass
2	21 July 2011	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	56	mg/l	500	Pass
3	23 November 2012	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	176	mg/l	500	Pass
4	18 June 2013	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	70	mg/l	500	Pass
5	14 July 2013	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	153	mg/l	500	Pass
6	14 October 2013	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	46	mg/l	500	Pass
7	21 November 2013	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	4	mg/l	500	Pass
8	20 February 2014	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	4	mg/l	500	Pass
9	22 April 2014	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	10	mg/l	500	Pass
10	18 August 2014	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	5	mg/l	500	Pass
11	22 December 2014	Wastewater treatment pond in factory	BOD	5 Day BOD Test	Analytical Laboratory Services Company Limited	2	mg/l	500	Pass

Risk Factors

1. Business Risk

- Risk of having business in competitive industries

As an importer and distributor of raw materials, ingredients, food chemicals and consumer food products, the Company has a large number of competitors, both imported products distributors and domestic manufacturers. Some products don't have differentiation in their features so they are easy to be replaced. As a result, the business is highly competitive in terms of price, especially raw materials, ingredients and food chemicals for manufacturers. The intensity of competitiveness may affect the Company's operational performance.

Although new competitors continually enter the business, the Company anticipates that the risk level is not high as the brands the Company distributes are renowned with high quality and acceptable among customers. The Company also meets various needs of food manufacturers, such as the Company has certificate for product quality, certificate of origin. Moreover, the Company also offers technical consulting on product applications. Our executives have more than 30 years of experiences and our sales team has specific expertise in food technology. So the Company understands the needs of food processing industry, also specialize in sourcing and providing supply alternatives to meet customer demands.

- Risk of price and quantity instability of processed agricultural products that the Company distributed.

The Company sells products that processed from agricultural products such as starches and flours which processed from wheat, potatoes, corn and beans, etc. which represents 29.4% from sales revenue in 2014. Processed agricultural products may be subject to price fluctuations according to trading (of agricultural products) in the global market. The amount of product each year may depend on climates of the areas. When the volume of agricultural production is limited, it results in higher or changes in commodity prices or may result in the amount of products the Company gets allocated from manufacturers which may affect the Company's operations. Potato starch is the best seller of processed agricultural products with 10.5% of sales revenue in year 2014. The second best seller of processed agricultural products is wheat flour which representing 7.8% from sales revenue in 2014.

However, the Company imports processed agricultural products from foreign manufacturers which have risk-protection measurement of commodity price fluctuations. By having agreements on agricultural products such as wheat futures contracts, the manufacturer will offer wheat flour to the Company a quarter in advance and offers fixed rates to the Company at least 3 months. For price adjustment, the manufacturer will notify the Company at least 1 purchase period in advance, so that the Company will have grace period to adjust the price and inform the customers. The Company may keep the same price for a purchase period before adjusting the price to match real market price in order to maintain good relationships with the customers, 59 percent of the revenue from sales is from sourcing and purchasing processed agricultural products,

manufacturers, as the norm in trading business. In doing so the Company gets less impact of fluctuations in commodity prices from the global market.

Moreover, the management has more than 30 years of experience in trading of processed agricultural products. And with the risk mitigation by Industrial Sales Division who constantly monitors global trends and market situation of commodity prices such as wheat, potatoes, beans, corn and cocoa beans from customers and manufacturers, the Company is well aware of both price and volume trends. When there are changes in prices, manufacturers will keep the Company informed of price changed, then the Sales Division will compare if the price is consistent with the price of domestic market before negotiate or jointly define strategy with the manufacturer in order to keep pace with the changing market. In case that the price is on an upward trend, the Company will implement a plan to order in accordance with demand of customers, draft contract for future orders to determine the price and orders quantity for both manufacturers and major customers, and adapt strategies to fit with the market situation in order to be able to compete with competitors and maintain target gross margin of the product group. If the Company has been allocated such goods in limited quantities, the Company may supply substitute products to replace/fulfill the needs of the clients, reducing the impact on the performance of the Company.

The Company is also well aware of the price and quantity uncertainty of processed agricultural products that the Company distributes. Thereupon, the Company has policy to spread the risks (of such uncertainty) by increasing sales of consumer food products to distribute through other sales channels. In 2014, the Company has 44.5% market share of raw materials, ingredients and industrial food chemicals, and has 55.5% share of consumer food products.

- **Risk of imported-product cost uncertainty**

In 2014, the Company imported products represented 90.8% of the purchase value. The Company mainly uses shipping as transportation and the shipping fee has been included in the cost of the product. Changes in freight rates of transportation will be in line with oil prices in the world market. If oil price rises, the freight rates will be rising as well. Meanwhile, if oil price declines, it may lower freight rates. Changes in freight rates can affect the Company's cost of sales and may affect profitability of the Company.

In 2014 the freight fee of the Company was 1.4% of cost of goods sold. The Company has managed freight cost by comparing price of different freight forwarders so the Company can negotiate for the best rates. For freight rate of main product with high volume and high import frequency, the Company will negotiate with the carrier or agent to quote at least 3 months valid rates to reduce the volatility of costs.

- **Risk of not getting distributor agreement renewal or foreign manufacturers appoints other companies to be a distributor in Thailand.**

The Company has been appointed as a distributor of raw materials, ingredients, food chemicals such as potato starch, additives and consumer food products such as snacks, and gourmet food, etc. The contract types are either exclusive distributor in Thailand or authorized distributor of each product group for the period of 1-5 years. After the expiration of the contract, the agreement will be automatically renewed

including wheat flour and potato starch, by matching customer's purchase order with the proposal from unless either party provides termination notice in written form. In case the contracts has not been extended or foreign manufacturers may appoint other distributors in Thailand to replace the Company, the Company may not be able to supply such products or the competitive levels could be higher, which may affect the Company's performance.

In 2014, the Company's revenue generated from sales of the products that the Company has been appointed as a distributor in Thailand represents 68.6% of all sales. The management believes in strong relationship the Company have with partners who appointed the Company to be the sole distributor for over 10 years. Throughout the years of good relationship, the Company complied with terms and conditions agreed in the contracts and generate sales growth of the products we are appointed as the distributor. So the Company has continuously gained the trust from the partners to get contract renewals as the exclusive distributor. The management is confident that the risk of the distributor agreement not being renewed is low.

The Company may have risk of the counterparties who are manufacturers take over distributing and marketing role in Thailand without appointing the Company as a distributor. However, the implementation processes require the investment for building a network of sales and distribution channels. Also, distributing raw materials, ingredients and food chemical products requires skill to approach customers in highly competitive industries because the food industrial and food service customers are located around the country. Even for the consumer food products, it requires expertise in marketing and distributing the products to consumer nationwide.

In case of contract termination, the party who grants the right shall send a written agreement to notify the Company 3-6 months in advance. The management believes that with experience and expertise in sourcing raw materials, food ingredients and industrial chemicals product, along with the ability to supply food products to consumers from worldwide manufacturers, the Company can find substitute products to replace the former manufacturers, if the Company cannot get a contract renewed. The Company believed that finding new products can be done before the time the Company has to deliver goods to customers. However, the Company has never been terminated any distributor's agreement.

In 2014, the Company purchased goods from approximate 60 foreign manufacturers. The order from one major foreign manufacturer was 20.4% of purchased value. Of which, the Company got the rights to be a sole distributor in Thailand for over 10 years. The statistical data in 2014 shows there is no order from any single manufacturer worth more than 30 percent of the overall orders; therefore, the Company believes that the amount of the order is not significantly being confined to only one foreign manufacturer.

- **Risk of the customers directly purchase products from foreign manufacturers.**

The Company's nature of business is to distribute imported products. The main income of being distributor is from distribution fees and other related incomes such as commission. When customers with high volume orders would like to have more control over their cost and foreign exchange, the customers will buy products directly from foreign manufacturers. The Company will provide support, coordinate

the documentation process, and follow up shipment including tracking ship transportation, tracking shipping routes to Thailand and fix problems caused by imported goods until the goods are delivered to the customer. However, the Company is entitled as an exclusive distributor from the foreign manufacturers of such goods. When customers purchase directly from the manufacturer overseas, the manufacturer will pay a commission to the Company as a distributor of the product. In the future, if most customers of the Company buy products directly from the manufacturer overseas it may affect the profitability of the Company, because the income from the commission is lower than the income from reselling.

If the customers directly import from foreign manufacturers, the customer will have more obligations as a food importer. They will need to follow the FDA registration processes with the Food and Drug Administration (FDA), and customs clearance process which are complicated and time consuming. Besides, the process of obtaining FDA registration and customs clearance services are specific and require personnel with experience and skills, which is different from the core business of the customers. The food manufacturer may not have designated division or they may have a division without sufficient expertise to perform such contacts with government agencies. Moreover, the duration of the registration to the Food and Drug Administration will take certain amount of time before importing products each time, which may result in longer lead time comparing with ordering from the Company.

In addition, direct importing from overseas producers is not a core business of food services customers and retailers as the procedures are complicated and may not worth when comparing to the profit they get from distributing imported products. So the Company is very confident that the majority of the Company's customers will keep ordering the import goods from the Company.

- **Risk of expired products**

All of the Company's products are associated with food which has limited shelf life. Normally, all products are mainly aged between 1-3 years; the quality of the product is directly correlated with the age of the product. The Company has the risk that the product will expire before it can be sold. Therefore, the Company must carry provision for allowance of obsolete and outdated, which will affect the results of the Company's performance. Moreover, the distribution of expired product may affect the Company's reputation.

The Company is well aware of the risk of expired products which affects the business performance both the image and the losses incurred. Therefore, the Company focuses on systems and measures to control the product's shelf life before the distribution and delivery to individual customers starting from the origin to the destination, which depend on the age of the product in each product group. For consumer food products that are sold in modern trade and traditional trade, the Company set the policy to control the inventory's shelf life to be not less than 3 months before the expiration date of the product. The Company regularly assigns product consultants (PC) to check the expiry date of the products in stores to control product quality to be in line with the Company's policy. For raw materials, ingredients and food chemicals, the Company has policy to control product life cycle to be in accordance with purchasing lead time. In order to sell a product each time, Sales department will forecast import duration and the length of time expected

to be sold and delivered to customers in order to maintain the age of products to be suitable for processing and consumption. The Company stores products according to the products' shelf life and use First-in First-out (FIFO) system to deliver products to customers. Stocks and quality checking are conducted every month to ensure only quality products are delivered to customers. In case that the Company has products that have less than 25 percent shelf life, the following procedure will be taken:

1. For Industrial products, Sales Department will offer a special discount to customers to clear all stock before the product expires.
2. For Consumer Food products, the Company will do special promotions for short shelf life product at point of sale such as Buy 1 Get 1 Free, special discount, premium giveaway and bring products to sell directly to consumers in the special event and road show.

Throughout 30 years of the Company's operation, the Company has never been sued by consumers on the matter of expired products.

Along with the mentioned measurement to guarantee product's quality, the Company implements a 100% provision for obsolete product that has shelf life less than 3 months. In 2014, the Company recorded a loss on expired goods of Baht 3.7 million or 0.3 percent of revenue from sales in 2014, reflecting the effectiveness of product management and the risk of such effect was low during these 3 years.

2. Financial Risk

- **Risk of exchange rates fluctuations**

The main products of the Company are imported from overseas manufacturer. The total imported order was 90.8% of the total purchase value in 2014. The main currency for payment is US Dollar which represented 87.9% percent of total imports in 2014, while the Company domestically sells the products using Thai Baht currency. As a consequence, the Company could be at risk from fluctuations in foreign currency exchange rates. When Thai Baht is weaker than US Dollar, the Company needs to pay more for goods which may affect the Company's cost of goods sold to increase. Meanwhile, if Thai Baht appreciates, it will lower the cost of products that the Company needs to pay.

However, to reduce the risk of foreign exchange rate fluctuations, the Company's financial transactions have been protected by foreign currency forward contracts every time the Company imports foreign goods. This way the Company can determine the cost of goods sold and to protect against fluctuations in exchange rates which will affect the results of operations of the Company. The forward contracts will be in the discretion of the management of the Company and in accordance with the authority level approved by the Board of Directors. Forward exchange contract will help the Company determine the exact cost of goods sold and lower the impact of fluctuations in foreign currency exchange. However, the Company has no policy to speculate on the exchange rate.

During the years 2012 - 2013 the Company recognized a loss on currency exchange of Baht 1.1 million and a gain of Baht 4.59 million respectively. In 2014 the Company recognized a loss on currency exchange of Baht 1.21 million.

- Risk of changes in interest rates

The Company has credit facilities from financial institutions in trust receipts term loan. The Interest rates are Money market rate (MMR). The Company has the mentioned credit facilities as working capital for importing goods. As of December 31, 2014, the total outstanding balance of trust receipts was Baht 24.8 million. Changes in interest rates could impact directly to the financial cost of the Company. An increase in the interest rate may lead to a higher financial cost and result in lower operating profit.

However, the Company had working capital management policy based on the capital structure of the Company. The source of funds was primarily from operating cash flow and equity. The Company has been able to generate positive cash flow from operations during the past 3 years. In 2014, the cash flow from operations was Baht 62.8 million. The Company maintained interest-bearing debt to equity ratio low level at 0.04 times as of December 31, 2014

3. Investment Risk and Shareholders' rights

- Risk of reliance on the Company's management.

The earning of the Company over the past 30 years was a result of the experience and expertise of the Company's key executives in food industry, including Mr. Jane Wongisariyakul, Mrs. Vannaporn Wongisariyakul and Ms. Kanokpan Kreangkraikrissada. The Company's management has good relationships with customers and other partners. At present the mentioned key management team plays an important role in determining the policies and strategies. If the Company losses such key executives, whether by any reason, the Company may face management crisis which will affect the business operations of the Company.

Presently, the Company's management structure is in the form of Executive Committee consist of executives with direct industry experiences responsible in managing and decision making on important matters of the Company's operation. The Company also set out its' policy to bring professional executives with expertise in the industry to participate in the Company. The Board of Directors has delegated its' power to the Executive Committee and top management such as Deputy Managing Directors, and managers. Moreover, the Company place importance on personnel development in all departments and create senses of ownership among employees to grow together with the Company. The Company offers its employees opportunities to make suggestions or propose plans beneficial to the Company as well as empower middle-range managers to be more involved in the management and decision making, which would bring efficient management system to the Company.

General Information

Company Name	Winner Group Enterprise Public Company Limited
Business	Importing, manufacturing and distributing raw material, ingredients and food additives for food industry and various food products to consumers
Head Office	43 Thai CC Tower, 21 st Floor., Room 214-219 , South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Thailand
Registration Number	0107556000256
Telephone	0-2675-6525-31
Fax	0-2675-6544
Website	www.winnergroup.co.th
Registered Capital	100,000,000 Baht Comprising 400,000,000 common shares of 0.25 Baht per share
Paid-up Capital	100,000,000 Baht Comprising 400,000,000 common shares of 0.25 Baht per share
Securities Registrar	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 62 Ratchadapisek Road, Klong Toey District, Bangkok 10110 Telephone 0-2229-2888 (Call Center)
Auditor	Bunchikij Co., Ltd. 87 Modern Town Building 9th Floor, Ekamai Soi3, Sukhumvit 63 Road, Klongton-nua, Wattana, Bangkok 10110 Telephone 0-2382-0414

Securities and Shareholder Information

Registered and Paid-up Capital

The Company's registered and paid-up capital was 100,000,000 Baht consisting of 400,000,000 ordinary shares at the par value of 0.25 Baht.

Shareholders

Shareholders as of August 29, 2014 is as per the following.

Shareholders	Number of Share	Percentage
1. Wongisariyakul Family^{1/}		
1.1 Mr. Jane Wongisariyakul	136,126,700	34.03
1.2 Mrs. Vannaporn Wongisariyakul	35,100,000	8.78
1.3 Miss Kanollas Wongisariyakul	15,600,000	3.90
1.4 Miss Karatrat Wongisariyakul	15,600,000	3.90
Total	202,426,700	50.61
2. Rojchanavisart Family^{1/}		
Mr. Surapat Rojchanavisart	17,100,000	4.28
2.2 Mr. Paveen Rojchanavisart	15,650,000	3.91
2.3 Mr. Wanchai Rojchanavisart	780,000	0.20
2.4 Mr. Thawatchai Rojchanavisart	70,000	0.02
2.5 Mrs. Bonggoch Rojchanavisart	100,000	0.03
2.6 Miss Unchalee Rojchanavisart	100,000	0.03
Total	33,800,000	8.45
3. Miss Pimpatra Supatcharawong	15,900,000	3.98
4. Manatsathit Family^{1/}		
4.1 Mr. Anant Manatsathit	4,640,000	1.16
4.2 Mr. Sathaporn Manatsathit	4,369,900	1.09
4.3 Miss Chuntip Manatsathit	4,640,000	1.16
4.4 Mr. Chakkaphant Manatsathit	4,624,400	1.16
Total	18,274,300	4.57

Shareholders	Number of Share	Percentage
5. Tantanavivat Family ^{1/}		
5.1 Mrs. Wilaiporn Tantanavivat	9,688,800	2.42
5.2 Miss Phawadee Tantanavivat	1,200,000	0.30
5.3 Miss Wiphawee Tantanavivat	1,200,000	0.30
5.4 Miss Innapha Tantanavivat	1,200,000	0.30
Total	13,288,800	3.32
6. Miss Kanokpan Kreangkraikrissada	11,700,000	2.93
7. Mr. Pure Pusayapaibul	7,720,000	1.93
8. Tantanavivat Family ^{1/}		
8.1 Mr. Wiwat Tungpaiboonwanich	3,655,200	0.91
8.2 Mr. Chinvorn Tungpaiboonwanich	1,200,000	0.30
8.3 Miss Chayapas Tungpaiboonwanich	1,200,000	0.30
Total	6,055,200	1.51
9. Limpikirati Family ^{1/}		
9.1 Mr. Jakkrit Limpikirati	2,700,000	0.68
9.2 Miss Sasipa Limpikirati	2,565,200	0.64
Total	5,265,200	1.32
10. Mr. Kanes Sutuntivorakoon	3,588,000	0.90
11. Others	81,981,800	20.48
Grand Total	400,000,000	100.00

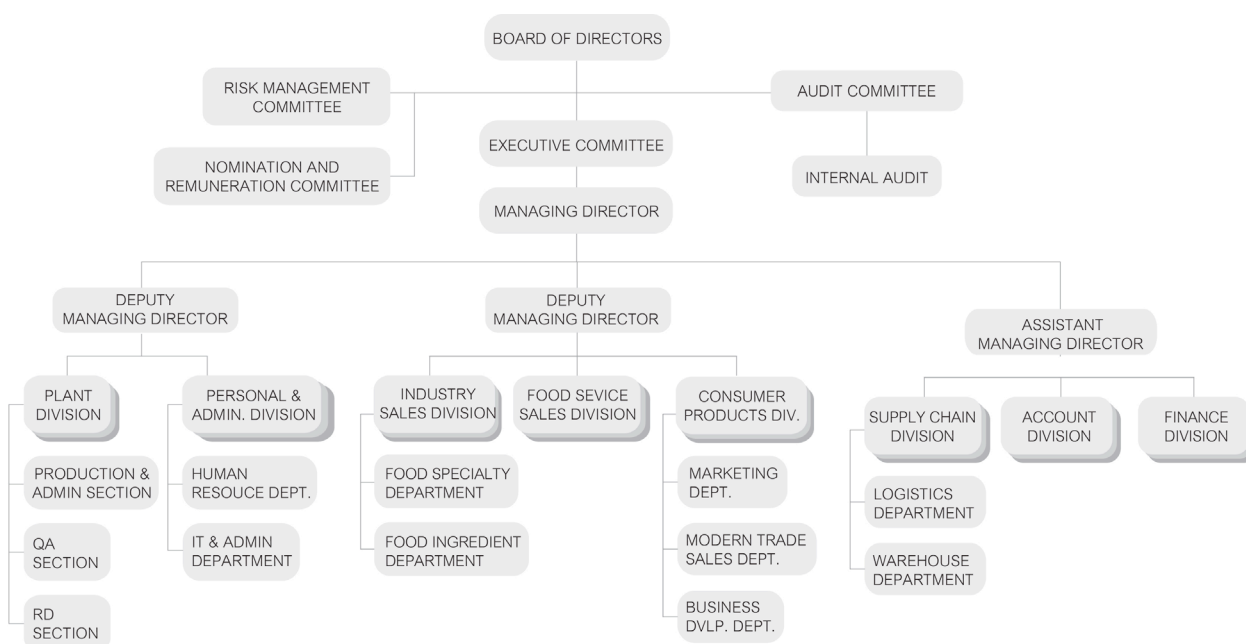
Remark : ^{1/} Shareholders grouped according to the surname of shareholders above does not be counted as shares held by related persons under Section 258 of Securities and Exchange Act.

