



70
Anniversary
THAI WAH



2016 Annual Report
Thai Wah Public Company Limited

WE ARE
A REGIONAL LEADER IN
STARCH AND STARCH-RELATED
FOOD PRODUCTS,
A PIONEER IN THAILAND
FOR TAPIOCA STARCH,
VERMICELLI AND NOODLES WITH
A COMMITMENT TO
INNOVATION AND
OPERATIONAL **EXCELLENCE.**

VISION

TO BE A REGIONAL LEADER IN STARCH
AND STARCH-RELATED FOOD PRODUCTS.

MISSION

WE WILL PRODUCE PREMIUM QUALITY
PRODUCTS TO SATISFY OUR CUSTOMERS,
AND WORK WITH PRIDE, INTEGRITY
AND CONSISTENCY.

THAI WAH PUBLIC COMPANY LIMITED

“THAI WAH 70 STRONGER TOGETHER.”

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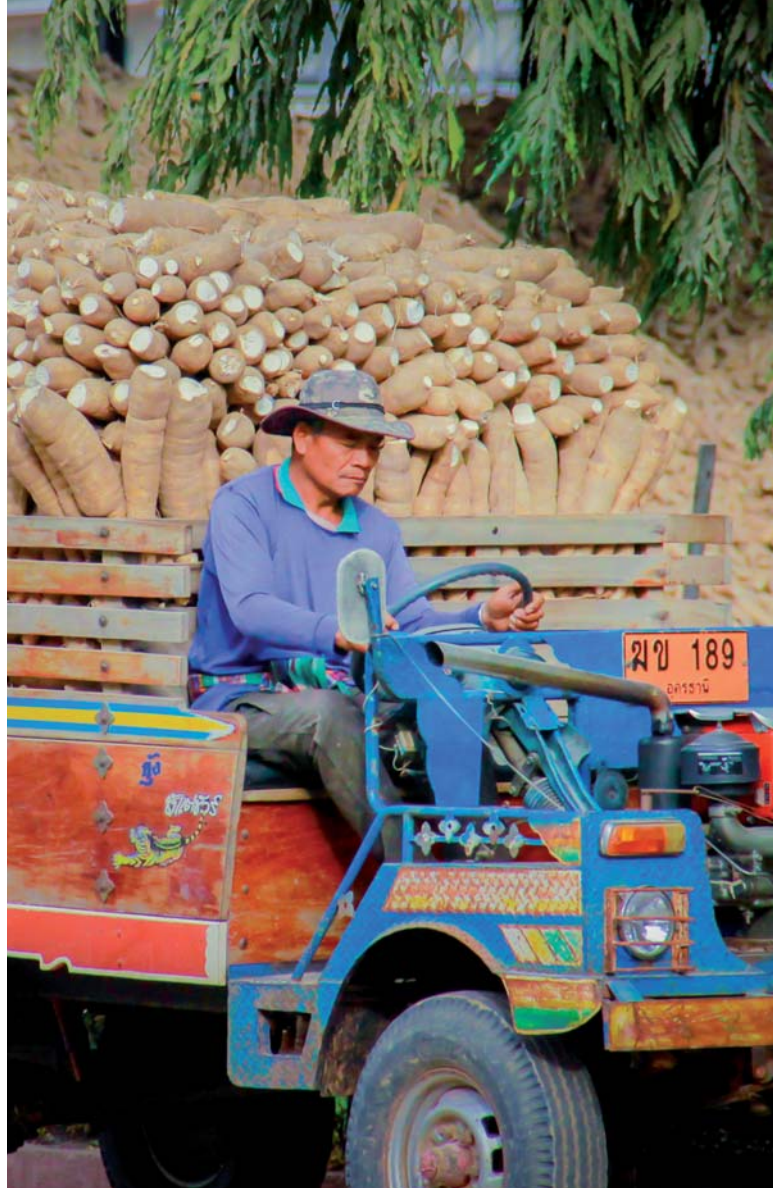
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Message from The Chief Executive Officer

2016 was a positive year for Thai Wah Public Company Limited, as it marked the first full year operation as a newly merged entity with both our food and starch operations under one umbrella platform. Since the merger on October 1, 2015 the Company continues its renewed vision to be a regional leader in starch and starch-related products. In 2016 we focused on the main merits of the merger: greater synergies in management expertise, R&D development and financial capital to allow us to build a stronger and more sustainable platform across the region.

Despite volatility of the global macro market in 2016, the Company witnessed strong growth both in terms of revenue sales as well as net income. Demand for tapioca starch and food products continues to be steady, given the secular rise in middle class consumption and demand for consumer staples. The Company's focus and platform as a branded export and domestic food player is well positioned to grow as we continue to offer differentiated and branded quality products to our customers.

Total sales of the Company across all products in the year under review increased from Baht 5,525 million or 12 percent over the previous year to Baht 6,163 million. This positive result is achieved largely on the back of exceptionally favourable raw material root price for Cassava, strong capacity expansion for our Thai and Vietnam factories and continuous growth of our rice noodle business across Thailand. We continue to build our business in 2016 with a significant improvement in operating margins and cash flow generation.

For our Starch Business the Company managed to record 13% growth mainly due to strong sales in our Vietnam business and consistent performance in our Thai export business. The export price of cassava starch in 2016 declined by 15% mainly due to a slower global macro environment. However the root price declined more which enabled the Company to benefit from exceptionally positive raw material root price. We have successfully set up Thai Wah China as a platform to drive our 'Rose' brand directly with key accounts and customers, in particular China, Taiwan, and Southeast Asia; the same time develop and continue to develop higher value-added products such as Glucose, Tapioca Pearl and Coarse Flour in the medium term as a point of differentiation and margin-expansion.

For our Food Business, revenue in the vermicelli business remains flat compared with last year mainly due to relatively slower demand in Q4 with more sluggish domestic sentiment. However our rice noodle business grew 37% and we remain focused on this product category to scale our market leadership. Over the last 12 months the Company has been able to strengthen our direct distribution business, with van sales that can penetrate across 9 branches in Thailand, thus improving our access to food operators and key trade channels. Export growth is still consistently strong with 32% growth with demand for Asian food globally, and we remain focused on continuing to invest and develop our sales and marketing capabilities across Thailand.