Dividend Policy

The Company has established a policy to pay dividends to its shareholders not less than 50% of our net profit after deduction of corporate income tax, all reserves subject to applicable laws and other relevant considerations. However, the dividend payout ratio may vary from the rate mentioned which is subject to the necessity to use fund in business operations, expansion plans and other relevant considerations. The annual dividend is subject to the approval of shareholders. Our Board of Directors may decide to pay interim dividend to our shareholders and must be reported to the shareholders in the next meeting of shareholder.

Management Structure

Organization Chart as at January 15, 2015



1. Board and Committees

The Company has 5 committees comprises of Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee.

• Board of Directors

As of December 31, 2014, the Board of Directors comprise of 9 directors. The names and meeting attendance of each member in 2014 were noted as follows:

Name	Type of Director	Position	Meeting Attendance in 2014 ^{1/}
1. Mr. Prakarn Tawisuwan	Independent Director	Chairman of the Board	3/4
2. Mr. Jane Wongisariyakul	Authorized Director Executive Director	Director	4/4
3. Mrs. Vannaporn Wongisariyakul	Authorized Director Executive Director	Director	4/4
4. Ms. Kanokpan Kreangkraikrissada	Authorized Director Executive Director	Director	4/4
5. Ms. Kanollas Wongisariyakul	Authorized Director Executive Director	Director	4/4
6. Mrs. Wilaiporn Tantanavivat	Non-executive Director	Director	4/4

Name	Type of Director	Position	Meeting Attendance in 2014 ^{1/}
7. Mr. Surapat Rojchanavisart	Non-executive Director	Director	4/4
8. Dr. Warunee Varayanond	Independent Director	Director	4/4
9. Ms. Thipawan Uthaisang	Independent Director	Director	4/4

Remark: ^{1/} Show the number of times of attendance/number of meetings.

The following table show number of shares held by all directors and the management during 2013 and 2014. These figures include the number of shares held by spouse, immature children and related parties, according to Section 258 of the Securities and Exchange Act.

Name	Number of Shares Holding as of October 31,2013	Number of Shares Holding as of August 29,2014	Number of Shares Change Increase/ (Decrease)
1. Mr. Prakarn Tawisuwan	-	-	-
2. Mr. Jane Wongisariyakul	135,954,000	136,126,700	172,700
3. Mrs. Vannaporn Wongisariyakul	35,100,000	35,100,000	-
4. Ms. Kanokpan Kreangkraikrissada	11,700,000	11,700,000	-
5. Ms. Kanollas Wongisariyakul	15,600,000	15,600,000	-
6. Mrs. Wilaiporn Tantanavivat	9,688,800	9,688,800	-
7. Mr. Surapat Rojchanavisart	17,100,000	17,100,000	-
8. Dr. Warunee Varayanond	-	-	-
9. Ms. Thipawan Uthaisang	-	-	-
10. Mr. Kritsada Siriroj	-	-	-
11. Mr. Chachrit Srikoa	-	-	-
12. Ms. Wanada Sanari	-	-	-
13. Ms. Suwannee Kongkijakul	-	-	-
14. Ms. Prapasiri Pisitsangkakan	-	-	-
15. Ms. Pornpimon Thanapothivirat ^{1/}	-	-	-

Remark: ^{1/} Ms. Pornpimon Thanapothivirat has been appointed as Consumer Products Manager since January 2015

Directors with signing authority on behalf of the Company

Two of four from Mr. Jane Wongisariyakul or Mrs. Vannaporn Wongisariyakul or Ms. Kanokpan Kreangkraikrissada or Ms. Kanollas Wongisariyakul have to co-sign company document with a company's seal.

- **The Board of Directors**

The Board of Director is responsible for supervising the conduct of the Company affairs and has authority to decide and oversee the operations of the Company in accordance to the Company's Memorandum of Association, except for the following matters that the Board of Directors will need to seek approval from shareholders before proceeding (1) any matters required by law requires to seek a shareholder meeting resolutions. (2) action regarding related transactions that is worth more than Baht 20 million or 3 percent of the value net tangible assets (3) the purchase or sale of assets with a value greater than or equal to 50 percent of the total assets of the Company.

The resolution of the Board of Directors' meeting No. 4/ 2014 on November 11, 2014 determined the scope of authority of the Board of Directors as follows

Authorities and responsibilities of the Chairman of the Board of Directors

1. To act as the chief of the Board of Directors having duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other sub-committees to achieve the business objective and plans;
2. To act as the chairman at the meeting of the Board of Directors and to cast the vote in case of equality of votes;
3. To act as the chairman at the shareholders meetings and conduct the meeting according to the
4. Strengthen corporate governance of the Board of Directors.

Authorities and responsibilities of the Board of Directors

1. To have power and duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives and Articles of Association, and the resolutions of the general meeting of shareholders by the philosophy of "Best Practices for Directors of Listed Companies" according to The Stock Exchange of Thailand (SET).
2. To arrange to have a balance sheet and income statement of the Company as at the end of the accounting period of the company and shall be audited by the auditor and present to the shareholders for approval.
3. To set vision, mission, goals, policies, operations plan, budgets and policies for risk management, adequate system of internal control including review and amend as appropriate at least once every 5 years.

4. To monitor and supervise administration and management of the executive to comply with the set policies, plans and budget efficiently and effectively including fixing remuneration and reviewing the succession plan.
5. To oversee the Company to be in Compliance with the law regarding securities and SET, the Notification of the Capital Market, and the requirements of SET such as related transaction and the acquisition or disposition of significant assets or the laws relating to the business of the Company
6. To determine the management structure and use power to appoint the Executive Committee, Managing Director and other committees as appropriate, including defining the scope of authority of the Executive Committee, managing director and various committees appointed. The scope of authority shall not authorize the manner of the Executive Committee, Managing Director and various committees to be able to approve transactions that may have conflict of interests between the Company and other companies or subsidiaries (if any), unless the approval is in accordance with the policies and guidelines and approved by the Board.
7. To Prepare an annual report of the board and responsible for the preparation and disclosure of financial statements to reflect the financial position and results of operations of the past year and presented to the shareholders for approval.
8. The Board may authorize one director or more or any other person(s) to act as the Board under the control of the Board of Directors or may delegate to such person to have authority as the Board deems appropriate within the time period under the Board's discretion. The Board may revoke, change or modify the authorization when see appropriate. However, the authorization shall not possess to make such individuals to be able to approve the transaction that the person or other may have conflict or interest and personal gain or may have a conflict of interest in any other way with the Company or its subsidiaries (if any) as defined in the Regulations of the Capital Market and/or SET and/or any announcement of the entities involved unless the approval is in accordance with the policies and guidelines and approved by the Board.
9. To appoint a company secretary to be responsible for various matters on behalf of the Company or the Directors, such as the register of directors, notice of the Board of Directors Meeting, notice of the Shareholders Meeting.

• **Executive Committee**

As of December 31, 2014 the Executive Committee consists of 4 directors. The names and meeting attendance of each member in 2014 were noted as follows:

Name	Position	Meeting Attendance in 2014 ^{1/}
1. Mr. Jane Wongisariyakul	Chairman	10/10
2. Mrs. Vannaporn Wongisariyakul	Member	10/10
3. Ms. Kanokpan Kreangkraikrissada	Member	10/10
4. Ms. Kanollas Wongisariyakul	Member	10/10

Remark: ^{1/} Show the number of times of attendance/number of meetings.

Authorities and responsibilities of the Executive Committee

Approved by the Board of Directors Meeting No. 4/2014 on November 11, 2014 the authorities and responsibilities of the executive committee are as follows:

1. To run the business and affairs of the Company according to the objectives, articles of association, policies, rules and regulations, orders and resolutions of the Board of Directors and/or resolutions of the shareholders of the Company.
2. To consider proposals of the management, set organizational structure, policy, direction, strategy of business operations of the Company, expansion plan, financial and budget plan, human resource management and Information Technology investment to present to the Board of Directors for consideration and approval.
3. To appoint a subcommittee and/or a working group to be responsible for the operation or management of the Company, and determine the scope of the authority and responsibilities of the subcommittee, and/or working group including supervising the operation of the subcommittee, and/or the appointed working group according to the Company's policies and targets.
4. To monitor the performance of the Company to be in accordance with the Board's policy and targets defined and supervise the implementation of quality and performance
5. To consider the allocation of the annual budget proposed by the administration prior to presentation to the Board for consideration and approval.
6. To have the power to approve the cost of normal business operations of the Company. Each item shall not exceed Baht 40 million, but less than the budget approved by the Board of Directors. To approve major capital expenditures defined in the annual budget according to the Board of Directors or by the Board of Directors has been approved in principle.

7. To have the power to approve any acquisition of credit or loan of the Company, each item shall not exceed Baht 40 million and in case it needs the property of the Company as collateral, it shall be presented for approval by the Board of Directors.

8. To consider contract processing and signing related to the normal business operations of the Company. Each item shall not exceed Baht 40 million, but less than the budget approved by the Board.

9. To determine the organizational structure, the Corporate Management including appointment, hiring, assignment, transferring, employment termination, compensation and remuneration, bonuses for executive staff from the Managing Director or equivalent, except for the Managing Director.

10. To have power to authorize an attorney (s) for an operation under the control of the Executive Committee, or delegate to such persons to be authorized by the Board of Directors deems appropriate within the time period the Executive Committee deems appropriate. The Executive Committee may revoke or amend the attorney or the authorization as see appropriate.

11. To carry out any operations according to the assignment from the Board of Directors from time to time.

Nevertheless, the delegation of the authorization and responsibilities of the Executive Board shall not appear to be the authorization or the Sub-authorization to an attorney that may have conflict of interests or gain with the Company and/or its subsidiaries and/or related companies (As defined by the Notification of the Capital Market and/or related organization). The Executive Committee has no power to authorize such action on the matter and it has to be submitted to the Board of Directors and/or shareholders' Meeting (as applicable) for approval. Unless the approval is in accordance with normal business and normal commercial terms which is required by the Capital Market Supervisory Board and or SET and /or the relevant organizations.

• Audit Committee

As of December 31, 2014, the Audit Committee consists of 3 directors. The names and meeting attendance of each member in 2014 were noted as follows:

Name	Position	Meeting Attendance in 2014 ^{3/}
1. Mr. Prakarn Tawisuwan	Chairman	3/4
2. Dr. Warunee Varanyanond	Member	4/4
3. Thipawan Uthaisang ^{1/}	Member	4/4

Miss Piyamas Ruangsaengrob^{2/} acts as the Secretary of the Audit Committee.

Remark : ^{1/}Ms. Thipawan Uthaisang is an Audit Committee Member with sufficient knowledge and experience to serve on the review of the reliability of the financial statements.

^{2/}She is from a third party, Honor Audit and Advisory Co., Ltd. hired by the Company to serve as Secretary of the Audit Committee.

^{3/}Show the number of times of attendance/number of meetings.

Authorities and responsibilities of the Audit Committee

Approved by the Board of Directors Meeting No. 4/2014 on November 11, 2014 the authorities and responsibilities of the audit committee are as follows:

1. To review financial reports to ensure the accuracy, completeness and reliability including the disclosure of adequate information by coordinating with the external auditors and the executives responsible for the preparation of financial reports quarterly and annual, and disclose information related to the Company sufficiently before submission to the Board of Directors.
2. To review internal control system and internal audit system of the Company to be appropriate and effective, and consider the independence of the internal audit department. As well as to approve the appointment, transfer or dismissal of the chief internal audit unit or any other agency responsible for internal audit, and may suggest the auditor to review or examine any items that are necessary and important during the audit of the Company, and may suggest about how to improve the system of internal control if see important and necessary to the Board of Directors by coordinating with external auditors and head of internal audit or the third party audit company.
3. To ensure legal compliance with the regulations of SEC or SET includes policies, regulations and other laws relating to the Company's business.
4. To consider, select and nominate an independent person to act as auditor of the Company, including the remuneration of the auditors of the Company to propose to the shareholders' meeting for approval. As well as coordinate with the auditors about the purpose of performing audit scope, approach, plans and problems found during the inspection and issue that an auditor may see important, and attend meetings with the external auditors without management in attendance with at least 1 time per year.
5. To consider the disclosure of the Company in case of any transaction or items may have a conflict of interest, to have accurate and complete information in accordance with the laws and regulations of SET including the disclosure of the transaction correctly in order to ensure that they are reasonable and beneficial to the Company.
6. To ensure the Company to have appropriate and efficient risk management system.
7. To reports the performance of the Audit Committee to the Board of Directors at least 4 times a year.
8. To perform duties, the Audit Committee has the authority to request related management or employees of the Company to comments or send documents as relevant or necessary.
9. To have the power or authority to hire independent consultants of the Company to make comments or give advice as necessary.

10. To prepare a report on the Corporate Governance by the Audit Committee and disclose in the annual report of the Company. Such report must be signed by the Chairman of the Audit Committee and must contain at least the following:
 - Comments on the accuracy, completeness and reliability of the financial reports of the Company
 - Comments on the adequacy of internal controls of the Company
 - Comments on compliance with SEC, regulations of SET or any other laws relating to the business of the Company
 - Comments on the suitability of an auditor
 - Comment on the transactions that may have conflict of interests
 - Comments on number of meetings of the Audit Committee and attendance of each Audit Committee member
 - Comments or overall remarks overall that the Audit Committee has performed its duties under the Charter
 - Other items that Shareholders and investors should be notified under the scope of duties and responsibilities assigned by the Board of Directors.
11. To self-evaluate the performance and report the assessment results and operational problems that could cause the operation not to achieve the purpose of the establishment of the Audit Committee to the Board of Directors every year.
12. To perform other tasks as assigned within the scope of duties and responsibilities of the Audit Committee. In order to perform such duties, the Audit Committee is directly responsible to the Board of Directors. And the Board of Directors continues to have responsibility for the operations of the Company to outside parties.
13. When the Audit Committee performs their duties, if there are any questions of transactions or actions that may have significant impact on the financial position and results of operations of the Company, the Audit Committee shall report to the Board of Directors of the Company for rectification within the period the Audit Committee deems appropriate. The transactions or actions that may have significant impact are as follows:
 - Items of a conflict of interest.
 - Fraud or irregularity or significant deficiencies in internal control system.
 - Violation of the regulations of SEC and SET or The laws relating to the business of the Company.
14. If the Board of Directors or management fails to make a rectification within the period above, any member of the Audit Committee may report such transaction or action to SEC or SET.

Qualifications of independent director

The independent directors are individuals who are qualified in accordance with the Notification of the Capital Market Supervisory Board and related SET's announcements, as follows;

1. Holding less than 1.0 percent of the total shares with voting rights of the Company, parent company, subsidiaries, associates, major shareholders, or controlling person of the Company, including the shares held by related persons of the independent director as well.
2. Not being or not having been a director, officer, employee, part-time employee, consultant that receives a salary or controlling person of the Company, parent company, subsidiaries, affiliate, subsidiaries in same tier, major shareholders or controlling person of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
3. Not being a person who has a relation by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of the children of directors, executives, major shareholders, Control authority or persons to be nominated as executive or controlling person of the Company or its subsidiaries.
4. Not having or not having had a business relationship with the Company, Parent company, subsidiaries or associated companies, Major shareholders or controlling person of the Company in a manner that might interfere with his independent judgment. Not being or having been a shareholder or authority having control of the business relationship with the Company, parent company, subsidiaries, affiliates, shareholders or controlling person of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
5. Not being or not having been an auditor of the Company, parent company, subsidiaries, associates, major shareholders or controlling person of the Company and not as a significant shareholder, control authority or partner of the audit company which is the auditor of the Company, parent company, subsidiaries, associates, major shareholders or authorized under the control of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
6. Not being or not having been a provider of any professional includes serving as legal counsel or financial advisor which has been paid more than 2 million Baht per year from the Company, parent company, subsidiaries, associates, major shareholders or controlling person of the Company, and not as a significant shareholder, control authority or partner of such professional services, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.

7. Not being a director who has been appointed as a representative of the Board, Major shareholders or shareholders who are related to the major shareholders of the Company.
8. Not having or not having had a business with the same nature and in competition to the business of the Company, subsidiaries or not be a partner in a partnership company or director, employee, advisor who receives a regular salary or holds more than 1 percent of the total shares with voting rights of another company which has the same nature and in competition to the business of the Company or its subsidiaries.
9. Not having any other characteristic which make him/her incapable of expressing independent opinions, such as business partners, creditors and suppliers, etc. that may cause any conflict of interest.
10. Having Knowledge and understanding of the nature of business of the Company as well as the knowledge that is beneficial to the business operations of the Company.
11. Independent directors shall report to the Board of Directors immediately if see any incidents that might make them ineligible to independence as independent directors.
12. The Independent Director shall serve for a term of not exceeding 9 years.
13. The Independent Director should not hold directorship in other listed companies more than 5 listed companies.

After an independent director has been appointed in accordance with the characteristics mentioned above, the independent director may be assigned by the Board of Directors to determine on the operation of the Company, its subsidiaries, affiliates, subsidiaries in same tier, major shareholders or controlling person of the Company. The decision shall be made in the form of collective decision.

The Risk Management Committee

As of December 31, 2014, the Risk Management Committee comprise of 5 directors. The names and meeting attendance of each member in 2014 were noted as follows:

Name	Position	Meeting Attendance in 2014 ^{1/}
1. Mr. Jane Wongisariyakul	Chairman	4/4
2. Mrs. Vannaporn Wongisariyakul	Member	4/4
3. Ms. Kanokpan Kreangkraikrissada	Member	4/4
4. Ms. Kanollas Wongisariyakul	Member	4/4
5. Ms. Prapasiri Pisitsangkakan	Member	4/4

Remark: ^{1/} Show the number of times of attendance/number of meetings.

Authorities and Responsibilities of the Risk Management Committee

The resolution of the Meeting of the Board of Directors No. 4/ 2014 on November 11, 2014 determines the scope of authority of the Risk Management Committee as follows.

1. To assess any potential risks and effects trends to have on the organization.
2. To determine risk management policies to cover any risks in administration to present to the Board of Directors.
3. To have the power to appoint a risk management team as necessary.
4. To monitor the implementation of risk management as well as analyze, evaluate, track and report systematically.
5. To report risks and suggestions for risks managing to the Board of Directors.
6. To perform other duties assigned by the Board of Directors from time to time.

The Nomination and Remuneration Committee

As of December 31, 2014, the Nomination and Remuneration Committee comprise of 3 directors. The names and meeting attendance of each member in 2014 were noted as follows:

Name	Position	Meeting Attendance in 2014 ^{1/}
1. Ms. Thipawan Uthaisang	Chairman	1/1
2. Dr. Warunee Varanyanond	Member	1/1
3. Mrs. Wilaiporn Tantanavivat	Member	1/1

Remark: ^{1/} Show the number of times of attendance/number of meetings.

Authorities and responsibilities of the Nomination and Remuneration Committee

The resolution of the Board of Directors' Meeting No. 4/2014 on November 11, 2014 defining the scope of authority of the Nomination and Remuneration Committee are as follows.

Nomination

1. Setting guidelines of nominating Board of Directors and other Committee members by considering what would be the appropriate structure, number and composition of members and outlining recruitment method as appropriate
2. Searching, selecting and proposing appropriate persons to assume the position of the Company's Directors, Executive Directors, Senior Executive of the Company and its subsidiaries.
3. Scrutinizing the name list of nominators and checking personal information and qualifications of the nominators according to the laws and the regulations of the organization the nominator is from and present to the Board for consideration.

4. Approaching and interviewing the nominators who are selected by the Board of Directors to ensure that such individuals are willing to accept the position.
5. Considering the performance, qualifications and suitability of directors who retired as the term has ended and deserves the re-election and present to the Board of Directors to consider the approval, and present at a meeting of shareholders to appoint for the re-election as Directors.
6. Considering the appropriateness to be directors of the company in case there are any changes associated with the qualifications of Directors.
7. Providing orientation for new directors and develop knowledge to current directors.
8. Planning for succession of senior management.
9. Performing other duties assigned by the Board of Directors.

Remuneration

1. Formulating and preparing of the remuneration policy in written format.
2. Proposing guidelines and procedures for the payment of remuneration to the Board of Directors and other sub-committees in which the Board of Directors appointed.
3. Approving compensation form, criteria and the value of compensation for both salary and other benefits paid to Directors, Executive Committee, senior management and consultants for Executive level of the Company and its subsidiaries individually.
4. Defining criteria for evaluation of the Managing Director and presenting to the Board for consideration and approval.

Composition of the Nomination and Remuneration Committee

1. The Nomination Committee and Remuneration Committee ("The Committee") is appointed by the Board of Directors, consisting of not less than 3 members and more than ½ of the members are independent directors.
2. Chairman of the Nomination and Remuneration Committee should be independent directors by which the Board of Directors appointed. The Chairman of the Board of Directors shall approve the agenda and conduct the meeting.
3. The Secretary of the Committee shall be appointed by the Committee.

2. Management

As of December 31, 2014, the management comprises of 9 members as follows:

Name	Position
1. Mr. Jane Wongisariyakul	Managing Director
2. Mrs. Vannaporn Wongisariyakul	Deputy Managing Director
3. Ms. Kanokpan Kreangkraikrissada	Deputy Managing Director
4. Ms. Kanollas Wongisariyakul	Assistant Managing Director
5. Mr. Krissada Sirojana	Personnel & Admin. Manager
6. Mr. Chakrit Srikao	Plant Manager
7. Ms. Wanida San-Aree	Industry Sales Manager
8. Ms. Suwannee Kongkitkul	Food Service Sales Manager
9. Ms. Prapasiri Pisitsangkakan	Accounting Manager
10. Ms. Pornpimon Thanapothivirat ^{1/}	Consumer Product Manager

Remark: ^{1/}Ms. Pornpimon Thanapothivirat has been appointed as Consumer Product Manager since January 2015

Authorities and responsibilities of the Managing Director

The resolutions of the Board of Directors Meeting No. 4/ 2014 on November 11, 2014 determine the scope of authority of the Managing Director as follows.

1. Taking care, managing, and operating normal business operations for the benefit of the Company according to its objectives and articles of association including regulations, resolutions, policies, plans and budgets approved by the Board of Directors and/or the general meeting of shareholders under related laws and the authority assigned by the Board of Directors.
2. Supervising the operations and/or daily administration of the Company.
3. Preparing and presenting business policy, business plans, goals, operational plans, business strategy, annual budget, and annual report and setting the management authority to present to the Executive Committee and the Board of Directors of the Company.
4. Adopting the policies of the Board of Directors to determine the direction, methods, strategies and business goals to define the core mission for management to implement.
5. Monitoring the implementation of the management and offer guidance to fix their problems for the management and operations team to implement according to strategic and business plans in order to comply with company policy.

6. Monitoring the implementation of the management and offer guidance to fix their problems for the management and operations team to implement according to strategic and business plans in order to comply with company policy.
7. Having the authority to approve the cost of the Company's normal business operations, such as purchasing a property, spending an important investment for the benefit of the Company, and processing another transaction for the benefit of the Company. The approval authority is the approval of normal trade. The total amount of each transaction shall not exceed Baht 20 million but not more than the budget approved by the Board.
8. Considering contract signing on normal business operations of the Company. Each transaction shall not exceed Baht 20 million but not more than the budget approved by the Board of Directors.
9. Performing other duties as assigned by the Executive Committee or Board of Directors.

For any action that the Managing Director or appointee of the Managing Director or individuals who may have a conflict (As defined by the Notification of the Capital Market and/or SET and/or associated entities) or have interest or a conflict of interest with the Company and/or its subsidiaries and/or related company, The Managing Director has no authority to act in the matter. The matter will be submitted to the meeting of the Board of Directors and/or shareholder (as applicable) for approval, unless the approval is in accordance with normal business and normal commercial terms which are required by the Capital Market Supervisory Board and/or SET and/or the relevant regulations.

3. Company Secretary

The Board of Directors has appointed Ms. Sudang Eksuwan as the Company Secretary since February 26, 2014. The qualification of the position of Company Secretary is in Enclosure 1 of Form 56-1.

Duties and responsibilities of company secretary

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

1. Preparing and keeping the following documents of the Company:
 - a. Register of the Company's directors
 - b. Meeting notification letter and minutes of the Board of Directors meeting including annual reports
 - c. Meeting notification letter and minutes of the shareholders meeting.

2. Keep reports on stake holding submitted by directors or executives according to section 89/14 and submit to the chairman of the board and chairman of Audit Committee within 7 working days from the date receiving such report by the Company.
3. Perform other duties as specified by the Capital Markets Supervisory Board. Additionally, the company secretary has duties assigned by the Company (or the board) as follows:
 - Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees.
 - Organize the meetings of Shareholders, the Board of Directors.
 - Liaise with regulatory agencies such as the Stock Exchange of Thailand and be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws.
 - Arrange new director orientation.
 - Perform other duties as assigned by the Company.

4. Remuneration of Directors and Executives

1. Monetary remuneration

The Nomination and Remuneration Committee has considered the remuneration of directors and sub-committees to ensure that it is commensurate with each member's responsibility and aligned with the same industry and companies of a similar size. The remuneration of directors and sub-committees shall be proposed the Shareholders to consider and approve every year.

The Company has not paid any remuneration in 2012. For the year 2013, the Company has paid remuneration to 5 directors as the meeting attendance allowance for the total amount of Baht 382,500. In 2014, the Company has paid remuneration to Directors and sub-committees with a total amount of Baht 1,006,000 to non-executive directors only (exclude remuneration of executive directors in the form of salary), which is not exceeding Baht 2,000,000 as per approval by the Annual General Meeting of Shareholder 2014 comprise of annual remuneration and meeting allowance as per the following details:

Details of remuneration of directors and sub-committees

Description	Monetary Remuneration (Baht)	
	Annual Remuneration (Baht/person)	Meeting Allowance (Baht/person/attendance)
Board of Directors		
- Chairman	-	15,000
- Executive Director	-	-
- Non-executive Director	-	7,500
- Independent Director	-	7,500
Audit Committee		
- Chairman	150,000	15,000
- Member	100,000	12,000
Nomination and Remuneration Committee		
- Chairman	-	10,000
- Member	-	7,500

The Remuneration of the Company's Directors in 2014 are as follows:

Name	Position	Remuneration (Baht)					
		Year 2014					
		BOD ^{/1}	Excom ^{/1}	AC ^{/1}	RMC ^{/1}	NRC ^{/1}	Total
1. Mr. Prakarn Tawisuwan	Chairman of the Board/ Chairman of Audit Committee	82,500	-	300,000	-	-	382,500-
2. Mr. Jane Wongisariyakul	Director / Executive Committee Chairman / Risk Management Committee Chairman	-	-	-	-	-	-
3. Mrs. Vannaporn Wongisariyakul	Director / Executive Committee Member / Risk Management Committee Member	-	-	-	-	-	-
4. Ms. Kanokpan Kreangkraikrissada	Director / Executive Committee Member / Risk Management Committee Member	-	-	-	-	-	-
5. Ms. Kanollas Wongisariyakul	Director / Executive Committee Member / Risk Management Committee Member	-	-	-	-	-	-
6. Mrs. Wilaiporn Tantanavivat	Director /Nomination and Remuneration Committee Member	27,500	-	-	-	5,000	32,500

Name	Position	Remuneration (Baht)					
		Year 2014					
		BOD ^{1/}	Excom ^{1/}	AC ^{1/}	RMC ^{1/}	NRC ^{1/}	Total
7. Mr. Surapat Rojchanavisart	Director	27,500	-	-	-	-	27,500
8. Dr. Warunee Varayanond	Director / Audit Committee Member /Nomination and Remuneration Committee Member	75,500	-	200,000	-	5,000	280,500
9. Ms. Thipawan Uthaisang	Director / Audit Committee Member /Nomination and Remuneration Committee Chairman	75,500	-	200,000	-	7,500	283,000
10. Ms. Prapasiri Pisitsangkakan	RMC Member	-	-	-	-	-	-
Total		288,500	-	700,000	-	17,500	1,006,000

Remark: ^{1/} BOD refers to Board of Directors

Excom refers to Executive Committee

AC refers to Audit Committee

RMC refers to Risk Management Committee

NRC refers to Nomination and Remuneration Committee

In 2012, 2013 and 2014, the Company has paid remuneration to 10 Directors and Executives with a total amount of Baht 31.1 million, Baht 26.8 million and Baht 18.8 million respectively. Such remuneration was paid as compensation in the form of salary, bonus and incentive.

2. Other remuneration

Other remuneration of directors

- None -

Other remuneration of executives

Executives can attend provident fund that Winners Group Enterprise Public Company Limited established. The Company shall contributed 3-5 percent of salaries of executives into the fund, and the executive shall pay contributions into a fund at the rate of 3-5 percent of the salary of the individual executive. Additionally, the Company offers other benefits to management positions, such as Social Security Fund, vehicles, budget for gas fee and the cost of travel, life insurance premium and phone fee, etc.

5. Personnel and training

- Number of employees (excluding executives).

As of December 31, 2012 to 2014, the Company deployed a total of 248 persons, 273 persons and 261 persons respectively. The deployment can be defined as follows.

Division	Number of employees		
	As of December 31, 2012	As of December 31, 2013	As of December 31, 2014
Factory	83	82	71
HR and Administration	11	13	13
Industrial Sales	9	10	11
Food Services Sales	12	16	17
Consumer Products	53	54	60
Supply Chain	48	49	53
Accounting	9	10	11
Finance	7	9	10
Business Development	16	28	15
Total	248	273	261

- Major labor disputes in the past 3 years

- No major labor disputes in the past 3 years -

6. Personnel compensation

1. Total compensation of employees

In 2012, 2013 and 2014, the Company has paid compensation to employees in many ways including salaries, bonuses, overtime pay and other remuneration totaling Baht 69.6 million, Baht 77.4 million and Baht 87.8 million respectively.

2. Provident fund

The Company has set up the provident fund according to the Provident Fund Act 1987 (including the amendment) in which the Company paid 3-5% of the salaries of the employees who contribute to the provident fund and the employees pay the contributions of 3-5% of each employee's salary starting from April 1, 2006.

3. Personnel Development Policy

Winner Group Enterprise PLC recognizes that efficient workforce is a key factor to the success of the organization according to the goals of the company that focuses on the development of human resources which are important resources of the Company. The Company has decided to promote the continuous development of human resources for employees with knowledge, expertise and the increased ability to work, so the employees can maintain and improve their ability to develop the necessary capabilities to create a higher level of performance continuously. To support employees to be most efficient, the Company has been planning the annual training and field trips (both domestic and international trip) to employees as necessary and appropriate to enhance job skills to meet the responsibility of the each employee level. The Company added extra curriculum to maximize the potential of personnel. The managers of each division shall propose the training plans and budgets to the responsible executives of line of command which should be higher than Deputy Managing Director. The training that the Company prepares for the employee shall focus on developing the personnel performance effectively and helps encourage employees to have advance opportunity for their careers and continuously grow with the organization in the future.

Good Corporate Governance

The Company, through its directors, executives, and staff, commits and adheres to good corporate governance principles in operating the Company, and regards good corporate governance principles as an important factor in promoting the overall success of the Company as a social responsibility organization.

1. Good Corporate Governance Policy

The Board of Directors has adopted the good corporate governance policy since 2012 and reviews the policy and practice annually. In 2014, the Board of Directors revised the policy to comply with the “Principles of Good Corporate Governance for Listed Companies (2012)” by the Stock Exchange of Thailand and criteria of the Thai Institute of Directors Survey.

The Policy on Corporate Governance, which was approved by the Board of Directors' meeting No. 4/2557 held on November 11, 2014 can be summarized as follows:

Chapter 1 Good corporate governance policy

Section 1 Rights and equitable treatment of shareholders

Section 2 The role of stakeholders

Section 3 Disclosure and transparency

Section 4 The responsibility of the Board of Directors

Chapter 2 Business ethics and code of conduct

1. Business ethics

2. Code of conduct for directors, executives and consultants

3. Code of conduct for employees

The policy is published and can be downloaded from our website: www.winnergroup.co.th

The policy has been communicated to directors, executives and employees to create awareness of good corporate governance principle and practice. The Board of Directors has also introduced report channels to receive complaints in case of any violation of the laws, regulations, code of conduct and practices of the Company including protective measure for the whistleblower (Whistleblower Policy). In 2014 the Company has implemented and complied with the policy as follows:

Section 1 Rights and equitable treatment of shareholders

- ✓ There was no action taken that may deprive the rights of shareholders either majority and minority shareholders or both Thai and foreign shareholders.
- ✓ The Company complied with the policy on promoting and facilitating the exercise of shareholders' rights as follows:

Before the meeting date

- The Company allowed the shareholders to propose meeting agenda in advance before the annual general meeting specifying the clear rules and procedures disclosed on the website of the Company and notifying to the Stock Exchange of Thailand from February 4-7, 2014 but none of the agenda was proposed by a shareholder.
- The Company disclosed notice of the Shareholders' Meeting and related documents onto the Company's website 32 days prior to the meeting date and delivered the notification to the shareholders 14 days prior to the meeting date.
- The invitation letter and meeting agenda contain sufficient details.

On the meeting date

- For the convenience of the shareholders, the Annual General Meeting of Shareholders 1/2014 held on Wednesday, April 23, 2014 during 14.00 – 15.30 hours at Lotus Room, Queen Sirikit National Convention Center. The Company also provided adequate staff and technology.
- At the beginning of the meeting, the Company explained rules of procedure for the meeting as well as voting process. The registration and vote counting was made by barcode system using ballot tickets in all agenda items. For the appointment of directors, the shareholders can cast their votes for any particular director or for all directors proposed. There were representatives from Bunchikij Company Limited and Well-Versed Law Office Limited attended as independent inspectors who observed vote counting, which were announced to the meeting and recorded in the minutes of the meeting.
- The Company conducted the meeting by each agenda in order as notified in the notice of the meeting without any additional agenda.
- The Company allowed shareholders to appoint an independent director or a person as proxy for the meeting and there were 69 proxies attended the meeting.