The Company remains as committed as ever to our core three-pillar strategy of pursuing Regionalization, Innovation and Operational Excellence. Over the past year in 2016 – we have successfully completed the formation of Thai Wah Vietnam,

2016 was a positive year for Thai Wah Public Company Limited, as it marked the first full year operation as a newly merged entity with both our food and starch operations under one umbrella platform.



Thai Wah Cambodia and Thai Wah Bio-Power. With these new platforms we will be able to strengthen our operating model in order to scale regionally, and we are continuing to build on management expertise and deepened know-how to be a regional leader.

Given the strong operating cash flow in 2016 and strengthening of our balance sheet, the Company takes a prudent and strict approach towards investing new capital both for organic growth, capacity expansion and entering new markets. We instil a disciplined view towards all new investments by measuring Returns on Invested Capital: in line with generating strong equity returns for shareholders in the long run. As a result, we continue to retain and grow a strong net cash position, in line with our long term strategy to increase absolute dividend pay-out over the next few years.

Increasingly, technology plays a pivotal role in the way to do business and engage with stakeholders such as farmers, distributors, food operators and consumers. As a brick-and-mortar food and starch business, the Company is ramping up our efforts to embrace technology as a sustainable business enabler across all aspects of our value chain. Some notable examples this year include piloting a new mobile platform to work with our farmers and food operators, and continuing small scale pilot workshops with farmers both in Thailand and the broader ASEAN region.

All-in-all, the Company's net profit for the period from 1 January to 31 December 2016 based on its consolidated financial statements amounted to Baht 669 million (Baht 0.76/share).

On this note, the Board of Directors has resolved to recommend a dividend payment of THB 0.30 per share in respect of the full financial year ended December 31, 2016 which is subject to shareholders' approval at the Company's Annual General Meeting on 20 April 2017.

We would like to take this opportunity to express our deep appreciation to our fellow Directors for their invaluable counsel and guidance which has greatly contributed to the success of the Company in 2016. We would also thank all our associates for their diligence and dedication, and our shareholders, customers and business partners for their continuing support.

As we celebrate our 70th Anniversary this year, we thank all pioneers, stewards and members of the Thai Wah family who have made this Company possible.

It is in dedication to their spirit and contributions that we strive to build this special company for the long term, with Pride, Integrity and Consistency.

A handwritten signature in black ink, appearing to read 'Ho Ren Hua', with a long horizontal line extending from the end of the signature.

Mr. Ho Ren Hua
Chief Executive Officer

Financial Highlight

(Unit: Million Baht)

Information from Consolidated Financial Statement	2016	For the period from 1 October 2015 to 31 December 2015
Total current assets	2,797	2,515
Total non-current assets	3,606	3,313
Total Assets	6,403	5,828
Total current liabilities	750	570
Total non-current liabilities	308	338
Total Liabilities	1,058	908
Total Shareholders' equity	5,345	4,920
Sales	6,163	1,394
Dividend income	2	-
Gain on debt restructuring	-	-
Share of gain from investments in associated companies	16	6
Total revenues	6,321	1,421
Reversal of an impairment loss for investment property	-	-
Cost of sales	4,600	1,107
Total expenses	5,400	1,295
Operating profit	875	163
EBITDA	1,071	157
Earnings before finance cost and income tax expense	921	126
Finance cost	8	1
Income tax expense	167	25
Net profit for the year	746	100
Net profit attributable to non-controlling interest	77	19
Net profit attributable to equity holders of the Company	669	81
Other information		
Earnings Per Share (Baht)	0.76	0.09
Dividend Per Share (Baht)	*0.30	0.27
Book Value Per Share (Baht)	6.07	5.59

Note: *At the time of printing this report, a Baht 0.30 per share dividend had been proposed by the Board of Directors but had not been approved by the Annual General Meeting. This also included interim dividend amounting to Baht 0.09 per share.

Our Food Products



Double Dragon
Mung bean starch noodle
Fresh Rice Small Strip



Phoenix
Dry Rice Noodle
Fresh Rice Vermicelli



Double Kirin
Fresh Rice Big Strip
New Grade

Financial Ratios

	2016	For the period from 1 October 2015 to 31 December 2015
Profitability ratio		
Gross profit margin (%)	25	21
Operating profit ratio (%)	14	12
Other income ratio (%)	1.18	0.42
Cash to operating profit ratio (%)	77	98
Return on Total Revenue (%)	12	7
Return on Total Equity (%)	15	*2
Efficiency ratio		
Return on Total Assets (%)	12	*2
Return on fixed assets ratio (%)	46	*7
Assets turnover ratio (times)	1.03	*0.24
Liquidity ratio		
Liquidity ratio (times)	4	4
Quick liquidity ratio (times)	3	3
Cash flow liquidity ratio (times)	1.02	*0.36
Average collection period (day)	33	*33
Average Sale period (day)	27	*31
Average payment period (day)	16	*15
Cash cycle (day)	43	49
Financial policy ratio		
Debts to equity ratio (times)	0.20	0.18
Interest coverage ratio (times)	97	157
Repayment ability ratio (cash basis) (times)	0.32	2.38
Dividend payout ratio (%)	39	**295

Note: * not calculated from average amount

** calculated from net profit for the period from October 1, 2015 to December 31, 2015

Management Discussion and Analysis

Business Overall

The year of 2015 was a remarkable year for the Thai Wah Group. Thai Wah Public Company Limited was formed by the amalgamation of two businesses, with a strong presence on different aspects between Thai Wah Starch Public Company Limited, the manufacturer and exporter of starch products that has generated continuous expansion to cater for its customers' demand for high quality starch products, and Thai Wah Food Products Public Company Limited, the leader in vermicelli and rice noodles products with a strong performance record. This resulted in synergetic benefits for the products and the strategy to expand the market of the group companies.

On 1 October 2015, the amalgamation was completed and registered with the Business Development Department, the Ministry of Commerce. There were various expectations arising out of the amalgamation including risk diversification, business harmonization between both entities financially and their strength in terms of business strategy. Its effect would generate sustainable value for shareholders and access to capital markets necessary to transition and thrive in an ASEAN context.