After the meeting

- The Company disclosed the resolution of the shareholders with voting results in the morning on April 24, 2014 by informing to the Stock Exchange of Thailand and disclosed onto the Company's website.
- The minutes of the meeting recorded complete information were prepared within 14 days from the meeting date and submitted to the relevant authorities within a time limited and published on the Company's website, to allow shareholder and persons involved to examine.

- ✓ The Company established and adhered to policies protecting shareholders interest in this section such as policy on inside information, policy on conflicts of interest, police on related party transaction, internal control and internal audit. There was no action taken that may violate or not comply with to law and the policies.

Section 2 The role of stakeholders

- ✓ The Board of Directors gives importance to the rights of all stakeholders which are covered by law and under the provision of the agreement such as shareholders, customers, business partners, creditors, competitors, employees, communities, societies and government. The board of directors has adopted code of conduct toward all stakeholder groups, guidelines related environmental quality standards, anti-corruption, uninvolved in intellectual property breach or human rights violation based on fairness and equality as described in the code of conduct which is a part of the corporate governance policy approved by the Board of Directors. The policy is communicated to everyone for acknowledgement and to be complied with. Disciplinary action can range from a verbal warning through legal proceedings. The implementation in 2014 can be summarize as follows:

Treatment of shareholders

All shareholders are fairly and equally treated. The Company operates a business with due regard to the interests of shareholders as a whole and discloses accurate and completed information in a timely manner. The policy and guidelines for implementation on treatment of shareholders are as follows:

- All staff shall have the duty to maintain the Company's intellectual property works and shall not use or allow any third parties to use the Company's intellectual property without permission.
- Prohibit from any act that may cause a conflict of interest.
- Prohibit from misuse of position, inside information for the personal benefit of oneself or one's related persons.

Treatment of customers

The Company conducts a customer satisfaction survey on product and services annually to use as a tool to get feedbacks to improve business operation and response to customers more effectively. The Company created an open channel through the website as another way to communicate with customers, apart from sales and marketing team that work closely with their customers. The policy and guidelines for implementation on treatment of customers are as follows:

- Comply with the terms and conditions regarding customers fairly. In case the Company cannot compliance with the terms and conditions, the Company must immediately notify the customer to mutually search for solutions and prevent any damage.

- Satisfying our customers and providing quality service and standards, seeking ways to meet customer needs effectively and efficiently.
- Revealing news and information of products and services so they are correct and completed.
- Allowing customers to complain about the imperfections of goods and services and offer a prompt response to rectify the situation.
- Treating customers fairly for their products and services without any discrimination.
- Prohibiting the disclosure of customers' information that the Company has known in which under normal business circumstance the information shall usually be reserved, unless the disclosure as required by law.
- Not asking for, accepting or offering any benefits which are dishonest with customers.

Treatment of trade partners

The Company always treats trade partners equally based on mutual benefits and that there was no dispute or trade conflict occurred during the past year. Trade partner assessments were conducted equitably according to criteria set in advance both for new trade partners and for annual assessment. The policy and guidelines for implementation on treatment of trade partners are as follows:

- Comply with the terms and conditions set out in supplier agreements. In the event that the Company is not able to comply with a condition, the Company must inform the supplier in advance in order to mutually search for solutions and prevent any damage.
- Procurement process must be conducted transparently to prevent disloyalty at every stage.
- Treat partners equally and on the basis of obtaining a fair return to both parties.
- Prohibit from asking for, accepting or offering any benefits which are dishonest with trade partners

Treatment of creditors

The Company conducts business with integrity and complies with contractual obligation to create creditability for creditors. For this reason, the Company does not have any legal disputes with its creditors during the past year. During 2014, the Company made some repayment of trust receipt, trade creditors and other creditors amounting to Baht 94 million and Baht 8 million respectively. The policy and guidelines for implementation on treatment of creditors are as follows:

- Strictly comply with the terms and conditions set out in creditor agreements, such as condition of guarantee, quality of the mortgage securities, money management, and financial ratios etc. Prohibit from misuse the loans for other purposes other than what have been stipulated in the loan agreements and notify the creditors in advance should the Company fail to comply with the loan terms in order to acquire solutions.

- Maintain financial status and debt repayment ability to build confidence among creditors.
- Regularly report the accurate Company's financial status to the creditors.

Treatment of competitors

The Company operates in a spirit of free and fair competition consequently; the Company does not have any legal issues with its competitors. The policy and guidelines for implementation on treatment of competitors are as follows:

- Practicing under the rules of fair competition.
- Prohibit from seeking confidential information of the competitors in dishonest or inappropriate ways.
- Prohibit from destroying the reputation of competitors by a false accusation with no basis in fact.

Treatment of employees

The Company has set key performance indicators (KPIs) on the treatment of employees in terms of legal compliance and development. In 2014, there were no complaints from employees or violations of laws and related regulations. In addition, the Company provides 96 training courses to its employee and the average hours of training per year per employee were 13.67 hours.

The Company established clear policies regarding compensation and welfare of employee such as wages, salary, bonus, social security, provident fund, uniform, which will take in to consideration of labor laws, labor market information, duties and responsibilities, performance evaluation etc. The policy and guidelines for implementation on treatment of employees are as follows:

- Strictly comply with employment-related laws, rules and regulations.
- Provide employees a suitable compensation, welfare and other benefits such as salary, overtime payment, social security fund etc. for their knowledge, capability, and responsibility together with performance of individuals and operating results of the company both short term and long term.
- Treat all employees with kindness and fair both appointment and removal. Employees are given reward or imposed penalty equality and honestly.
- Maintain the working environment consistently in such conditions so as not to pose any danger to life and health or cause any bodily harm or damage the property of employees.
- Promote participation of employees in determining the direction of work and solving problems of the Company.
- Treat all employees with politeness and respect their human dignity.
- Give importance to employees through continuous development to enhance their work performance and career advancement, which includes training both internal and external, seminar, workshop and activities to promote understanding of code of conduct.

Treatment of community, society and government

The Company recognized and tried to instill social consciousness among employees through social activities that continuously participated within the last 2 years such as.

1. The Temple of Happiness Project: The activities include cleaning the temple court, painting parking lot stripes and entrance gate, tidying up the surrounding temple area at Wat Borommasaton Sri Sutthisoponrangsarn (Wat Don) on October 3, 2014. There were 20 employees participated.
2. The releasing captive offspring of crab into nature and cleaning: The activities took place at Ban Chuen Beach, Mai Rood Sub-district, Klong-yai District, Trad on January 23, 2015. There were 196 employees participated.
3. Computer donation to school: The Company donated 3 computers to Ban Ta Nuk School located at Klong-yai District, Trad on January 23, 2015. There were 196 employees participated.

The policy and guidelines for implementation on treatment of communities, societies and government are as follows:

- Conduct the business which brings benefits to the economy and to society.
- Promote employee awareness and responsibility to environment and society, as well as support the creative activities for society.
- Prevent any act may cause damage to the reputation of country, society, environment and public benefit.
- Responsible to preserving local culture and tradition in the area that the Company is located.
- Strictly practice or comply with rules and regulations issued by regulatory authorities in accordance with the intent of the law.

Environmental quality standards

- Operate the business by taking into consideration of environmental conservation and security standard, and also comply with follow the law and regulations related to environmental.
- Promote natural resource using effectively such as reduce water, electricity and papers consumption etc., which was set as one of key performance indicators (KPIs).
- Promote environmental activities and training to raise awareness, knowledge and right understanding of environmental conservation among the Company the employees.

In 2014, the Company sent its employees to attend training course regarding environment as follows:

No.	Course	Training duration	Number of Participant
1	Insights into energy saving and alternative energy generating and using within in industry	2 hours 15 minutes	1
2	2014 Control of chemical substances in manufacturing	1 hour 45 minutes	65
3	Effective and environmental friendly warehousing and distribution management	12 hours	2

Anti-corruption

According to the risk management plan 2014, the Company has conduct a compliance risk assessment regarding "operations that do not comply with the law on bribery or support corruption". The result has been reported to the Board of Directors at least once every quarter that none of the violation of laws has been founded. The policy and guidelines for implementation on anti-corruption are as follows:

- Staffs are prohibited from granting or offering any items or any other benefits to third parties, such as, government officials, agents, representatives, trading partner etc., with the intention of misleading such third parties to take or omit to take any acts in violation of laws or contrary to their positions or functions or in exchange for undue privileges.
- Staffs are prohibited from demanding or receiving any items or any other benefits for personal gains or others in a manner that persuades them to abuse their duties or neglect to perform their duties.
- Any business dealings in association with various agencies, such as, government agencies, state enterprises or private sector both local and international, must be transparent, fair and lawful in Thailand and foreign countries where such dealings take place.

Non-infringement of intellectual property

In 2014, the Company reviewed and amended the policy and guidelines for implementation on non-infringement of intellectual property as follows:

- Staffs are prohibited from using any information, documents, computer applications, software, books, articles, video tapes, audio records, and works of any other persons in a manner that infringes their intellectual property, regardless of whether such rights are reserved by the owners or rightful beneficiaries of such works.
- All staff shall have the duty to maintain the Company's intellectual property works and shall not use or allow any third parties to use the Company's intellectual property without permission.

- All staff shall have the duty to maintain the Company's intellectual property works and shall not use or allow any third parties to use the Company's intellectual property without permission.

Noninvolvement in human rights violation

Human rights

Respect employees for their honor, privacy and rights of individuals to be treated on performing their jobs and that no action will be taken to violate or diminish the human rights. The Company adhered complied to The Labour Protection Act B.E. 2541 as amended by the Labour Protection Act (No.2) B.E. 2551 and Labour Relations Act B.E. 2518. In addition, the Company determined that maintain zero case of litigation or dispute is one of its key performance indicators (KPIs).

Occupational health and safety

Maintain health, safety and security of employees to promote occupational health and safety work environment. Diminish harmful and take steps to prevent accident and occupational disease. The Company has established a policy on occupational health and safety as published onto the website: www.winnergroup.co.th. In 2014, there was a minor injured who was a plant staff and the measure has been taken to prevent such accident occurred.

- ✓ The Board established communication channels for all stakeholders to submit questions, suggestions, complaints or inform about violations, the accuracy of financial reporting, and the deficiency of internal control or unethical business of the Company through the Independent Directors or the Audit Committee. The complaints and violation reports shall be protected and kept confidential. The Independent Directors or Audit Committee will conduct data verification and find solutions (if any) and further report to the Board of Directors of the Company. As for a letter by an anonymous sender, the company will consider only the ones that provide useful information or recommendations for our operations. In 2014, there was no report on violation of law unless approximately 10 shareholders/investors requesting information through our website and all those questions were responded by an investor relation officer. During the past year, there was a minor conflict between employees, which has been reconciled by HR department. The Company sets up an employee's suggestion box called "Winner Box" situated at comfortable location for an anonymous employee wishing to submit information or suggestion useful to the Company.

Contact

The stakeholders can communicate to the Board of Directors by sending a letter indicating name, address, telephone number, facsimile number and e-mail (if any) and specifying the relation with the Company to executives@winnergroup.co.th or send to the Audit Committee at the address below

Audit Committee

Winner Group Enterprise Plc.
43 Thai CC Tower, 21st Floor, 214-219 Room,
South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120

Section 3 Disclosure and transparency

- ✓ The Company established a disclosure policy, appointed an authorized spokesperson having authority to disclose or disseminate significant information of the Company. During the past year, there was not any action violation or not comply with laws or any established policies.
- ✓ The Company disclosed material information accurately, completely and timely through the website of the Stock Exchange of Thailand, annual registration statement, annual report, and the Company's website both in Thai and English version.
- ✓ The Company has appointed Ms. Kanollas Wongisariyakul to be responsible for the data service and the disclosure of important information of the Company. The contact information is as per the following.

Telephone: (66) 2675 6525 extension 106

Facsimile: (66) 2675 6533

Email: ir@winnergroup.co.th

Website: <http://www.winnergroup.co.th>

- ✓ In 2014, the Company participated in investor relation activities as follows:
 1. Joining SET's IR Advisory Program 2014 by the Stock Exchange of Thailand and PYI Consulting Co., Ltd.
 2. Welcoming analysts and investors to the Company visit twice.
 3. Presenting the Company information at "Opportunity Day" event organized the Stock Exchange of Thailand once.
 4. Participated in Mai Forum 2014 organized by the Stock Exchange of Thailand (MAI) and MAI Listed Companies Association.
 5. Giving interview, giving information and answering question post by shareholders, new reporters, interested persons via email and telephone.

Section 4 The responsibility of the Board of Directors

- ✓ The Board is composed of 9 directors with diversity of qualification in term of age, gender, experience and education.
- ✓ The Board of Director and all sub-committees performed their duties in compliance with laws, relevant regulations, charters, policies, good corporate governance policy and code of conduct.

- ✓ In the year 2014, the Board of Directors totally held 4 meetings, of which there was a meeting held without participation from executive directors and management in November 2014. The Company has set the meeting schedule of the Board and sub-committee of entire year in advance. The meeting invitation together with agenda and supporting documents were sent to all members at least 7 years prior to the meeting date.
- ✓ The Board rendered the internal control, internal audit, risk management systems and regularly review the efficiency at the Board of Directors' meeting.
- ✓ The audit committee expressed an opinion on the sufficient of the Company's internal control in the report of audit committee.
- ✓ The Board regularly reviews the operating results of the management at the Board of Directors' meeting.
- ✓ Annual Board Assessment:
The Board of Directors establish a policy on conducting board self-assessment at least once a year to provide a time for the board to review the past year performance, issues, problems and area to improve.

a) Results of the Board of Directors' self-assessment:

Assessment Category	2014 Average Score
1. Structure and qualifications of the Board of Directors	3.89
2. Roles and responsibilities of the Board of Directors	4.00
3. Board of Directors' meeting	3.71
4. Performance as a director	4.00
5. Relationship with the management team	4.00
6. Director's personal development and development of the management	4.00

Remark: 0 = Very Poor, 1 = Poor, 2 = Moderate, 3 = Good, 4 = Excellent

b) Results of individual director' self-assessment:

Assessment Category	2014 Average Score
1. Qualifications	3.69
2. Performance as a director	3.34
3. Director's personal development	3.28

Remark: 0 = Very Poor, 1 = Poor, 2 = Moderate, 3 = Good, 4 = Excellent

✓ The Sub-committee's self-assessment :

The Company establishes a policy that its sub-committees conduct self-assessment of their performance at least once a year as a monitoring framework to improve their performance during the past year and present the results to the board meeting for acknowledgement.

a) Results of the Audit Committee's self-assessment:

Assessment Category	2014 Average Score
1. Structure, qualifications and term of office	4.00
2. Role, duty and responsibility	4.00
3. Meetings	4.00
4. Auditor and financial report	4.00
5. Internal control	4.00
6. Compliance	4.00

Remark: 0 = Very Poor, 1 = Poor, 2 = Moderate, 3 = Good, 4 = Excellent

b) Results of the Nomination and Remuneration Committee's self-assessment:

Assessment Category	2014 Average Score
1. Structure, qualifications and term of office	2.17
2. Role, duty and responsibility	2.60
3. Meetings	3.00
4. Nomination	2.50
5. Remuneration	2.67

Remark: 0 = Very Poor, 1 = Poor, 2 = Moderate, 3 = Good, 4 = Excellent

c) Results of the Executive Committee's self-assessment:

Assessment Category	2014 Average Score
1. Structure, qualifications and term of office	2.75
2. Role, duty and responsibility	3.00
3. Meetings	3.00
4. Management	2.53

Remark: 0 = Very Poor, 1 = Poor, 2 = Moderate, 3 = Good, 4 = Excellent

d) Results of the Risk Management Committee's self-assessment:

Assessment Category	2014 Average Score
1. Structure, qualifications and term of office	3.00
2. Role, duty and responsibility	3.00
3. Meetings	3.00
4. Risk Management	3.00

Remark: 0 = Very Poor, 1 = Poor, 2 = Moderate, 3 = Good, 4 = Excellent

- ✓ Training and development for directors, executives and company secretary were provided to ensure that they can perform their duties efficiently. The details of training and development programs taken were as follows

Attendee	Date	Program	Facilitator
Audit Committee	Feb 2014	Challenges for audit committees on listed companies' sustainable development	The Securities and Exchange Commission (SEC)
Nomination and Remuneration Committee	Nov 2014	The challenges of independent director recruitment	Thai Institute of Directors Association (IOD)
Executive Committee	Jan 2014	CSR disclosure guidelines according to Form 56-1	Thaipat Institute (The Foundation for Thailand Rural Reconstruction Movement Under Royal Patronage) and The Securities and Exchange Commission (SEC)
	Mar 2014	CSR Report	CSRI
	Jun-Dec 2014	CSR Sharing & Consulting under Theme "CSR Strategy"	The Stock Exchange of Thailand (SET)
	Aug 2014	Workshop: Responsible Supply Chain Management	The Stock Exchange of Thailand (SET)
	Sep 2014	Workshop: Stakeholder Engagement	The Stock Exchange of Thailand (SET)
Company Secretary	Aug 2014	Assessment Methodologies for Sustainability Development of Listed Companies (CSR & Anti-Corruption)	The Securities and Exchange Commission (SEC)
	Sep 2014	CGR Workshop: Enhancing Good Corporate Governance based on CGR Scorecard	The Stock Exchange of Thailand (SET)
	May 2014	Training: SCP Straight Through, Shareholders' Reporting and FSCOM	The Stock Exchange of Thailand (SET)

The Company has been complying with “Good Corporate Governance” practices during the past year; as a result, the Company has been assessed by various institutions as follows:

✓ **Corporate Governance Report of Thai Listed Companies 2014**

According to the corporate Governance Report (CGR) 2014 by the Thai Institute of Directors Association, with support from the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) reported the Company was scored “Good” with scores 76% or 3 stars. According to the 2014 report, the 550 listed companies made an average score of 72%, or “Good”

✓ **Annual General Meeting Checklist Assessment 2014**

According to the Annual General Meeting Checklist Assessment Report by the Thai Investors Association, the Company was scored 96. While the average score of the total 528 listed companies were 91.17

2. Sub-committees

The Company has established a sub-committee which has been appointed by the Board of Directors to assist in the management and supervision of the administration of companies, including 4 committees as follows: (1) Executive Committee (2) Audit Committee (3) Risk Management Committee, and (4) Nomination and Remuneration Committee. The information of name list, duties and responsibilities of the mentioned committees are provided in the section of “Management” under the title “Management Structure”.

3. Selection and appointment of directors and executives

(1) Independent director

Qualifications of independent director

The independent directors are individuals who are qualified in accordance with the Notification of the Capital Market Supervisory Board and related SET’s announcements, as follows;

1. Holding less than 1.0 percent of the total shares with voting rights of the Company, parent company, subsidiaries, associates, major shareholders, or controlling persons of the Company, including the shares held by related persons of the independent director as well.
2. Not being or not having been a director, officer, employee, part-time employee, consultant that receives a salary or controlling person of the Company, parent company, subsidiaries, affiliate, subsidiaries in same tier, major shareholders or controlling persons of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as independent director.

3. Not being a person who has a relation by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of the children of directors, executives, major shareholders, Control authority or persons to be nominated as executive or controlling person of the Company or its subsidiaries.
4. Not having or not having had a business relationship with the Company, Parent company, subsidiaries or associated companies, major shareholders or controlling persons of the Company in a manner that might interfere with his/her independent judgment. Not being or having been a shareholder or authority having control of the business relationship with the Company, parent company, subsidiaries, affiliates, shareholders or controlling person of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
5. Not being or not having been an auditor of the Company, parent company, subsidiaries, associates, major shareholders or controlling persons of the Company and not as a significant shareholder, control authority or partner of the audit company which is the auditor of the Company, parent company, subsidiaries, associates, major shareholders or authorized under the control of the Company, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
6. Not being or not having been a provider of any professional includes serving as legal counsel or financial advisor which has been paid more than 2 million Baht per year from the Company, parent company, subsidiaries, associates, major shareholders or controlling person of the Company, and not as a significant shareholder, control authority or partner of such professional services, unless the foregoing status has ended for more than 2 years prior to being appointed as Independent Director.
7. Not being a director who has been appointed as a representative of the Board, Major shareholders or shareholders who are related to the major shareholders of the Company.
8. Not having or not having had a business with the same nature and in competition to the business of the Company, subsidiaries or not be a partner in a partnership company or director, employee, advisor who receives a regular salary or holds more than 1 percent of the total shares with voting rights of another company which has the same nature and in competition to the business of the Company or its subsidiaries.
9. Not having any other characteristic which make him/her incapable of expressing independent opinions, such as business partners, creditors and suppliers, etc. that may cause any conflict of interest.
10. Having Knowledge and understanding of the nature of business of the Company as well as the knowledge that is beneficial to the business operations of the Company.

11. Independent directors shall report to the Board of Directors immediately if see any incidents that might make them ineligible to independence as independent directors.
12. The Independent Director shall serve for a term of not exceeding 9 years.
13. The Independent Director should not hold directorship in other listed companies more than 5 listed companies.

After an independent director has been appointed in accordance with the characteristics mentioned above, the independent director may be assigned by the Board of Directors to determine on the operation of the Company, its subsidiaries, affiliates, subsidiaries in same tier, major shareholders or controlling person of the Company. The decision shall be made in the form of collective decision.

(2) Selection and appointment of directors and management

In appointment of directors, the Nomination and Remuneration committee, which consists of three directors and two of whom must be independent directors, is taking into account the diversity in term of structure, size and composition when selecting and screening the candidates who are qualified under the Article of Association and who are not prohibit from qualifying as a candidate specifying by laws before presenting a number of candidates equal to a number of retiring directors to the Board of Directors for consideration and the Board of Director then nominate the candidates to be appointed as directors at the shareholders' meeting.

In recruiting senior executives of the Company, the Executive Committee will primary seek and screen the qualified persons who have skills, useful experiences for the business operation, well understanding the nature of business, be able to achieve the objective and target set by the board. The committee will propose the suitable candidates to the nomination and remuneration committee for consideration before present to the Board of Directors' meeting for approval.

4. Policy on inside information

The Company has adopted the following policies and practices that prohibit its directors, executive officers and employees and subsidiaries who access to material inside information to use such undisclosed inside information for personal gain:

- Inform directors and executives concerning their responsibilities to declare the securities holding of themselves , their spouse and minor children to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 1992 (include the amendment) and to report the acquisition or disposition of the holding of their spouse and minor children to SEC under Section 246 and the penalty provisions under Section 298 of the Securities and Exchange Act 1992 (include the amendment).

- Ensure the directors and executive officers of the Company including their spouse and minor children report the holding of securities and report the changes in the Company's securities holdings to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act of 1992 (include the amendment), send copies of this report to the Company the same day that the reports are submitted to SEC and report to the Board every quarter.
- The Directors, executives and employees of the Company and subsidiaries that received inside information which may affect the stock price are prohibited to trade securities of the Company in the last month before the financial statements or internal information is disclosed to the public. And during 24 hours after the information of the company has disclosed to the public those related to inside information must not disclose it to anyone unless they have indicated that data to the stock market. The penalties for the violation are regarded as a disciplinary offense under the regulations of the Company and the Company will consider sanctions as appropriate such as verbal warning, written warning, probation and expelling, dismissal or removal depending on the case of violation.
- Prohibit directors, executives and employees of the Company to use the information that hasn't been disclosed of the Company that have or may have an impact on the price of the securities of the Company, which they have learned by their positions or statuses to purchase, sell, offer to buy or sell, persuade others to buy or sell, offer to buy or sell shares or other securities of the Company (if any), whether directly or indirectly, in a manner that is likely to cause damage to the company whether directly or indirectly. And whether such action would benefit themselves or others or would not benefit themselves or others.

5. Remuneration of Auditor

Remuneration of Auditor in 2014 is as follows:

- Audit fee and quarterly review Baht 750,000
- Other (Non-audit) fee Baht 0.00

Corporate Social Responsibility (CSR)

Winner Group Enterprises Public Company Limited recognizes that we are a part of Thai society, so we believe it is our duty and a responsibility to strengthen, establish, support and co-ordinate the development of society, community and environment in order to achieve optimum benefits. The Company determines our social responsibility policy as a core policy for management and employees to create awareness and understanding of social responsibility. We hold to the principle that all employees are involved in every process from proposal to decision making process, and encourage employees to have a sense of participation in volunteer activities.

The Company has set guidelines, which respond to stakeholders' needs, in the "Good Corporate Governance" and "Code of Conduct". For more details can be found in the report 56-1, section Corporate Governance and in website www.winnergroup.co.th

CSR Activities

- Donated stationery, sports equipment, toys and the Company's products to J.C. Korat Anusorn School, at 16 February 2014, during the annual employee outing activity.
- Participated in "Wat Sang Suk" Project, in cooperation with Thai Health Promotion Foudation and CSR Mai Club working committees, by help collecting waste and garbage; cleaning up the site; painting the temple's gate and traffic line at the parking area to improve the environment in Wat Don Temple, Sathorn district, Bangkok, at 3 October 2014.

Anti-Corruption Guidelines

The Board has approved the anti-corruption policy and has established the guidelines in the Company code of conduct.



Internal Control and Risk Management

Comments from the Board of Directors towards the company's internal control

Regarding to the Board of Directors' Meeting No. 1/2015 on 25 February 2015, which the Audit Committee also attended, the Board assessed the internal control systems by asking information from managements and considering the internal control evaluation report for the year 2014 on the adequacy of internal control systems of the Company. In accordance with International Standards of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), the Board of Directors, the Audit Committee and internal auditors concluded that the Company's internal control systems were adequate and appropriate to business, as follows:

1. Internal Environment

The Company set clear and measurable business targets and reviewed periodically. The Company's organization chart showed lines of duties; authority tables in written format; and key business processes manual, which were updated in line with the laws and regulations.

2. Risk Assessment

The audit committee and the risk management committee assessed both internal and external risk factors which would affect each business processes in order to analyze and prioritize the impacts and the probabilities of occurrence; and established the appropriate risk management measures.

3. Control Activities

The Company policies were used as guidelines systematically and effectively in order to achieve the business objectives and business targets. The authority tables clearly defined the authority level and the approval limit for each level of management. Besides, the Company policies were: segregation of duty; the duties of recording and custodian of fixed assets were also segregated; and laws and regulations compliance.

4. Information and Communication

The Company properly operated the information systems and channels of communication both internal and external to provide accurate, complete and timely information for business decisions.

5. Monitoring

The Company evaluated and communicated internal control deficiencies in a timely manner. Staff reported any issue of concern to their immediate supervisor or manager including the responsible person, including senior management or the Board of Directors as required for taking corrective action.

Related Party Transactions

Related transactions with persons who have relationship with the Management and may have conflicts of interest

The Company's transactions with persons who have relationship with the Management and may have conflicts in 2014 can be summarized as follows.

Company/person that may have conflicts of interest	Relationship
Mr. Jane Wongisariyakul	<ul style="list-style-type: none"> Owns 34.03 percent share in Winner Group Enterprise Public Company Limited A Director and Managing Director of Winner Group Enterprise Public Company Limited
Mrs. Vannaporn Wongisariyakul	<ul style="list-style-type: none"> Owns 8.78 percent share in Winner Group Enterprise Public Company Limited A director and Deputy Managing Director of Winner Group Enterprise Public Company Limited The wife of Mr. Jane Wongisariyakul and the mother of Ms. Kanollas Wongisariyakul and Ms. Karatrat Wongisariyakul.
Mr. Surapat Rojchanavisart	<ul style="list-style-type: none"> Owns 4.28 percent share in Winner Group Enterprise Public Company Limited A Director of Winner Group Enterprise Public Company Limited
Spa Ovation (Thailand) Company Limited -- Beauty Consulting Business	<ul style="list-style-type: none"> Ms. Kanollas Wongisariyakul owns 3.90 percent share. She is a director and Assistant Managing Director of Winner Group Enterprise Public Company Limited and owns 30 percent share in Spa Ovation (Thailand) Company Limited. Mr. Jane Wongisariyakul^{1/} owns 34.03 percent share. He is a Director and Managing Director of Winner Group Enterprise Public Company Limited. He is also a director of Spa Ovation (Thailand) Company Limited.
Bow Commercial Company Limited -- Importing medical tools, devices, spare parts and Packaging Machines	<ul style="list-style-type: none"> Mrs. Wilaiporn Tantanavivat owns 2.42 percent share and she is a director of Winner Group Enterprise Public Company Limited. She also a director and owns 24 percent share of Bow Commercial Company Limited.

Remark: ^{1/}Mr. Jane Wongisariyakul resigned from a director of Spa Ovation (Thailand) effective from February 1, 2014.

Related Party transactions of the Company

The Company's transactions with persons who have relationship with the Management and may have conflicts for the year ended 31 December 2014 can be summarized as follow.

Persons who may have conflicts	Transaction Type	Description	Relationship	Transaction Value in 2014 (Baht)	Necessity and Reasonableness
(1) Mr. Jane Wongisariyakul (2) Mrs. Vannaporn Wongisariyakul	Guarantees for a loan from financial institution	Mr. Jane Wongisariyakul and Mrs. Vannaporn Wongisariyakul are the guarantees for a loan from a financial institution for Winner Group Enterprise Public Company Limited	Shareholders, directors and executives of Winner Group Enterprise Public Company Limited.	-	The Company has a loan contract of Baht 210 million with a financial institution; Mr. Jane Wongisariyakul and Mrs. Vannaporn Wongisariyakul are the guarantors as the directors of the Company. The Company has completely canceled the guarantee of the mentioned directors with the financial institution on January 3, 2014.
Mr. Jane Wongisariyakul	Transaction with employee's discount	The Company sells its products to directors and/or executives.	Shareholder, director and executive of Winner Group Enterprise Public Company Limited.	7,048	The purchase price is based on a discount policy of the transaction sold to employees of the Company.
Mr. Surapat Rojchanavisart	Normal business	The Company sells products to a person who may have conflicts.	Shareholder and director of Winner Group Enterprise Public Company Limited.	7,991	The purchase price is the market price of the Company to third parties.
Spa Ovation (Thailand) Company Limited	Normal business	The Company sells products to a person who may have conflicts.	Spa Ovation (Thailand) Company Limited shares some shareholders, directors and executives with Winner Group Enterprise Public Company Limited.	3,780	The purchase price is the market price of the Company to third parties.
Bow Commercial Company Limited	Normal business	The Company sells products to a person who may have conflicts.	Bow Commercial Company Limited shares some shareholders and directors with Winner Group Enterprise Public Company Limited.	13,790	The purchase price is the market price of the Company to third parties

Comments of the Audit Committee on Related Party Transactions

Any transaction occurred between the Company and the Executives, or a person who may have conflicts shall operate according to normal business operations of the Company, shall be reasonable on a condition that is based on general commercial terms and has clear pricing criteria. The transaction shall be able to compared with the market price of transactions with a third party and shall not make the Company lose any benefits

For financial support transactions such as loan guarantees of the Company and financial institutions, The Company has completely canceled the guarantee of the mentioned directors with the financial institution on January 3, 2014.

The Audit Committee has considered the above transactions and commented that such transactions are necessary and reasonable and meet the price criteria sold to a third party.

Procedure for approval of related party transaction

The resolution of the meeting of the Board of Directors No. 4/2013 on 28 May 2013 states that in the case of transactions of the Company with persons who may have conflicts of interest, gain or loss, or may have any conflict of interest in the future, The Audit Committee shall consider and comment on the necessity and reasonableness of the transaction and the suitability of the price and conditions of entry to be according to the characteristics of normal business practices in the industry and the price shall be compared with the third party or the market price prior to submission to the Board of Directors or the meeting of the shareholders, as the case may be. If the Audit Committee has no expertise in considering transactions that may occur, the Company will arrange for an independent expert or auditor of the Company to give comments on such transactions and the comments shall be proposed to the Audit Committee, the Board of Directors and/or shareholders' meeting, as the case may be. The Directors or executives that are stakeholders will not be entitled to vote on such transaction. The Company will disclose in its annual statement, annual report and notes to the financial statements audited or reviewed by the auditors of the Company.

In addition, the Company will comply with the law related to the Securities and Exchange Commission and rules and regulations, notifications, orders or requirements of the Securities and Exchange Commission in compliance with requirements on the disclosure of related party transactions of the Company according to the accounting standards set by the Federation of accounting profession of Thailand.

Policy on future transactions

The resolution from the Board of Directors ' Meeting No. 4/2013 dated 28 May, 2013 has set a policy of making related party transaction that for any transactions that may occur in the future, the Company shall comply with the laws regarding the Securities and Exchange Commission and rules and regulations, notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, in compliance with requirements on the disclosure of related party transactions of the Company according to the accounting standards set by the Federation of accounting profession of Thailand. The Company has the policy on related party transactions as follows:

- In the case of commercial transactions with general trade conditions, the Company has set the framework for such transactions which was considered and agreed by the Audit Committee prior to submission to the Board of Directors to approve as principle. The management can approve the transaction if the transaction has commercial agreements in the same way that persons of ordinary prudence should be agreed with general contractors in the same situation and with the bargaining power of trade without the influence of their status as directors, management, related parties of the Company or individuals associated with the company. However, the Company shall prepare a report summarizing related party transactions to report at a meeting of the Audit Committee and the Board of Directors on a quarterly basis. In the case of the Audit Committee and the Board of Directors found that the conduct did not meet the defined policy, the Audit Committee and Board of Directors shall work jointly to find solutions.

- The commercial transactions with general trade conditions must be commercial transactions that the Company normally operates or commercial transactions that similar business to the Company does to support their regular business. The transactions shall have commercial terms and pricing conditions that are fair and do not cause any transfer of interests. The terms and conditions are as follows.

1. Prices and terms that the Company receives or offers to the public
2. Prices and terms that related party receives or offers to the public
3. Prices and terms that the Company can clarify as the price and terms that similar business offers to the public

- If there is any other transaction disassociated with the mentioned terms and conditions, the Company shall present such transactions to the Audit Committee to consider and comment prior to submission to the meetings of the Board of Directors and/or the shareholders to approve. If the committee does not have the expertise to consider the potential transaction, the Company will arrange for an independent expert or auditor to comment on such transactions and the comments shall be proposed to the Audit Committee, the Board of Directors and/or shareholders' meeting, as the case may be, to ensure that the transaction will not migrate or transfer of interests between the Company and individuals who may have conflicts of interest, and the transaction has been done for the optimum benefits of all shareholders.

Management Discussion and Analysis: MD&A

Operating Results and Financial Position Analysis

Table 1 : Summary of the Operating Results in 2014 and 2013

(Unit : Million Baht)

	2014	2013	Change + / (-)	% Change
Revenues from the sales of goods	1,430.8	1,377.6	53.2	3.9
Cost of the sales of goods	(1,137.7)	(1,077.3)	(60.4)	5.6
Gross profit	293.1	300.3	(7.2)	(2.4)
Other incomes	13.4	14.9	(1.5)	(10.1)
Profit before expenses	306.5	315.2	(8.7)	(2.8)
Selling expenses	(102.6)	(98.9)	(3.7)	3.7
Administrative expenses	(103.5)	(107.0)	3.5	(3.3)
Profit before finance costs and income tax	100.4	109.3	(8.9)	(8.1)
Finance costs	(3.9)	(4.7)	0.8	(17.0)
Profit before income tax	96.5	104.6	(8.1)	(7.7)
Income tax	(20.0)	(21.0)	1.0	(4.8)
Profit for the year	76.5	83.6	(7.1)	(8.5)
Other comprehensive income for the year				
Actuarial gains	-	4.3	(4.3)	(100.0)
Income tax of components of other comprehensive income	-	(0.8)	0.8	(100.0)
Other comprehensive income for the year - net from income tax	-	3.5	(3.5)	(100.0)
Total comprehensive income for the year	76.5	87.1	(10.6)	(12.2)

For the year ended 2014, the Company's revenue from sales totaled Baht 1,430.8 million, increasing by Baht 53.2 million, representing a growth rate of 3.9 percent when comparing with those of the year 2013. Cost of sales totaled Baht 1,137.7 million, increasing by Baht 60.4 million or 5.6 percent YOY. As a result, the Company's gross profit was Baht 293.1 million or 20.5 percent of revenue from sales. Selling and administrative expenses totaled Baht 206.1 million, slightly increasing by Baht 0.2 million or 0.1 percent YOY.