2016 was a particularly eventful year, with a few noteworthy external factors affecting the Company's 2016 performance. There was an impact from the decline in cassava root due to the drought crisis during the beginning of the year. Low rainfall led to delays in harvesting of cassava roots during May to September. Uncertainty in the raw material prices resulted from market pressure in China, a major importer of tapioca chips to the Thai market. This also resulted from the Chinese government's policy of releasing large amounts of domestic corn stocks (Government policy mandated using corn instead of tapioca chips for the production of ethanol).

This led to a price decrease for tapioca chips and a corresponding decrease in the price of cassava roots. Compounding the price pressure on cassava roots, other Chinese governmental policies on corn ended state-supported

stockpiling and caused prices to decrease across almost all products in the grain and feed sectors in the China market. Moreover, China is the world's largest importer of Tapioca products and domestic corn can be an alternate source instead of tapioca chips to produce ethanol and feedstock. The dramatic decrease in tapioca chip imports by China led to a surplus of cassava roots in Thailand, causing the price of cassava roots to drop significantly. Despite these significant external challenges, for the year 2016, the Company recorded new sales of Baht 6,163 million, or an increase of 12 percent, and a higher net profit of Baht 669 million or a 54 percent increase, compared to the previous year.

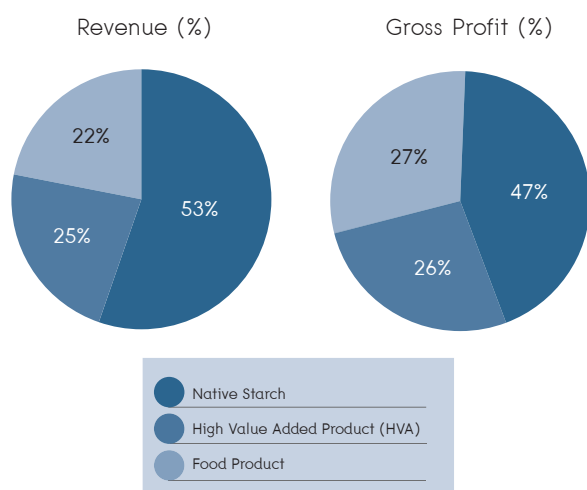
The key factors that contributed to the Company's 2016 performance are as follow:

- 1) Successful amalgamation of two strong businesses leading to synergy in sales & sales margins
- 2) Consolidation of the strong market presence of two businesses, Thai Wah Starch Public Company Limited and Thai Wah Food Products Public Company Limited, on 1 October 2015, generated a synergy in sales of starch, vermicelli and rice noodle. With more effective management, the company's gross sales and net profit delivered new record results in 2016, reflecting the continuously increasing rate of gross profits. Cassava root prices fell to a 10-year low

Cassava root raw material prices averaged 1.90 Baht per kilogram in 2016, down 19 percent from the 2015 average price. This mainly resulted from the Chinese policy on corn, which was the domestic alternate product to tapioca for the ethanol and feedstock industries. This led to a fall in demand for intermediate cassava chip products and a consequent decrease in cassava root prices, which fell sharply to 1.30-1.40 Baht per kilogram in the third quarter in 2016, the lowest in 10 years. However, importantly, the low cassava root price had significantly supported the high gross margin in 2016; while there was strong demand for tapioca starch in the Chinese

market, which was the main tapioca starch export country of the Company.

The Operating Results 2016



For the year 2016, Thai Wah Group reported total sales revenue of Baht 6,163 million, an increase of Baht 638 million or 12 percent compared to the previous year.

Total sales comprised sales from native starch business of Baht 3,242 million or 53 percent, high value added business of Baht 1,576 million or 25 percent and food business of Baht 1,325 million or 22 percent. The group made a record high net profit of Baht 669 million, comprising the native starch and high value added businesses contributing 77 percent of the total net profit, and the food business contributing 23 percent. The gross profit margin was 25 percent, an increase from 21 percent in the year 2015, while the operating profit margin of 14 percent increased from 12 percent in the year 2015, excluding amortization from the increase in fair value recognition of the amalgamation. The operating results can be described according to each business as follows:

	2015		2016	
	M. Baht	%	M. Baht	%
Thailand				
Native Starch	2,479	45	2,898	47
High Value Added product	732	13	655	10
Food	1,295	23	1,325	22
Other	7	0	3	0
Total revenue from Thailand	4,513	82	4,881	79
International				
Native Starch	348	6	344	6
High Value Added product	654	12	921	15
Other	10	0	17	0
Total revenue from International	1,012	18	1,282	21
Total Sales	5,525	100	6,163	100

Revenue from Starch Business

The native starch business recorded sales of Baht 3,242 million, an increase of 15 percent from Baht 2,827 million in the previous year, while the high value added business recorded sales of Baht 1,577 million, an increase of 14 percent from Baht 1,386 million in the previous year. The increase

was mainly due to the continued growth in the strong demand for tapioca starch. Thailand's total tapioca starch export increased from 3.85 million tons in the year 2015 to 4.25 million tons in the year 2016, an increase of 10 percent. Notably, the total Thailand tapioca starch export to China, which was our main customer, increased from 1.3 million tons in the year 2015 to 1.6 million tons in the year 2016, an increase of 18 percent, and a corresponding

reason for the decline in Vietnam's total tapioca starch export by 110,000 tons in 2016.

The native starch business managed to grow in profitability due to capacity expansion in Thailand, even though volatility of the starch prices caused a fall in prices started from late 2015. The average selling price was 12.70-13.00 Baht per kilogram and the export price was 380-390 USD per ton in the first quarter of the year 2016. At the middle of the year, the average selling price increased to 13.00-13.10 Baht per kilogram and 390-395 USD per ton for the export price. This reflects the market effect of the drought crisis and the expectation of lower cassava roots production from Vietnam, Cambodia and Laos at the season's end.

Buyers of tapioca starch could not bear its increasing cost as they could not increase the product price in the competitive market. After the demand from China slowed due to high stock levels of starch domestically, good levels of productivity of tapioca roots both domestically and internationally and end-users in some industries switching to use cheaper alternative sources of starch to maintain cost competitiveness, the average tapioca starch selling price decreased to 10.20-11.20 Baht per kilogram and an export price of 315-340 USD per ton. These factors also resulted in the decrease of cassava root prices in Thailand. However, after the fall in prices, the demand for tapioca starch increased due to price competitiveness and Chinese domestic stock almost running out. By contrast, in Vietnam, the cost of cassava root production was higher than in Thailand due to the high cassava root cost.

Meanwhile, revenues from the high value-added business of the Company in 2016 increased significantly as a result of the increase in the sales of glucose products by 36 percent, due to high demand of the food and beverage industry in Vietnam. The Company plans to expand its capacity in 2017 to support higher customer demand.

Revenue from Food Business

Despite the economic slowdown in recent years, our food business revenues have remained stable. Total sales of the

food business account for Baht 1,325 million, a modest rise of 2 percent from Baht 1,295 million in the previous year. Domestic sales have remained the largest channel, contributing 92 percent of total revenue, while export sales have contributed 8 percent of the total food business revenue. The food business has remained the leading source of revenue in the market, particularly both dry vermicelli and fresh vermicelli in Thailand. In addition, rice noodle product sales have recorded a strong increase of 25 percent, mainly generated from the cash van channel. At present, the Company has a total of 9 van branches nationwide. Domestic sales of vermicelli products remain almost stable from the previous year, mainly as a result of the economic slowdown. However, at the same time, the export sales in 2016 represented a significant improvement of 32 percent compared to the previous year, from vermicelli and rice noodle combined.

Financial Analysis

For the purpose of understanding the overview of the Group's business, despite the amalgamation on 1 October 2015 management had prepared the consolidated statements of income for the years 2015 and 2014 by presenting the unaudited group's performance for the year end and provide an analysis of the Company group's operations for presenting the actual earnings, statement of comprehensive income that was prepared by the management by separating the effects of adjustment from amalgamation (non-cash items) from the regular list, resulting in profit and loss by function to differ from the statement of comprehensive income that was audited by the auditors. However the net profit attributable to equity holders of the Company that was presented was correct as per the auditors' opinion in accordance to the Generally Accepted Accounting Principles.

Income Statements

(Unit: Million Baht)

	2014*		2015*		2016	
	M. Baht	%	M. Baht	%	M. Baht	%
Sales	5,300	100	5,525	100	6,163	100
Cost of sales	4,209	79	4,341	79	4,595	75
Gross profit	1,091	21	1,184	21	1,568	25
Selling and admin expense	568	11	649	12	771	13
Other Profit	86	2	86	2	78	1
Operation profit	609	11	621	11	875	14
Other income not derived from the ordinary business	5	0	10	0	58	0
Share of profits from associates	33	1	26	0	16	0
Earning before interest and tax	647	12	657	12	949	15
Finance cost	(2)	0	(3)	0	(8)	0
Tax expense	(127)	(2)	(143)	(3)	(173)	(3)
Net profit	518	10	511	9	768	12
Net profit of controlling interests of subsidiaries	(38)	(1)	(43)	(1)	(77)	(1)
Adjusted from non-cash items	(47)	(1)	(65)	(1)	(22)	0
Net profit after adjust items**	433	8	403	7	669	11
Adjusted from the amalgamation from 1 Jan 2014 – 30 Sep 2015	47	1	32	0	-	-
Net profit attributable to shareholders	480	9	435	8	669	11

Note: *The financial statements of the year 2015 and 2014 was the consolidated by the Company

**Net profit after adjusted items was shown in 2014 annual report

Sales

The Company sales set a new high record at Baht 6,163 million in the year 2016, an increase of Baht 638 million, or 12 percent, from Baht 5,525 million in the previous year. The native starch business accounted for the largest sales contribution at 53 percent, slightly higher than the previous years' 52 percent. The high value-added business sales contribution improved to 26 percent, an increase from the previous year of 25 percent. The food business sales contribution decreased to 22 percent, slightly declining from the previous year's 23 percent.

In the year 2016, sales from subsidiary companies outside Thailand accounted for sales contributions of 21 percent of

the total sales, an improvement on the 18 percent for the year 2015, mainly due to growth in the glucose business in Vietnam. The Company has established its subsidiaries or Thai Wah International Trade (Shanghai) for the trading of the starch products in China, which has been operating since the third quarter of 2016.

Gross Profit

The 2016 gross profit margin of the Company was 25 percent, a significant increase from 21 percent in the year 2015. The increase was driven by pressure from Chinese policy on corn that resulted in a fall in demand for intermediate cassava chip products, which caused a drop in cassava root prices to the lowest price of the past 10 years with good performance continually upon the business restructuring.

The starch business continuously showed a gross profit margin increase, due to declining cassava root costs throughout the year and by capacity expansion. This resulted in a sales volume increase in both the native starch and the glucose businesses. Moreover, the capacity expansion also drove productivity improvements in managing the fixed overheads of overall production costs. The domestic starch business yielded a gross profit margin of 23 percent, compared to 17 percent in the year 2015, while sales for the starch business in Vietnam increased significantly together with a significant gross profit margin increase to 23 percent from 21 percent in the previous year.

The 2016 gross profit margin of the food business overall declined slightly to 32 percent from 33 percent in the year 2015, due to the fluctuation of raw materials and depreciation expenses for factory expansion.

Earnings before Interest and Tax

The 2016 earnings before interest and tax were 15 percent, an increase from 12 percent in the year 2015, mainly due to three key factors; increase in gross profit of Baht 384 million at 32%; sales of land held for investment of Baht 57 million in 2016; and foreign exchange and interest gains during the year. As a result, EBIT was Baht 949 million, an increase of 44 percent from 2015.

Sales, General and Administrative Expenses (SG&A)

2016 SG&A expenses increased by 19 percent to Baht 771 million, driven mainly by the increased expenses associated with sales growth requiring continual investment in cash van channel, which will be one of important channel that drives sales growth in the future. The other increased expenses were marketing expenses and administrative expenses required to support business expansion.