After deducting finance costs and income tax expense Baht 3.9 million and Baht 20 million, respectively, the Company had a net profit of Baht 76.5 million, decreasing by Baht 7.1 million or 8.5 percent YOY.

In addition, in the 1st quarter of the year 2013, the Company recognized actuarial gains arising from defined benefit plans in other comprehensive income Baht 3.5 million. As a result, total comprehensive income for the year 2014 totaled Baht 76.5 million, decreasing by Baht 10.6 million or 12.2 percent YOY.

1. Operating Result Analysis

1.1 The revenue from sales of goods

For the year ended 2014, the Company's revenue from sales totaled Baht 1,430.8 million, increasing by Baht 53.2 million, representing a growth rate of 3.9 percent when comparing with those of the year 2013. This was mainly due to the increase in the sales of consumer products of Baht 46.8 million or 6.3 percent YOY. Sales of industry products are in line with the previous year, increasing by Baht 6.4 million or 1 percent YOY.

Table 2 : Sales by Product Type for the year 2014 and 2013

(Unit : Million Baht)

Product Type	2014		2013		Change + / (-)	% Change
	MB	%	MB	%		
Consumer Products	794.8	55.5	748.0	54.3	46.8	6.3
Industry Products	636.0	44.5	629.6	45.7	6.4	1.0
Total	1,430.8	100.0	1,377.6	100.0	53.2	3.9

1.2 Cost of sales

Cost of sales for the year ended 2014 totaled Baht 1137.7 million, increasing by Baht 60.4 million or 5.6 percent YOY.

1.3 Gross profit

For the year ended 2014, the Company had a gross profit of Baht 293.1 million, decreasing by Baht 7.2 million YOY. Cost of sales increased in a higher rate than the revenue from sales. The increase was partly due to the Baht depreciation in 2014 comparing with the previous year. This caused the increase in imported cost of goods sold. The Company's gross profit margin of the year 2014 and 2013 was 20.5 percent and 21.8 percent, respectively.

1.4 Selling and administrative expenses

- Selling expenses

Selling expenses for the year 2014 totaled Baht 102.6 million or 3.9 percent of revenue from sales, increasing by Baht 3.7 million or 3.7 percent YOY. This was mainly due to the increase in employee expenses and marketing expenses. Marketing expenses were advertising expenses and promotional expenses to motivate customers to purchase more the Company's products.

- Administrative expense

Administrative expenses for the year 2014 totaled Baht 103.5 million or 7.2 percent of revenue from sales, decreasing by Baht 3.5 million or 3.3 percent YOY. The decrease in administrative expenses was mainly due to the Company's 30th anniversary expense and related public relations expense amounted to Baht 4.6 million, which were expenses that occurred only in the previous year.

1.5 Net profit

Net profit for the year 2014 was Baht 76.5 million, representing a net profit margin of 5.3 percent of total revenues, whereas 6.0 percent in the year 2013. The decrease in net profit margin was mainly due to cost of sales increased in a higher rate than the revenue from sales. This was partly because of the Baht depreciation in the year 2014 which caused the increase in cost of imported goods comparing with the previous year.

In addition, in the 1st quarter of the year 2013, the Company recognized actuarial gains arising from defined benefit plans in other comprehensive income of Baht 3.5 million, which was an income that occurred only in the previous year. As a result, total comprehensive income for the year 2014 totaled Baht 76.5 million, decreasing by Baht 10.6 million or 12.2 percent YOY.

2. Financial Position Analysis

Table 3 : Overall financial Position as at December 31, 2014 and 2013

(Unit : Million Baht)

	2014		2013		Change +/- (-)	% Change
	MB	%	MB	%		
Current assets	578.0	69.3	657.7	71.1	(79.7)	(12.1)
Non-current assets	256.4	30.7	267.0	28.9	(10.6)	(4.0)
Total assets	834.4	100.0	924.7	100.0	(90.3)	(9.8)
Current liabilities	263.4	31.6	361.4	39.1	(98.0)	(21.7)
Non-current liabilities	7.3	0.9	8.1	0.9	(0.8)	(9.9)
Total liabilities	270.7	32.4	369.5	40.0	(98.8)	(26.7)
Shareholders' equity	563.7	67.6	555.2	60.0	8.5	1.5
Total liabilities and shareholders' equity	834.4	100.0	924.7	100.0	(90.3)	(9.8)

2.1 Assets

As at December 31, 2014, the Company's total assets amounted to Baht 834.4 million. The main assets were current assets totaled Baht 578 million, representing 69.3 percent of total assets. Current assets decreased by Baht 79.7 million resulting from cash and cash equivalents decreased by Baht 105.6 million. The decrease in cash and cash equivalents was mainly due to the Company had taken part of deposit with banks as working capital and trade payable repayment to reduce financial costs.

2.2 Liabilities

As at December 31, 2014, the Company's total liabilities amounted to Baht 270.7 million. The main liabilities were current liabilities which was 97.3 percent of total liabilities. Most of current liabilities were trade payable and other payable and short term loans from financial institutions which were in the form of trust receipts amounted to Baht 215.6 million or 79.7 percent of total liabilities and Baht 24.8 million or 9.2 percent of total liabilities, respectively.

As at December 31, 2014, total liabilities decreased by Baht 98.8 million or 26.7 percent YOY. The main reason was due to short-term loans from financial institutions which were in the form of trust receipts decreased by Baht 94.8 million or 79.2 percent YOY from trust receipts repayment to reduce financial costs.

2.3 Shareholders' Equity

The shareholders' equity as at 31 December 2014 amounted to Baht 563.7 million, increasing by Baht 8.5 million because of the increase in the Company's retained earnings from net profit for the year 2014 amounted to Baht 76.5 million and dividend payment during the year amounted to Baht 68 million.

3. Cash Flow Analysis

Table 4 : Cash Flow

(Unit : Million Baht)

	2014	2013	Change + / (-)	% Change
Net cash flow provided by operating activities	62.8	84.7	(21.9)	(25.9)
Net cash flow used in investing activities	(5.5)	(29.5)	24.0	(81.4)
Net cash flow provided by (used in) financing activities	(162.9)	77.6	(240.5)	(309.9)
Increase in cash and cash equivalents, net	(105.6)	132.8	(238.4)	(179.5)
Cash and cash equivalents as at January 1,	177.0	44.2	132.8	300.5
Cash and cash equivalents as at December 31,	71.4	177.0	(105.6)	(59.7)

For the year 2014, net cash flow provided by operating activities totaled Baht 62.8 million, decreasing by Baht 21.9 million or 25.9 percent YOY. The main reasons were the increase in trade payable and other payable payment of Baht 40.3 million YOY, cash received in 2013 from insurance claim amounted to Baht 6.5 million baht and employee benefit obligation payment amounted to Baht 2.4 million in 2014. However, in 2014, the increase in inventories was less than the increase in 2013 of Baht 12.2 million and cash received from accounts receivable and other receivables decreased by Baht 6.9 million from the previous year. In addition, other current liabilities payment in 2014 decreased from the previous year of Baht 3.4 million.

Net cash flow used in investing activities amounted to Baht 5.5 million, decreasing by Baht 24.0 million YOY. This was mainly because of the decrease in purchase of fixed assets of Baht 22.8 million YOY.

Net cash flow used in financing activities amounted to Baht 162.9 million, increasing significantly by Baht 240.5 million YOY. The main reason was because of the increase in authorized share capital and premium on share capital in 2013 amounted to Baht 169.7 million. However, in 2014, the Company had an increase in payment of short-term loans from financial institutions which were in the form of trust receipts of Baht 98.2 million and paid dividends less than in the previous year of Baht 27.1 million.

4. Financial Ratio Analysis

Table 5 : Significant Financial Ratio

Financial Ratio		2012	2013	2014
Gross Profit Margin	%	20.9	21.8	20.5
Net Profit Margin	%	6.5	6.0	5.3
Return on Equity (ROE)	%	26.2	18.2	13.7
Return on Assets (ROA)	%	14	10.1	8.7
Debt to Equity Ratio	Time	1	0.7	0.5
(Interest) Debt to Equity Ratio	Time	0.3	0.2	0.0

In 2014, the Company had good profitability ratios. Gross profit margin was 20.5 percent of revenue from sales and net profit margin was 5.3 percent of total revenues. Return on equity (ROE) was 13.7 percent and return on assets (ROA) was 8.7 percent. Both ratios decreased from the previous year because of the decrease in net profit for the year 2014. Debt to equity ratio and interest-bearing debt to equity ratio was 0.5 times and 0.0 time, decreasing from the year 2103 because of the decrease in debt.

Factors that might have impacts on financial status or future operating results

The Company is an importer and distributor of raw materials, ingredients and food chemicals and also consumer products. More than 90% of the Company's products are imported products. So that most of product cost is depend on the exchange rate, especially US Dollar which is the main currency for the Company's imported products. In 2014, the Baht depreciated against the US dollar by around 5%. Therefore, the overall cost

of the products increased. As a result of the economic slowdown, declining in purchasing power of consumers and intense competition during the past year, the Company was unable to increase selling price in proportion to the increase in cost. The Company's strategy was to maintain selling prices, especially in consumer products to retain customers and market shares.

In 2014, raw materials, food ingredients and food chemicals (Industry Products) for distribution to the food processing industry had been directly affected by the global economic slowdown. As a result, sales of raw materials to the manufacturer exporter in 2014 decreased. Moreover, the economic in the country was in a recession resulting in no growth as expected in sales of the raw material used to produce food for local consumption.

The company had strategies of development, selection of new high-quality products from reliable sources, including providing technical services to customers. Therefore, the Company continued ability to remain competitive and maintain sales growth of 1 percent YOY.

Consumer products were distributed through service customers (HoReCa) - including hotels, restaurants, bakeries and airline caterings and end consumers through modern trade and traditional trade. In 2014, consumer products sales increased 6.3% YOY, although it had been affected by the economy as aforementioned. The growth of sales in this distribution channel mainly resulted from the Company had a proactive marketing strategy to increase in the variety of product by selecting new high-quality products to meet the needs of customers including marketing activities to promote products in various forms and also advertising and public relations to create awareness of the brand and expand target group customers.

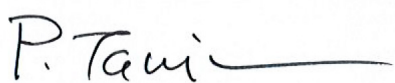


Report of the Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the financial statements of Winner Group Enterprise Public Company Limited as well as financial information presented in the Annual Reports. The said financial statements were prepared in accordance with the financial reporting standards, where an appropriate accounting policy has been selected and implemented on a regular basis and that important information is adequately disclosed in notes to the financial statements.

The Board of Directors appointed the Audit Committee consisting of independent directors to take responsibility for the quality of financial statements and assessment of the internal control system to ensure that the record of accounting is sufficiently accurate, complete and timely, and also to prevent the occurrence of corruption or irregular operations. The Audit Committee's opinion on these matters has been stated in the Audit Committee's report published in this Annual Report.

The Board of Directors is of the opinion that the Company's internal control system on the whole is satisfactory and able to ensure that the Company's financial statements as of December 31, 2014 present fairly, in all material aspects and in accordance with Thai Financial Reporting Standards, all applicable laws and regulations.



(Mr. Prakarn Tawisuwan)

Chairman of the Board of Directors



(Mr. Jane Wongisariyakul)

Chairman of Executive Committee and
Managing Director

Report of the Audit Committee

The Board of Directors of Winner Group Enterprise Public Company Limited consists of 3 independent directors. The qualifications of all the three members meet with the regulations of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand, one of which is competent and has experience in accounting.

The Audit Committee has performed duties as assigned by the Board of Directors, which is in accordance with the Charter and in accordance with the Notification of the Stock Exchange of Thailand. In 2014, the Audit Committee held a total 4 meetings, each committee member attended the meetings as shown in the following details.

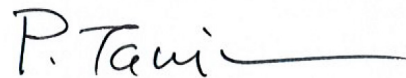
1. Mr. Prakarn Tawisuwan	Chairman of Audit Committee	attended 3/4 meetings
2. Dr. Warunee Varanyanond	Member of Audit Committee	attended 4/4 meetings
3. Miss Thipawan Uthaisang	Member of Audit Committee	attended 4/4 meetings

The Audit Committee also has meetings with the Company's management and both external and internal auditors, which could be summarized as the followings.

1. Quarterly reviewed the financial statements and annual financial statements already examined and verified by the external auditor, by reviewing them together with the executives and external auditor regarding the accuracy and completeness of the documents as well as the sufficiency of disclosure. For 2014, the Audit Committee members gave their opinions in compliance with the external auditor that the Company's financial statements were appropriately accurate according to Thai Financial Reporting Standards. The Committee also met among themselves without the management team once this year.
2. Considered the connected transactions and transactions which may cause conflicts of interest, in compliance with the laws and regulations of the Stock Exchange. The external auditor reviewed these items and found that they had all been sufficiently disclosed in the Company's financial statements. The Audit Committee was of the opinion with the external auditor, and agreed that the disclosures was reasonable and benefit to the Company.
3. Reviewed the Company's internal audit and internal control to ensure the independency and efficiency. Reviewed annual internal audit plan, advised and followed up corrective actions on significant audit findings so as to improve good governance and adequate internal control. The Audit Committee's opinions were consistent with the internal audit; that the Company has adequate internal control and appropriate to the nature of the Company's business.

4. Reviewed and monitored the Company's corporate governance policy, charter of the Board of Director, charters of sub-committees and code of conduct as well as performing duties assigned by the Board regarding the policy on communication with the board of directors and whistle-blowing.
5. Reviewed the appropriateness and adequacy of risk management, by monitoring the risk management plans of 2014 and evaluating the risk management measures.
6. Considered, selected and recommended the nomination of external auditors and their remuneration by considering their past performance. Having evaluated their independence, quality of audit work, the remuneration, they are qualified with the requirements of the Stock Exchange of Thailand.
7. Considered, selected and recommended the nomination of internal auditors and their remuneration by considering their past performance. Having evaluated their independence, quality of audit work, the remuneration, they are qualified with the requirements.
8. Reported the committee's performance to the Board every quarter and made recommendations beneficial for the administration of the management.

The Audit Committee is of the opinion that the Company had proper risk management, internal control system under good corporate governance abiding to all related laws and regulations. The Company's financial reports and disclosure of information were complete and reliable according to Thai Financial Reporting Standards.



(Mr. Prakarn Tawisuwan)

Chairman of the Audit Committee

February 25, 2015

WINNER GROUP ENTERPRISE PLC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

JANUARY 1, 2014 TO DECEMBER 31, 2014

Independent Auditor's Report

To the Shareholders and Board of Directors of WINNER GROUP ENTERPRISE PLC.

I have audited the accompanying financial statements of WINNER GROUP ENTERPRISE PLC., which comprise the statements of financial position as at December 31, 2014, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2014 and the financial performance and cash flows for the year then ended of WINNER GROUP ENTERPRISE PLC., respectively, in accordance with Thai Financial Reporting Standards.



(Mr. Pornchai Kittipanya-ngam)
Certified Public Accountant
Registration No. 2778
Bunchikij Co., Ltd.
Bangkok
February 25, 2015

Financial Statement

Statement of Financial Position

as at December 31, 2014

Assets

(Unit : Baht)

	Note	2014	2013
Current assets			
Cash and cash equivalents	5	71,365,174	176,988,976
Trade and other receivables	6	287,235,181	281,966,536
Inventories	7	216,942,723	192,000,172
Other current assets		2,429,531	6,668,480
Total current assets		577,972,609	657,624,164
Non - Current Assets			
Property, plant and equipment	8	248,702,821	260,092,287
Intangible assets	9	1,569,268	1,754,228
Deffered tax	10	2,741,880	1,939,400
Other non - current assets		3,392,109	3,249,145
Total non - current assets		256,406,078	267,035,060
Total assets		834,378,687	924,659,224

Notes to financial statement are an integral part of these statements.

Statement of Financial Position (Continued)

as at December 31, 2014

Liabilities and Shareholders' Equity

(Unit : Baht)

	Note	2014	2013
Current liabilities			
Short - term loans from financial institutions	11	24,834,415	119,594,874
Trade and other payables	12	215,648,340	223,706,126
Current portion of obligation under finance leases	13	-	152,227
Accrued income tax	20	11,453,733	9,003,561
Other current liabilities	14	11,450,341	8,906,352
Total current liabilities		263,386,829	361,363,140
Non - current liabilities			
Employee benefit obligations	15	7,297,466	8,114,426
Total non - current liabilities		7,297,466	8,114,426
Total liabilities		270,684,295	369,477,566
Shareholders' equity			
Share capital			
Authorized share capital			
400,000,000 Ordinary shares of Baht 0.25 each,	16.4	100,000,000	100,000,000
Issued and paid - up share capital, fully paid			
400,000,000 Ordinary shares of Baht 0.25 each,	16.4	100,000,000	100,000,000
Premium on share capital	17	147,706,160	147,706,160
Retained earning			
Appropriated			
Legal reserve	16.2	10,000,000	10,000,000
Unappropriated		305,988,232	297,475,498
Total shareholders' equity		563,694,392	555,181,658
Total liabilities and shareholders' equity		834,378,687	924,659,224

Notes to financial statement are an integral part of these statements.

Statements of Comprehensive Income

For the year ended of December 31, 2014

(Unit : Baht)

	Note	2014	2013
Revenues from the sales of goods		1,430,821,625	1,377,651,210
Cost of the sales of goods		(1,137,731,731)	(1,077,256,228)
Gross profit		293,089,894	300,358,982
Other incomes		13,460,029	14,898,494
Profit before expenses		306,549,923	315,257,476
Selling expenses		(102,596,241)	(98,894,663)
Administrative expenses		(103,545,564)	(107,093,361)
Profit before finance costs and income tax		100,408,118	109,269,452
finance costs		(3,879,453)	(4,698,452)
Profit before income tax		96,528,665	104,571,000
Income tax	20	(20,015,931)	(20,979,526)
Profit for the year		76,512,734	83,591,474
Other comprehensive income for the year			
Actuarial gains	15	-	4,333,500
Income tax of components of other comprehensive income		-	(866,700)
Other comprehensive income for the year		-	3,466,800
- net from income tax		76,512,734	87,058,275
Total comprehensive income for the year		0.19	0.25
Basic earnings per share	22		

Notes to financial statement are an integral part of these statements.

Statement of Changes in Shareholders' Equity

For the year ended of December 31, 2014

(Unit : Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2013		78,000,000	-	4,000,000	279,517,224	361,517,224
Increase in share capital	16.4	22,000,000	147,706,160	-	-	169,706,160
Lagel reserve	16.2	-	-	6,000,000	(6,000,000)	-
Dividend	16.1	-	-	-	(63,100,000)	(63,100,000)
Comprehensive income for 2013		-	-	-	83,591,474	83,591,474
Other Comprehensive Income		-	-	-	3,466,800	3,466,800
Balance as at December 31, 2013		100,000,000	147,706,160	10,000,000	297,475,498	555,181,658
Balance as at January 1, 2013		100,000,000	147,706,160	10,000,000	297,475,498	555,181,658
Dividend paid	16.1	-	-	-	(68,000,000)	(68,000,000)
Comprehensive income for 2014		-	-	-	76,512,734	76,512,734
Balance as at December 31, 2014		100,000,000	147,706,160	10,000,000	305,988,232	563,694,392

Notes to financial statement are an integral part of these statements.

Statement of Cash Flows

For the year ended of December 31, 2014

(Unit : Baht)

	Note	2014	2013
Cash flows from operating activities			
Profit before income tax		96,528,665	104,571,000
Adjustments to reconcile net profit to net cash provided by operating activities			
Doubtful debts		471,574	845,400
Bad debts		-	190,681
Depreciation and amortization	8,9	16,875,844	14,090,697
Loss on obsolete goods (Reversal)		527,569	(320,605)
Loss on destroying of obsolete goods		3,125,315	4,224,636
(Gain) loss on sale of fixed assets		471,619	(1,087,310)
Loss from assets written off		120,061	474,186
Loss on asset impairment		1,798,524	-
Unrealized (gain) loss on exchange rate		883,527	(1,192,535)
Employee benefit expenses		1,633,040	1,427,112
Interest income		(2,316,179)	(1,449,717)
Interest expenses		3,879,453	4,698,452
		123,999,012	12,741,997
Change in operating assets and liabilities			
(Increase) decrease in assets			
Trade and other receivables		(5,834,694)	(12,732,083)
Inventories		(27,858,750)	(40,020,808)
Other current assets		(351,491)	1,875
Other non - current assets		(142,964)	(701,516)

Notes to financial statement are an integral part of these statements.

Statement of Cash Flows (Continued)

For the year ended of December 31, 2014

(Unit : Baht)

	Note	2014	2013
(Increase) decrease in liabilities			
Trade and other payables		(4,651,351)	35,681,885
Other current liabilities		2,541,421	(862,685)
Employee benefit obligation		(2,450,000)	-
Cash received from operating activities		85,251,183	107,838,665
Cash received from insurance claim		-	6,522,395
Interest paid		(4,093,001)	(4,480,417)
Income taxes paid		(18,368,239)	(25,220,045)
Net cash provided by operating activities		62,789,943	84,660,598
Cash flows from investing activities			
Interest received		2,316,179	1,449,717
Sale of fixed assets		285,234	1,467,290
Purchase of fixed assets		(7,600,557)	(30,438,923)
Payment for intangible assets		(376,300)	(1,103,970)
Payment for asset payable		(128,185)	(871,839)
Net cash used in investing activities		(5,503,629)	(29,497,734)
Cash Flows from financing activities			
Increase in loans from financial institutions		(94,760,459)	3,440,200
Repayment for lease contract liabilities		(152,227)	(445,293)
Proceeds from share capital increase	16.4	-	169,706,160
Dividend paid	16.1	(67,997,430)	(95,096,430)
Net cash provided by (used in) financing activities		(162,910,116)	77,604,637
Increase (Decrease) in cash and cash equivalents, net		(105,623,802)	132,767,501
Cash and cash equivalents as at January 1,		176,988,986	44,221,475
Cash and cash equivalents as at December 31,		71,365,174	176,988,976

Notes to financial statement are an integral part of these statements.

Notes to Financial Statements

1. General information

1.1 Winner Group Enterprise Co., Ltd. was incorporated in Thailand on January 18, 1983 and changed its status to a public company with its new registered name, Winner Group Enterprise Public Company Limited (“the Company”), on April 10, 2013. The Company’s shares were approved for trading in the MAI under Stock Exchange of Thailand on October 3, 2013.

The Company is engaged in manufacturer, import and distributor of the raw material, ingredients, food chemicals and consumer products.

1.2 The address of the Company is THAI CC TOWER 21st floor, room no. 214-219, 43 South Sathorn Road, Yanawa, Sathorn, Bangkok and have branches are as follows :

Plant location	259 Bang-Pa-In Industrial Estate, Moo 2, Klong-Jik, Bang-Pa-In, Ayuthaya.
Warehouse	W/H 1 60, Soi Bangna-Trad 26, Bangna, Bangkok. W/H 2 23, Soi Bangna-Trad 26, Bangna, Bangkok.
Delice	Branch 1 43 THAI CC TOWER, G floor, unit 2, South Sathorn Road, Branch 2 18, Soi Sukhumvit 61, Sukhumvit Road, Khlongtan-nua, Wattana, Bangkok. Branch 3 589/7 Ram Inthra Road, Khannayao, Bangkok.

1.3 The major shareholders are Mr. Jane Wongisariyakul (34.03% shareholding) and other members in Wongisariyakul family (16.58% shareholding).

2. Basis for preparation and presentation of the financial statements

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

2.2 The financial statements are presented in Thai currency reporting purposed and presented in Thai language. This English translation of financial statements has been prepared for the convenience of the readers who were not conversant with Thai language.

2.3 Notifications of applying the Financial Reporting Standards

2.3.1 The FAP has issued the following new and revised TFRS relevant to the Company’s operations and effective for accounting periods beginning on or after 1 January 2014:

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards

- TAS 1 (revised 2012) Presentation of Financial Statements
- TAS 7 (revised 2012) Statement of Cash Flows
- TAS 12 (revised 2012) Income Taxes
- TAS 17 (revised 2012) Leases
- TAS 18 (revised 2012) Revenue
- TAS 19 (revised 2012) Employee Benefits
- TAS 21 (revised 2012) The Effects of Changes in Foreign Exchange Rates
- TAS 24 (revised 2012) Related Party Disclosures
- TAS 28 (revised 2012) Investments in Associates
- TAS 31 (revised 2012) Interests in Joint Ventures
- TAS 34 (revised 2012) Interim Financial Reporting
- TAS 36 (revised 2012) Impairment of Assets
- TAS 38 (revised 2012) Intangible Assets

Financial Reporting Standards

- TFRS 2 (revised 2012) Share-based Payment
- TFRS 3 (revised 2012) Business Combinations
- TFRS 5 (revised 2012) Non-current Assets held for Sale and Discontinued Operations
- TFRS 8 (revised 2012) Operating Segments

Accounting Standard Interpretations

- TSIC 15 Operating Leases - Incentives
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 Service Concession Arrangements - Disclosure
- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 4 Determining whether an Arrangement contains a Lease
- TFRIC 5 Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
- TFRIC 10 Interim Financial Reporting and Impairment
- TFRIC 12 Service Concession Arrangements
- TFRIC 13 Customer Loyalty Programmes
- TFRIC 17 Distributions of Non-cash Assets to Owners
- TFRIC 18 Transfer of Assets from Customers

The adoption of the above Thai Financial Reporting Standards are not material impact on the financial statements for this accounting period.

2. Basis of preparation and presentation of the financial statements

2.3 Notifications of applying the Financial Reporting Standards (Continued)

2.3.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015.

Accounting Standards

- TAS 1 (revised 2014) Presentation of Financial Statements
- TAS 2 (revised 2014) Inventories
- TAS 7 (revised 2014) Statement of Cash Flows
- TAS 8 (revised 2014) Accounting Policies, Changes in Accounting Estimates and Errors
- TAS 10 (revised 2014) Events after the Reporting Period
- TAS 11 (revised 2014) Construction Contracts
- TAS 12 (revised 2014) Income Taxes
- TAS 16 (revised 2014) Property, Plant and Equipment
- TAS 17 (revised 2014) Leases
- TAS 18 (revised 2014) Revenue
- TAS 19 (revised 2014) Employee Benefit
- TAS 20 (revised 2014) Accounting for Government Grants and Disclosure of Government Assistance
- TAS 21 (revised 2014) The Effects of Changes in Foreign Exchange Rate
- TAS 23 (revised 2014) Borrowing Costs
- TAS 24 (revised 2014) Related Party Disclosures
- TAS 26 (revised 2014) Accounting and Reporting by Retirement Benefit Plans
- TAS 27 (revised 2014) Separate Financial Statements
- TAS 28 (revised 2014) Investments in Associates and Joint Ventures
- TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
- TAS 33 (revised 2014) Earnings per Share
- TAS 34 (revised 2014) Interim Financial Reporting
- TAS 36 (revised 2014) Impairment of Assets
- TAS 37 (revised 2014) Provision, Contingent Liabilities and Contingent Assets
- TAS 38 (revised 2014) Intangible Assets
- TAS 40 (revised 2014) Investment Property

2. Basis of preparation and presentation of the financial statements (Continued)

2.3 Notifications of applying the Financial Reporting Standards (Continued)

2.3.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015. (Continued)

Financial Reporting Standards

TFRS 2 (revised 2014)	Share - based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 5 (revised 2014)	Non - current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Accounting Standard Interpretations

TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases – Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets-Web Site Costs

Financial Reporting Standard Interpretations

TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment

2. Basis of preparation and presentation of the financial statements (Continued)

2.3 Notifications of applying the Financial Reporting Standards (Continued)

2.3.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015. (Continued)

Financial Reporting Standard Interpretations

TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

2.3.3 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016.

Financial Reporting Standards

TFRS 4 (revised 2014)	Insurance Contracts
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The Company and its subsidiaries would not yet adopt the above standards before the effective date. The management of the Company and its subsidiaries will assess the impacts on the financial statements in the year when they are initially applied.

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

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

3. Summary of significant accounting policies

3.1 Measurement basis used in preparing financial statements

Historical cost is used as measurement basis in preparing these financial statements except some items indicated in relevant notes.

3.2 Cash and cash equivalent

Cash represents cash on hand and demand deposits with bank.

Cash equivalents comprises fixed deposit and short-term highly liquid investments which are not restricted in their uses, and that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value, such as deposit expiring less than 3 months from acquisition date or investments.

3.3 Trade receivables

Trade receivables are stated at net realizable value which is the amount of invoices netted from allowance for doubtful account. Allowance for doubtful account is based on the estimated uncollectible amounts by considering from the present financial status of each account receivable.

Besides, the management of company will also provide the allowance for doubtful accounts by considering from the status of each account receivable.

3.4 Inventory

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The costs of purchased inventories comprise the purchase price and other costs directly attributed to the acquisition of goods. Manufacturing cost of finished goods and work in process comprise from raw materials, labor and manufacturing overhead. The cost of inventories is calculated as follows:

Finished goods:

Purchase	Valued at cost prices under First-in, First-out (FIFO) method
Produce	Valued at cost of production under weighted average method
Work in process	Valued at cost of production under weighted average method
Raw materials	Valued at cost prices under First-in, First-out (FIFO) method
Packaging supplies	Valued at cost prices under First-in, First-out (FIFO) method

The company provided the allowance for expired goods from the goods which are expired and damaged.

3.5. Property, plant and equipment

Land is stated at cost less allowance for loss on impairment (if any).

Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment (if any). Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Land improvement	8-10	years
Building construction	17-30	years
Machinery and equipment	4-10	years
Tools and equipment	5-10	years
Furniture and fixtures	5	years
Vehicles and labor-saving equipment	5-7	years

An initial estimate of the costs of dismantling and removing the item and restoring the site, when the Company have obligation to do have been include in cost of property, plant and equipment.

Cost of addition, improvement, repairing or extensions of lease agreement that increase the future economic benefit are recognized as assets.

Depreciation is separately calculated on each component of assets, when the cost of each component is significant in relation to the total cost of the item.

The useful life and residual value of assets, and depreciation method are reviewed at least at each financial year-end.

Depreciation is recognized as expense for each accounting period.

3.6 Intangible asset

Intangible assets are stated at cost less accumulated amortization and allowance for loss on impairment (if any). Amortization is calculated by the straight-line method from the date that intangible assets are available for use over the estimated useful lives of the assets, unless such lives are indefinite. Intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follow:

Computer software	5	years
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The company recorded the amortization as expenses for each accounting period.

3.7 Impairment of assets

The Company should assess the impairment of assets i.e. Property, Plant and Equipment and Intangible assets whenever there is indication that an asset may be impaired, the impairment will be assessed by estimating the recoverable amount of asset, if it is below the carrying amount of the asset, it signs an asset is impairment. The company should recognize the impairment loss in the statement of comprehensive income.

Recoverable amount of assets is the higher of an asset's net selling price and its value in use, and it is determined from an individual asset or a cash-generating unit.

3.8 Leases agreement

3.8.1. Financial leases

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

3.8.2 Operating leases

The leases of assets, which the substantial all the risks and rewards associated with the ownership of the assets have not been transferred to the lessee, are classified as operating leases. The payments made under operating leases are charged to the statement of comprehensive income on a straight-line method over the period of the lease agreement.

3.9 Liabilities, provisions and expenses

The Company recognizes liabilities, provisions and expenses in the financial statements when it has legal obligation or possible obligation arising from past events, the settlement of which is expected to be made in the amount that can be estimated with sufficient reliability.

3.10 Revenue recognition

Revenue from sales of goods is recognized when significant risks and rewards of ownership have been transferred to the buyer based on the invoices value less discount, goods return and amounting to the estimates (if any).

Service income is recognised as services are provided.

Interest income is recognized on the period of time.

3.11 Employee benefits

Short – term employee benefits

Short – term employee benefits, which fall due wholly within 12 months after the end of period in which the employees render the related service, are recognized as expenses when incurred.

Postemployment benefits

The Company and its employees have jointly established a provident fund. The contributions from employees are deducted from monthly salaries and contributions by the Company. The fund's assets are held in a separate trust fund and the Company contributions are recognized as expenses when incurred.

The severance payments retirement under the labor law as a defined benefit plan, was calculated by a qualified actuary by using the projected unit credit method.

3.12 Translation of foreign currency

Foreign currency transactions are translated into Thai Baht at the exchange rate on the transaction date. The remaining balances of assets and liabilities denominated in foreign currency at the end of reporting periods are translated into Thai Baht at the exchange rates of that date. Exchange differences are accounted for as profit or loss in the statement of comprehensive income.

3.13 Income tax

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

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

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

3.14 Basic earnings per share

Basic earnings per share are computed by dividing the profit for the years attributable to shareholders by the weighted average number of ordinary shares outstanding during the period.

4. Related party transactions

4.1 The company's policy about the price charge to the related parties are as follows:

Type of transactions	Policies of price setting
- Sales goods to person or related party	Market price

The financial statements included the related party transactions by considering the following: intercompany shareholding or the same group of shareholders, directors or management team. Besides, the related parties are considered when one of parties has the ability to control the other party or can exercise significant influence over the other party in making financial and operating decisions. Some part of the Company's assets, liabilities, revenues and expenses arose from transaction with the persons and related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the normal business.

4.2 The relationship of person or related parties

(Unit : Baht)

	The relationship	2014	2013
Accounts receivable Spa Ovation (Thailand) Co., Ltd.	Related party	-	2,696
Revenue and expenses for the year Revenues from the sales of goods	Director, holding and related parties	32,609	95,337
Key management personnel remuneration	Director or holding or key management		
- Short-term employee benefits		20,436,057	28,450,187
- Postemployment benefits		741,900	758,017
Total		21,177,957	29,208,204

Key management personnel represent persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

5. Cash and cash equivalent

(Unit : Baht)

Consist of :	2014	2013
Cash	95,059	140,704
Cheque on hand	1,287,388	4,105,406
Demand deposits	19,736,069	12,742,866
Fixed deposit for 3 months	-	160,000,000
Investment Units in opened-end Fund	50,246,658	-
Total	71,365,174	176,988,976

6. Trade and other receivables

(Unit : Baht)

Consist of :	2014	2013
Trade accounts receivable		
- Trade receivables	270,227,956	264,345,725
- Note receivables	8,902,479	8,817,093
	279,130,435	273,162,818
Less Allowance for doubtful accounts	(1,361,169)	(889,595)
Total trade accounts receivable	277,769,266	272,273,223
Other receivables		
- Other receivables	473,869	771,983
- Cash advance for inventories	1,834,728	423,578
- Prepaid expenses	2,009,887	2,538,272
- Advance to employees	-	32,391
- Accrued income	5,147,431	5,927,089
Total Other receivables	9,465,915	9,693,313
Total trade and other receivables	287,235,181	281,966,536

The aging of the past due trade account receivables are as follows:

(Unit : Baht)

Consist of :	2014	2013
Not yet due	217,638,961	218,305,711
Overdue 1 - 30 days	43,561,723	37,346,448
Overdue 31 - 90 days	7,230,402	7,603,675
Overdue 91- 180 days	435,701	200,296
Overdue over 180 days	1,361,169	889,595
Total	270,227,956	264,345,725

7. Inventories

(Unit : Baht)

Consist of :	2014	2013
Finished goods		
Purchase	126,543,430	121,647,457
Produce	5,952,382	4,672,384
Total finished goods	132,495,812	126,319,841
Work in process	36,670	28,306
Raw materials	4,016,952	3,643,295
Packaging supplies	1,428,249	1,066,620
Total	137,977,683	131,058,062
Less Allowance for obsolete goods	(1,524,247)	(996,677)
Total	136,453,436	130,061,385
Add Goods in transits	80,489,287	61,938,787
Total inventories	216,942,723	192,000,172

Cost of inventories, included as expenses in cost of goods sold for the year ended December 31, 2014 was Baht 1,137 million (2013: Baht 1,077 million).