Net Profit Attributable to Shareholders

The 2016 net profit of the Company and its subsidiaries was Baht 669 million, an increase of Baht 234 million, or 54 percent, compared to 2015. The increase mainly came from

higher sales and gross profit margins as well as improved operating effectiveness, and an increase in other revenues, despite a higher amount of corporate income tax paid. As a result, the Company net profit in 2016 was 11 percent, an increase from 8 percent in 2015.

Financial Position

Assets

Total assets as at 31 December 2016 amounted to Baht 6,403 million, an increase of Baht 574 million or 10 percent, from the year 2015. The main reasons for the increase were:

- Cash and cash equivalents decreased by Baht 903 million, or 74 percent, from the previous year as the Company transferred cash amounts to Open - Ended Fund for sales of securities for higher yield than bank deposits. As at 31 December 2016, the total fair value of investment in Open-Ended Funds was Baht 941 million, reserved as working capital for the production season and the expansion of capacity.
- Net accounts receivable was Baht 656 million, with an increase of trade accounts receivable in the amount of Baht 93 million and an increase of other accounts receivable in the amount of Baht 46 million from the previous year. Accounts receivable increased in line with the consolidated sales growth. The average debt collection period was 33 days which included the allowance for doubtful debts according to financial report standards.
- Net inventories increased by Baht 31 million, or 5 percent, compared to the previous year, mainly due to an increase in line with the sales growth with the impressive sale period of 27 days. The group recorded an allowance for goods impairment, when the net realizable value was less than its cost of Baht 10 million, representing 1 percent of the net inventory value, as of 31 December 2016
- Property, plant and equipment and land held for investment totaled Baht 2,155 million. This is accounted for by an increase in property, plant and equipment of Baht 394 million from the previous year due to the capacity expansion of the starch business and the food business in Thailand,

and the construction of the new plant of the food business in Vietnam. Meanwhile, a decrease in land held for investment

of Baht 33 million from the previous year was due to two land sales of Baht 90 million in 2016.

Sources of Funds

Items	2016	2015*
Debt to equity ratio	0.20	0.18
Interest-bearing debts to equity ratio	0.03	0.02

Note: The financial statement of the year 2015 was for the period from 1 October 2015 to 31 December 2015

Total liabilities as of 31 December 2016 amounted to Baht 1,058 million, an increase of Baht 150 million, or 17 percent, from the previous year. Debt to equity ratio was 0.2, almost unchanged from 0.18 in the year 2015, and the repayment ability ratio was 0.3 representing a strong financial performance. Moreover, interest-bearing debt to equity ratio was 0.03. The increase in total liabilities arose mainly due to the reasons below:

- Trade and other payables increased by Baht 67 million or 17 percent from the previous year, driven mainly by an increase in line with the sales growth. The average payment period ratio in 2016 was 16 days. A lower number of trade payables days resulted from the main material of starch production, the cassava roots, which were bought from the farmers on cash terms.

- Loans from financial institutions comprised an increase in short-term loans totaling Baht 61 million and a decrease in long-term loans totaling Baht 20 million. Long-term debts transformed into short-term debts as they became due within one year. Debt repayment during one year totaled Baht 30 million.

Shareholders' Equity

Equity attributable to shareholders of the Company as at 31 December 2016 amounted to Baht 5,345 million, an increase of Baht 424 million, or 9 percent, from the year 2015. The calculation of this increase can be shown as:

- Total comprehensive income for the year gained from profits for the year of Baht 746 million with a deduction of the dividend payment of Baht 325 million during the year.

Liquidity

Cash Flow

(Unit: Million Baht)

Items	2016	2015*
Cash flow from operating activities	671	159
Cash flow from investing activities	(1,297)	(74)
Cash flow from (used in) financing activities	(269)	100
Translation adjustments	(8)	(2)
Net increase (decrease) in cash and cash equivalents	(903)	183

Note: The financial statement of the year 2015 was for the period from 1 October 2015 to 31 December 2015

Cash and cash equivalents as at 31 December 2016 of the Company amounted to Baht 315 million, a decrease from Baht 903 million from Cash and cash equivalents as at 31 December 2015. The main reasons are as follows:

- Net cash flow from operating activities was Baht 671 million calculated using the profit before tax of the Company of Baht 994 million, the decrease in net working capital assets driven by an increase in trade and other receivables totaling Baht 114 million, an increase in other current assets totaling Baht 53 million, an increase in trade and other payables totaling Baht 43 million, and income tax expenses totaling Baht 159 million.
- Net cash flow used for investing activities was Baht 1,297 million, derived mainly from an increase in investing in current and long-term investments totaling Baht 1,329 million mostly in open-ended funds and debt instruments, and an increase in land, plant and equipment for factory expansion totaling Baht 378 million.
- Net cash flow used in financing activities was Baht 269 million, mainly due to dividend payments totaling Baht 317 million. The dividends were paid from retained earnings as at 31 December 2015 totaling Baht 238 million and interim dividend from the financial performance of first 6 months of 2016 totaling Baht 79 million.

Key Liquidity Ratio

Total current assets of the Company as at 31 December 2016 were Baht 2,797 million, while total current liabilities were Baht 750 million. The liquidity ratio and the quick ratio was 4, almost unchanged from the previous year, indicating that the Company is able to maintain its high liquidity level cash, current investment and debt instrument as well as a stable financial position.

Commitments, Contingencies and Off-Balance Sheet Arrangements

The group has commitments and contingent liabilities, please refer to the Notes to consolidated financial statements 2016, number 33.

Future Prospect and Action Plan of the Starch Business

According to the survey on tapioca from 4 associations, i.e., the Thai Tapioca Trade Association, the Thai Tapioca Products Factory Association, the North Eastern Tapioca Trade Association, and the Thai Tapioca Starch Association, it was estimated that 31.18 million tons of cassava root supply will be in the market in the 2016-2017 crop, an increase of 3.7 percent from the 2015-2016 crop. Nonetheless, agricultural production in 2017 is at risk from the effects of drought climate change or global warming. A prolonged dry spell and drought may impede cassava planting whereby the cassava root may not survive until reaching the condition to be harvested, causing farmers to have to replant again and again. In such case, the cassava root output may be delayed, and the volume available on the market may be lower than the forecast. Additionally, some plantation areas may face a shortage of stem, or the use of cassava species that have low starch content. Finally, various factors such as climate change, and pest infestations, especially mealy-bugs and red spider mites, must be closely monitored and guarded against on a continuous basis.

With respect to the price situation of tapioca starch in the export market, a price increase during the last quarter from the price of 2016 is unlikely, primarily due to the global economic slowdown, especially in China. The demand for tapioca starch in China will also be expected to fall as the impact on low priced corn stock in the China market persists. This situation has an impact on both price and volume of tapioca products, mainly on tapioca chips but also on tapioca starch.

Tapioca chips volume in 2016 was recorded at 6.4 million tons, a steady decrease of 1 million tons from 2015. Thai

producers of tapioca chips will continue having difficulty competing in the China market, and that has resulted in a lower demand for cassava roots supplied to the tapioca chips factories. This situation will cause prices of cassava roots in the market to fall, which may cause farmers to shift to planting other agriculture products fetching higher prices, such as sugarcane. Thus, the cassava output in 2017 was expected to decrease and lead to a supply shortage in the market. To mitigate this, the Company is alert to this risk and has proactively entered into a price guarantee program with farmers to encourage them to continue planting cassava while guaranteeing the price that they can get from selling cassava roots to the Company. This price guarantee program could also benefit the Company in terms of production planning, cost estimation and helping to manage pricing efficiently.

While the weakening of the Thai Baht will increase the price competitiveness in the global market, the Company's business operations is exposed to the risk of currency exchange rate fluctuation, most significantly in their export revenue which is mainly in U.S. dollars. The Company has, therefore, entered into agreements for hedging foreign exchange risks, as it deems appropriate.

Future Prospect and Action Plan of the Food Business in 2017

In 2017, the Company expects continued growth to be driven by three main strategies: 1) expansion of the existing businesses; 2) new business divisions through product and process innovation and venturing into new markets; and 3) consolidation of our newly acquired subsidiaries. These strategies shall together support sales growth to be able to achieve the company target.

The Company's growth strategy aims to continually improve and streamline existing operations in order to achieve sustainable long term growth and maintain its market position as the leading vermicelli producer in Thailand in 2016. Moreover, the Company aims to leverage brand strength together with marketing expertise, and vermicelli technical know-how, to penetrate other markets outside of Thailand,

especially in countries with as much market potential as Vietnam.

The Company has started since mid-2015 to enter into the vermicelli market in Vietnam through a distributor model, and sales have been continuously growing well over this period. The total population in Vietnam is estimated at around 94 million people, with a high gross domestic product growth (GDP) at 6 - 7 percent. With the huge potential market expansion, and the fact that the Vietnam Vermicelli market accounts for approximately 25 - 30 of the total the vermicelli market size in Thailand, only a few players exist in the field of high quality grade vermicelli, and therefore this is significant growth opportunity. In this regard, the Company has decided to invest in setting up a vermicelli plant in Ho Chi Minh city, Vietnam, to increase its business presence in that country. This plant will start operating for the first phase in the fourth quarter of 2017.

Part of the Company's plan for sustainable growth is to expand into related categories that have larger market size than vermicelli. The rice noodle category is a new segment of business that the Company has been operating in for a few years. In order to support the capacity expansion of the rice noodle line, the Company has prepared a strategic sales and marketing plan, product innovation, channel strategy development, and enhancing technology to help improve sales effectiveness. Besides these initiatives, the Company also sees opportunities in the export market, given the trend of Thai foods containing noodles, such as Pad Thai, getting more popular among international cuisines. In addition, the recent trend of gluten-free products continues to increase the demand for vermicelli and rice noodle products in the Europe and US markets.

The Company aims to become the leading player in Thailand and CLMV countries, (Cambodia, Laos, Myanmar and Vietnam), which have continuous economic growth, which in turn supports growth in demand, while those countries also have abundant resources to serve the Company on the supply side in terms of also having local sources of raw materials.



Board of Directors

As at December 31, 2016



Mr. Ho KwonPing

Chairman of the Board

Age 64 Years

Percentage of Shareholding in the Company

50,044,534 shares (5.68%)

(total no. of shares held by spouse)

Highest Educational Background / Director Certificate Program

- Honorary Doctorate of Business Administration in Hospitality Management, Johnson & Wales University, USA
- Honorary Doctorate of Business Administration, Hong Kong Polytechnic University
- Bachelor of Arts (Economics), University of Singapore (Currently known as National University of Singapore)

Family Relation between Management

- Mr. Ho KwonPing's elder brother and Mr. Ho Ren Hua's father

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Chairman of the Board, Thai Wah Public Company Limited
- Chairman and Chief Executive Officer, Laguna Resorts & Hotels Public Company Limited
- Executive Chairman and Director, Banyan Tree Holdings Limited
- Non-Executive Director, Audit Committee Member, Nomination Committee Member and Remuneration Committee Member, Diageo plc

Jan 2000-Sep 2015

- Chief Executive Officer, Thai Wah Food Products Public Company Limited

Aug 1997-Sep 2015

- Chairman, Thai Wah Food Products Public Company Limited

Jul 1984-Jul 1997

- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Chairman / Director, Certain related companies of Banyan Tree Holdings Limited
- Chairman / Director, Singapore Management University
- Chairman / Director, Tropical Resorts Limited
- Chairman / Director, Tropical Resorts Management Co Ltd.
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, RHYC Pte. Ltd.
- Director, Chang Fung Company Limited
- Director, Bibace Investments Ltd and certain related companies
- Director, Recourse Investments Ltd. and certain related companies
- Director, Freesia Investments Ltd
- Director, Sin-Hai Offshore Company Limited
- Director, ICD (HK) Limited
- Director, KAP Holdings Ltd. and certain related companies
- Director, Mae Samat Land Limited
- Director, Platinum Enterprise Limited and certain related companies
- Director, Bibace Management Company Limited