Loss (reversal) from obsolete stock for the year ended December 31, 2014 was Baht 0.53 million (2013: Baht (0.32) million).

8. Property, plant and equipment

(Unit : Baht)

Consist of:	2013	Increase (Decrease) in the period			2014
		Increase	Decrease	Transfer	
Cost price					
Land	114,250,000	-	-	-	114,250,000
Land improvement	13,680,627	361,980	-	365,980	14,408,587
Building construction	94,576,291	-	-	-	94,576,291
Machinery and equipment	13,732,878	664,354	-	12,090,921	26,488,153
Tools and equipment	9,791,662	1,092,774	(88,377)	338,905	11,134,964
Furniture and fixtures	29,851,516	1,380,030	(959,506)	1,084,360	31,356,400
Vehicles and labor-saving equipment	26,309,925	174,200	(1,650,000)	626,308	25,460,433
Total	302,192,899	3,673,338	(2,697,883)	14,506,474	317,674,828
Accumulated depreciation					
Land improvement	(2,504,562)	(1,448,792)	-	-	(3,953,354)
Building construction	(24,392,255)	(3,639,722)	-	-	(28,031,977)
Machinery and equipment	(5,375,357)	(3,123,418)	-	-	(8,498,775)
Tools and equipment	(3,310,434)	(1,646,441)	47,261	-	(4,909,614)
Furniture and fixtures	(13,440,298)	(4,954,598)	233,710	-	(18,161,186)
Vehicles and labor-saving equipment	(12,570,372)	(1,501,612)	1,649,997	-	(12,421,987)
Total	(61,593,278)	(16,314,583)	1,930,968	-	(75,976,893)
	240,599,621				241,697,935
Add Work in progress	19,492,666	4,175,218	(358,000)	(14,506,473)	8,803,411
Property, plant and equipment, net	260,092,287				250,501,346
Less Impairment Loss	-	(2,293,375)	494,850	-	(1,798,525)
Property, plant and equipment, net	260,092,287				248,702,821

Land and building of the Company (Book value as at December 31, 2014: Baht 166.30 million) are used as collateral to bank overdraft and short term loan facilities as mentioned in note 11.

The cost of plant and equipment, which were depreciated in fully amount are as follows:

Year 2014 in amount of Baht	17.81	million
Year 2013 in amount of Baht	13.21	million

9. Intangible assets

(Unit : Baht)

Consist of:	2013	Increase (decrease) during the year			2014
		Increase	Decrease	Transfer	
Cost					
Computer software	3,152,410	376,300	-	-	3,528,710
Total	3,152,410	376,300	-	-	3,528,710
Accumulated amortization					
Computer software	(1,398,182)	(561,260)	-	-	(1,959,442)
Total	(1,398,182)	(561,260)	-	-	(1,959,442)
Intangible assets, net	1,754,228	(184,960)	-	-	1,569,268

10. Deferred tax

(Unit : Baht)

Consist of:	2014	2013
Deferred tax assets	3,085,772	2,241,599
Deferred tax liabilities	(343,892)	(302,199)
Net	2,741,880	1,939,400

Movements in total deferred tax assets and liabilities during the year ended December 31, 2014 and 2013 were as follows:

(Unit : Baht)

Consist of:	January 1, 2014	(Charged) / Credited to:		December 31, 2014
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Accounts receivable	177,919	94,315	-	272,234
Inventories	199,335	105,514	-	304,849
Employee benefit obligations	1,132,885	326,608	-	1,459,493
Goods return provision	731,460	317,736	-	1,049,196
Total	2,241,599	844,173	-	3,085,772
Deferred tax liabilities				
Property, plant and equipment	(90,251)	(13,641)	-	(103,892)
Finance lease	(211,948)	(28,052)	-	(240,000)
Total	(302,199)	(41,693)	-	(343,892)
Net	1,939,400	802,480	-	2,741,880

(Unit : Baht)

Consist of:	January 1, 2013	(Charged) / Credited to:		December 31, 2013
		Profit or loss	Other comprehensive income	
Deferred tax assets				
Accounts receivable	8,839	169,080	-	177,919
Inventories	263,456	(64,121)	-	199,335
Employee benefit obligations	2,204,163	(204,578)	(866,700)	1,132,885
Goods return provision	240,565	490,895	-	731,460
Loss from flooding	526,799	(526,799)	-	-
Unrealized loss from forward contracts	213,838	(213,838)	-	-
Total	3,457,660	(349,361)	(866,700)	2,241,599
Deferred tax liabilities				
Property, plant and equipment	(454,113)	363,862	-	(90,251)
Finance lease	(147,547)	(64,401)	-	(211,948)
Total	(601,660)	299,461	-	(302,199)
Net	2,856,000	(49,900)	(866,700)	1,939,400

11. Loans from financial institutions

Loans from financial institutions are in the form of trust receipts with the interest rate at MMR (Money Market Rate) p.a.. The Company has 3 facilities of bank overdrafts. Such loans are guaranteed by part of its land and building.

12. Trade and other payables

(Unit : Baht)

Consist of :	2014	2013
Trade payables		
- Domestic	7,286,253	11,241,690
- Foreign	169,140,244	167,485,391
- Note payables	1,019,030	1,218,382
Total trade payables	177,445,527	179,945,463
Other payables		
- Other payables	4,875,677	4,590,057
- Accrued expenses	26,350,855	38,925,861
- Advance received	6,976,281	244,745
Total other payables	38,202,813	43,760,663
Total trade and other payables	215,648,340	223,706,126

13. Obligation under finance leases

(Unit : Baht)

Consist of :	2014	2013
Obligation under finance leases	-	164,800
Less Deferred interest expenses	-	(12,573)
Total	-	152,227
Less Current portion of obligation under finance leases	-	(152,227)
Obligation under finance leases, net	-	-

The Company has entered into the lease contract with one financial institution, the terms of agreement are 60 months, the first repayment was in 2009 and the last repayment was in 2014.

The Company has entered into lease contracts of vehicles. The Company has the option to purchase the assets at the end of the lease term and the Company must comply with conditions and limitations specified in the lease contracts.

14. Other current liabilities

(Unit : Baht)

Consist of :	2014	2013
Revenue Department	5,727,716	4,872,361
Allowance for goods return	5,245,981	3,657,299
Others	476,644	373,122
Total current liabilities	11,450,341	8,906,782

15. Employee benefit obligations

15.1 Movement in the present value of the defined benefit obligations

(Unit : Baht)

Consist of :	2014	2013
Defined benefit obligations at beginning	8,114,426	11,020,814
Actuarial gains in other comprehensive income	-	(4,333,500)
Current service costs	1,440,788	1,200,136
Interest costs	192,252	226,976
Benefit costs	(2,450,000)	-
Defined benefit obligations at ending	7,297,466	8,114,426

15.2 Expenses recognized in statement of comprehensive income

(Unit : Baht)

Consist of :	2014	2013
Current service cost	1,440,788	1,200,136
Interest cost	192,252	226,976
Total	1,633,040	1,427,112

15.3 Principal actuarial assumptions at the reporting date

Consist of :	2014	2013
Discount rate (% per annum)	3.39	3.39
Future salary increase (% per annum)	6.87	6.87

Assumptions regarding future mortality are based on published statistics and mortality tables in 2008.

16. Equity

16.1 Dividend paid

Year 2014

The board of director meeting, held on August 13, 2014 had a resolution to declare the interim dividend payment to the shareholders of Baht 28 million, Baht 0.07 per share of 400 million outstanding common shares.

The shareholders' meeting, hold on April 23, 2014 to declare the dividend payment in the amount of Baht 68 million, baht 0.17 per share. The Company had already paid an interim dividend of Baht 28 million, baht 0.07 per share. Accordingly, there was the remaining dividend of Baht 40 million, Baht 0.10 per share.

Year 2013

The board of directors' meeting, held on October 15, 2013, approved to declare the interim dividend payment to shareholders on the profit of year 2013 in the amount of Baht 28 million, at Baht 0.07 per share.

The shareholders' meeting, held on March 29, 2013, approved to declare the dividend payment to shareholders on the profit of year 2012 in the amount of Baht 35.1 million, at Baht 45 per share

16.2 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

16.3 Managing Capital

The Company has no regulation to maintain the debt to equity ratio with outside party. The company has policy to manage the capital by maintaining the Company's ability to continue the business as a going concern and providing the appropriate returns to the shareholders.

16.4 Share capital

Consist of:	2014			2013		
	Par value (Baht)	Amount of shares (Share)	Amount of Baht (Baht)	Par value (Baht)	Amount of shares (Share)	Amount of Baht (Baht)
Authorized, issued and paid up						
At January 1,						
- Ordinary share	0.25	400,000,000	100,000,000	100.00	780,000	78,000,000
Increase in new shares	-	-	-	0.25	399,220,000	22,000,000
At December 31,						
- Ordinary shares	0.25	400,000,000	100,000,000	0.25	400,000,000	100,000,000

Year 2013

The 1st / 2013 shareholders' meeting, held on March 29, 2013 approved these below:

- To transform into the Public company, named as Winner Group Enterprise Public Company Limited.
- To split the par value of share from Baht 100 per share to Baht 0.25 per share and increase the ordinary shares from 780,000 shares to 312,000,000 shares.
- To increase the authorized share capital, amounting to Baht 22 million by 88,000,000 ordinary shares of Baht 0.25 each, for initial public offering. The number of shares is increase from 312,000,000 shares to 400,000,000 shares, totally authorized share capital of Baht 100 million.

On April 10, 2013, the Company registered par value of share to Baht 0.25 per share and registered share capital to Baht 100 million.

On September 17, 2013, the Securities and Exchange Commission approved the public offering of the Company's shares. The Company received payment of this share capital increment and all expenses related to the share offering amounting to Baht 6,293,840, net from income tax are presented as a deduction from the premium on share capital. The Company registered the increased in its paid-up capital with the Department of Business Development on September 30, 2013.

17. Premium on share capital

(Unit : Baht)

Consist of :	2014	2013
Cash received from initial public offering		176,000,000
Less : Value of share capital 88 million shares, Baht 0.25	-	(22,000,000)
Less : Expenses for initial public offering - net from income tax	-	(6,293,840)
Premium on share capital – net	-	147,706,160

18. Staff provident fund

The Company joined with a contributory registered provident fund, in accordance with The Provident Fund Act B.E. 2530. The contributions from staffs are deducted from the monthly salaries, with the Company matching the individual's contributions.

19. Classification of expenses by nature

(Unit : Baht)

Consist of :	2014	2013
Change in finished goods and goods in process	6,184,335	14,560,992
Raw material and supply used	71,803,266	72,740,306
Purchase for goods	944,152,172	908,478,706
Employee expenses	90,436,722	79,490,639
Key management expenses	21,177,957	29,208,204
Depreciation	16,314,583	13,552,282
Amortization	561,260	538,415
Finance cost	3,879,453	4,698,452
Others expenses	193,243,241	164,674,708
Total	1,347,752,989	1,287,942,704

20. Income tax expenses

(Unit : Baht)

Consist of :	2014	2013
Current tax expense	20,818,411	20,929,625
Deferred tax expense	(802,480)	49,901
Total	20,015,931	20,979,526

Income tax recognised in other comprehensive income

(Unit : Baht)

	2014			2013		
	Before tax	Tax expense benefit	Net of tax	Before tax	Tax expense benefit	Net of tax
Defined benefit plan actuarial gains	-	-	-	4,333,500	(866,700)	3,466,800
รวม	-	-	-	4,333,500	(866,700)	3,466,800

Reconciliation of effective tax rate

	2014		2013	
	Rate	Unit: Baht	Rate	Unit: Baht
Profit (loss) for the year		76,512,734		83,591,474
Total income tax expense		20,015,931		20,979,526
Profit (loss) before income tax expense		96,528,665		104,571,000
Income tax using the Thai corporation tax rate	20.00	19,305,733	20.00	20,914,200
Income tax reduction – deferred		(802,480)		49,901
Income not subject to tax		-		-
Expenses not deductible for tax purposes		1,512,678		15,426
Total	20.74	20,015,931	20.06	20,979,526

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

21. Segment information

The Company business operations involve two principal segments: (1) Industry Product (2) Consumer Product. These operations are mainly carried on in Thailand. Below, segment information consists of:

(Unit : Million Baht)

Consist of:	Industry Product		Consumer Product		Total	
	2014	2013	2014	2013	2014	2013
External revenue	636,064	629,596	794,758	748,019	1,430,822	1,377,615
Segment profit	86,475	98,397	89,387	89,029	175,862	187,426
Segment assets as at December 31,	348,615	320,776	271,980	292,815	620,595	613,591

Reconciliation of reportable segment profit or loss and assets

(Unit : Thousand Baht)

Profit or loss	2014	2013
Total profit for reportable segments	175,862	187,426
Other income	3,559	2,903
Unallocated amounts - Other corporate expenses	(82,892)	(85,758)
Profit before income tax	96,529	104,571

(Unit : Thousand Baht)

Assets	2014	2013
Total assets for reportable segments	620,595	613,591
Other unallocated amounts	213,783	311,068
Profit before income tax	834,378	924,659

22. Basic earnings per share

(Unit : Baht/share)

Consist of:	2014	2013
Profit for the year attributable to ordinary shareholders of the Company (Basic)	76,512,734	83,591,474
Number of ordinary shares outstanding at January 1,	400,000,000	312,000,000
Increase new shares	-	22,421,918
Weighted average ordinary shares (Basic)	400,000,000	334,421,918
Earnings per share (Basic)	0.19	0.25

23. Commitments and contingent liabilities

23.1 There are outstanding commitments with banks as follows :

Consist of:	Currency	2014	2013
Letter of guarantee	(Baht)	1,161,900	1,750,145

23.2 Forward exchange contract

The outstanding balance of forward exchange contract is as follows :

Consist of:	Currency	2014	2013
The exchange forward contract – Bought	(USD)	5,097,172	6,053,930
	(EUR)	-	392,588
	(JPY)	-	5,202,000

23.3 Operating lease obligations

The Company has operating lease obligations, which consist of vehicle and related rental, and equipment rental (copiers). The periods of operating lease obligations are approximately 1-3 years.

As at December 31, 2014, the minimum lease payments in the operating lease contracts with the present value of future minimum lease payments are as follows:

(Unit : Baht)

Items of lease	Terms	2014	2013
Office Building and Ware House	Within one year	6,748,781	6,170,056
	Within one-three years	5,233,725	5,307,686
Service	Within one year	122,652	77,180
	Within one-three years	112,026	100,323
Office equipment (Copier)	Within one year	145,300	149,400
	Within one-three years	99,000	141,700

23.4 Technical Service and Royalty agreements

On May 4, 1993, The Company entered into the License agreement with a company, in USA, which the company has a right to be the exclusive independent sales distributor in the Territory of Thailand. Under the agreement, the company has to pay royalty of purchase price of such product for the period of 5 years from the date of agreement. After such initial term and in the absence of any notice of termination, this agreement shall be automatically extended on a year to year basis.

24. Financial instruments

24.1 Risk management policies

24.1.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Company is exposed to credit risk primarily with respect to trade accounts receivable. The company manages the risk by adopting appropriated credit control policies and procedures.

Credit risk which arises from trade accounts receivables are not much, since the company has a strict policy concerning the analyzing and approving credit for its customer and the debt collection process is also closely tracked by the company.

The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

24.1.2 Interest rate risk

Interest rate risk arises from the potential for a change in market interest rates to having affected the value of the financial assets and liabilities of the Company.

As at December 31, 2014 and 2013, the company has the significant financial assets and liabilities are classified by type of interest rates, and the fixed interest rates are classified based on the maturity date or the date of new interest rate is fixed if it is fixed before the maturity date, are as follow:

(Unit : Million Baht)

Consist of:	2014				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1 – 5 year			
Financial Assets					
Cash and cash equivalents	19.74	-	-	51.63	71.37
Trade and other receivable	-	-	-	287.24	287.24
Financial liabilities					
Loans from financial institutions	-	-	24.83	-	24.83
Trade and other payable	-	-	-	215.65	215.65

(Unit : Million Baht)

Consist of:	2013				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1 – 5 year			
Financial Assets					
Cash and cash equivalents	172.74	-	-	4.25	176.99
Trade and other receivable	-	-	-	281.97	281.97
Financial liabilities					
Loans from financial institutions	-	-	119.59	-	119.59
Trade and other payable	-	-	-	223.71	223.71
Obligation under finance leases	0.15	-	-	-	0.15

24.1.3 Foreign exchange rate risk

The Company exposure to foreign currency risk mainly relating to purchase of goods which is denominated in foreign currencies. The Company hedged against currency risk by entering into forward exchange contracts with maturities of less than 1 year.

As at December 31, 2014, the Company has the balances of forward contract as follows:

Consist of:	Amount of Contract		Fair Value (Baht)
	Foreign currency	Baht	
Forward Contract Foreign Currency (USD)	5,155,012	169,770,448	1,055,016

As at December 31, 2013, the Company has the balances of forward contract as follows:

Consist of:	Amount of Contract		Fair Value (Baht)
	Foreign currency	Baht	
Forward Contract Foreign Currency (USD)	6,053,930	194,465,339	5,413,847
Forward Contract Foreign Currency (EUR)	392,588	17,474,874	236,081
Forward Contract Foreign Currency (JPY)	5,202,000	1,638,734	(4,474)

24.2 Fair value of financial instruments

Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The methods and assumptions are used by the company in estimating fair value of financial instruments is as follows:

Financial assets and financial liabilities held for the short-term maturities, such as cash on hand and deposits at financial institutions, accounts receivable and payable, and short-term loans, the carrying amounts in the statements of financial position approximate at the fair value.

Fair value of obligation under finance leases is determined based on the present value of future cash flows, discounted at the market interest rate at the date of the statement of financial position.

25. Events after the reporting period

The board of directors' meeting, held on February 25, 2015 has raised the agenda of shareholders' meeting as follow:

- To declare the dividend payment from the operation results for the year ended December 31, 2014 in the amount of Baht 64 million, Baht 0.16 per share. The Company has already paid an interim dividend of Baht 28 million, Baht 0.07 per share. Accordingly, the remaining dividend of Baht 36 million, Baht 0.09 per share, will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

26. Approval of financial statements

These financial statements were approved and authorized for issue by Board of Directors on February 25, 2015.



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