2000-2016

- Director, Asia Tapioca Products Company Limited

2006-2012

- Director, Tay Ninh Tapioca Joint Stock Company

1988-2011

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

Mr. Surapon Supratya

Director

Age 64 Years

Highest Educational Background / Director Certificate Program

- Master of Accounting, Thammasat University
- Certified Public Accountant of Thailand
- Directors Accreditation Program (DAP 77/2009), Thai Institute of Directors Association

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Non-Executive Director, Thai Wah Public Company Limited
- Non-Executive Director, Laguna Resorts & Hotels Public Company Limited

Feb 2013-May 2016

- Deputy Chairman of the Board, Laguna Resorts & Hotels Public Company Limited

Feb 1996-Sep 2015

- Director, Thai Wah Food Products Public Company Limited
- Deputy Chairman of the Company, Laguna Resorts & Hotels Public Company Limited

1996-2012

- Director, Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

2000-2016

- Director, Asia Tapioca Products Company Limited

2003-2016

- Director, Vietnam Tapioca Company Limited

1996-2016

- Director, Tay Ninh Tapioca Joint Stock Company

2008-2012

- Director, Tapioca Development Corporation Limited

1996-2012

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

Mr. Ariel P Vera

Director

Age 64 Years

Percentage of Shareholding in the Company

1,973,183 shares (0.22%)

Highest Educational Background / Director Certificate Program

- Master of Business Administration, National University of Singapore
- Bachelor of Science in Business Administration, University of the East, Philippines
- Certified Public Accountant of Philippines

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Non-Executive Director, Thai Wah Public Company Limited
- Non-Executive Director, Laguna Resorts & Hotels Public Company Limited
- Non-Independent and Non-Executive Director, Banyan Tree Holdings Limited

Aug 2013-Sep 2015

- Director, Thai Wah Starch Public Company Limited

Feb 2013-Sep 2015

- Director, Thai Wah Food Products Public Company Limited

1997-2013

- Director, Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, ICD (HK) Limited

1994-2014

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited

1995-2014

- Chairman / Director, Certain related companies of Banyan Tree Holdings Limited

Mr. Ho KwonCjan

Director

Age 60 Years

Percentage of Shareholding in the Company

34,416,488 shares (3.91%)

Highest Educational Background / Director Certificate Program

- Bachelor of Architecture (Hons), National University of Singapore

Family Relation between Management

Mr. Ho KwonPing's younger brother and Mr. Ho Ren Hua's uncle

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Non-Executive Director, Thai Wah Public Company Limited
- Director, Laguna Resorts & Hotels Public Company Limited

Apr 1997-Sep 2015

- Director, Thai Wah Food Products Public Company Limited

2005-2011

- Managing Director (Design Services), Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Profit Chain Ltd.
- Director, Lanna Land Development Company Limited
- Director, Mae Malai Doi Resorts Company Limited
- Director, Platinum Enterprise Limited and certain related companies
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, Chang Fung Company Limited
- Director, PT Bintan Hotels
- Director, Freesia Investments Ltd
- Director, Vail Enterprises Group Corp.

2006-2016

- Director, Bibace Investments Ltd

2000-2016

- Director, Asia Tapioca Products Company Limited

Mr. Ho Ren Hua*

Director

Age 34 Years

Percentage of Shareholding in the Company

2,130,524 shares (0.24%)

Highest Educational Background / Director Certificate Program

- Bachelor of Science in Economics with Honors, concentrating in Finance and Management, The Wharton School, University of Pennsylvania, USA
- Chartered Director Class (CDC 10/2015), Thai Institute of Directors Association
- Directors Certification Program (DCP 214/2015), Thai Institute of Directors Association
- Diploma Examination (47/2016), Thai Institute of Directors Association

Family Relation between Management

Mr. Ho KwonPing's son and Mr. Ho KwonCjan's nephew

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Director and Chief Executive Officer, Thai Wah Public Company Limited
- Director, Laguna Resorts & Hotels Public Company Limited

Aug 2015-Sep 2015

- Chief Executive Officer, Thai Wah Starch Public Company Limited

Jun 2015-Sep 2015

- Director, Thai Wah Starch Public Company Limited

Nov 2011-Sep 2015

- Director, Thai Wah Food Products Public Company Limited

Apr 2010-May 2015

- Executive Director and Country Head China, Banyan Tree Holdings Limited

In Non-Listed Companies

Present

- Chairman, Thai Wah International Trade (Shanghai) Company Limited
- Director, Asia Tapioca Products Company Limited
- Chairman / Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Tapioca Development Corporation Limited
- Director, Bibace Investments Ltd
- Director, Maypole Ltd. and certain related companies
- Director, Sin-Hai Offshore Company Limited
- Director, ICD (HK) Limited
- Director, United Insulation Services Pte. Ltd.
- Director, Casita Holdings Ltd
- Director, Dawina Investments Ltd

Dr. Sretsei Saittagaroon^(a)

Director

Age 62 Years

Percentage of Shareholding in the Company

2,544,029 shares (0.29%)

Highest Educational Background / Director Certificate Program

- Doctor in Agricultural Science (Food Chemistry), Nagoya University, Japan
- Directors Certification Program (DCP 10/2001), Thai Institute of Directors Association
- Finance Directors (1/2005), Thai Institute of Directors Association

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Non-Executive Director, Thai Wah Public Company Limited

Oct 2015-Dec 2016

- Managing Director (Food Business), Thai Wah Public Company Limited

Aug 1998-Sep 2015

- Managing Director, Thai Wah Food Products Public Company Limited

Feb 1995-Sep 2015

- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Director, Thai Wah International Trade (Shanghai) Company Limited
- Chairman, Vietnam Tapioca Company Limited
- Director, Tapioca Development Corporation Limited
- Director, Asia Tapioca Products Company Limited
- Director, Tay Ninh Tapioca Joint Stock Company

Jul 2007-Feb 2014

- Chairman, Tay Ninh Tapioca Company Limited

Oct 2000-May 2014

- Director, Vietnam Tapioca Company Limited

Mr. Umnad Sukprasongphol*

Director

Age 53 Years

Percentage of Shareholding in the Company

387,240 shares (0.04%)

(total no. of shares held by spouse)

Highest Educational Background / Director Certificate Program

- Master of Business Administration, Central State University (Currently known as University of Central Oklahoma), USA
- Directors Certification Program (DCP 15/2011), Thai Institute of Directors Association
- Financial Statements for Directors (FSD 17/2012), Thai Institute of Directors Association

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Director and Managing Director (Starch Business), Thai Wah Public Company Limited

Apr 2012-Sep 2015

- Director, Thai Wah Starch Public Company Limited

Jan 2009-Sep 2015

- Joint Managing Director (Business Operation), Thai Wah Starch Public Company Limited

In Non-Listed Companies

Present

- Director, Thai Wah International Trade (Shanghai) Company Limited
- Director, Tapioca Development Corporation Limited
- Director, Vietnam Tapioca Company Limited
- Chairman, Tay Ninh Tapioca Joint Stock Company
- Director, Subsidiaries and associated companies of Thai Wah Public Company Limited
- Director, Asia Tapioca Products Company Limited
- Secretary General - Board of Executive Committee, The Thai Tapioca Trade Association (TTTA)

Jan 2009-Sep 2015

- Director, Subsidiaries and associated companies of Thai Wah Starch Public Company Limited

Mr. Shankar Chandran^(b)

Director

Age 54 Years

Highest Educational Background / Director Certificate Program

- Postgraduate Diploma in Management Studies, Kingston University, London, UK
- Higher National Diploma Finance South, West London College, UK

Family Relation between Management :

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Non-Executive Director, Thai Wah Public Company Limited
- Director and Managing Director, Laguna Resorts & Hotels Public Company Limited
- Managing Director, Owned Hotels and Managing Director (Spa Operations) Banyan Tree Holdings Limited

In Non-Listed Companies

Present

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Banyan Tree Hotels & Resorts (Thailand) Limited

Oct 2011-Jan 2016

- Managing Director, Laguna Lang Co Vietnam

Mr. Vudhiphol Suriyabhivadh

Independent Director

Age 72 Years

Percentage of Shareholding in the Company

213,053 shares (0.02%)

(held by spouse)

Dr. Jingjai Hanchanlash

Independent Director

Age 74 Years

Percentage of Shareholding in the Company

2,643,039 shares (0.30%)

(held by spouse)

Highest Educational Background / Director Certificate Program

- Bachelor of Commerce (Accountancy),
University of New South Wales, Australia
- Bachelor of Law, Sukhothai Thammathirat University
- Directors Certification Program (DCP 36/2003),
Thai Institute of Directors Association
- Audit Committee Program (ACP 7/2005),
Thai Institute of Directors Association
- Executive Course, IMD Lausanne, Switzerland

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Independent Director, Audit and Risk Committee Chairman and
Nomination and Remuneration Committee Member,
Thai Wah Public Company Limited
- Independent Director, Audit and Risk Committee Chairman and
Nomination and Remuneration Committee Member,
Laguna Resorts & Hotels Public Company Limited
- Independent Director, Audit Committee Chairman, Nomination,
Remuneration and Good Corporate Governance Committee Chairman,
L.P.N. Development Public Company Limited
- Independent Director and Audit Committee Chairman,
Bangkok Ranch Public Company Limited

Aug 2003-Sep 2015

- Nomination and Remuneration Committee Member,
Thai Wah Food Products Public Company Limited

Nov 1999-Sep 2015

- Audit and Risk Committee Member,
Thai Wah Food Products Public Company Limited

Apr 1996-Sep 2015

- Independent Director,
Thai Wah Food Products Public Company Limited

2010-2014

- Audit Committee Member,
L.P.N. Development Public Company Limited

2008-2014

- Nomination, Remuneration and Good Corporate Governance
Committee Member,
L.P.N. Development Public Company Limited

Highest Educational Background / Director Certificate Program

- Doctorate University de Caen (Mention droit), France
- Certificate in Project Analysis, University of Connecticut, USA
- Certificate in Mid-Career Management training,
University of Western Ontario, Canada
- Directors Accreditation Program (DAP 1/2003),
Thai Institute of Directors Association
- Audit Committee Program (ACP 19/2007),
Thai Institute of Directors Association

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Independent Director, Audit and Risk Committee Member and
Nomination and Remuneration Committee Chairman,
Thai Wah Public Company Limited
- Independent Director, Audit and Risk Committee Member and
Nomination and Remuneration Committee Chairman,
Laguna Resorts & Hotels Public Company Limited
- Vice Chairman, Muang Thai Insurance Public Company Limited
- Director, Loxley Public Company Limited
- Director, Asian Phytochemicals Public Company Limited

Nov 2013-Sep 2015

- Nomination and Remuneration Committee Member,
Thai Wah Food Products Public Company Limited

Oct 2000-Sep 2015

- Independent Director and Audit and Risk Committee Member,
Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Honorary Chairman, Greater Mekong Sub-Region Business-Forum
- Chairman of the Executive Board,
Rutnin-Gimbel Excimer Laser Eye Centre
- Vice Chairman, The Thai Chamber of Commerce
- Board Member, SPIE Oil & Gas Services (Thailand) Limited
- Board Member, King Prajadhipok's Institute
- Board Member, Hamilcar Company Limited

Mr. Udom Vichayabhai^(c)

Independent Director

Age 81 Years

Highest Educational Background / Director Certificate Program

- Bachelor of Business Administration, Boston University, USA
- Role of the Chairman Program (RCP 6/2001), Thai Institute of Directors Association
- Directors Accreditation Program (DAP 2/2003), Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND10/2004), Thai Institute of Directors Association
- Directors Certification Program (DCP 44/2004), Thai Institute of Directors Association
- Audit Committee Program, (ACP 6/2005) Thai Institute of Directors Association
- Role of the Compensation Committee, (RCP 6/2008) Thai Institute of Directors Association

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Thai Wah Public Company Limited
- Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member, Laguna Resorts & Hotels Public Company Limited

Aug 2013-Sep 2015

- Audit and Risk Committee Chairman, Thai Wah Food Products Public Company Limited

May 2008-Sep 2015

- Nomination and Remuneration Committee Chairman, Thai Wah Food Products Public Company Limited

Apr 2003-Sep 2015

- Independent Director, Thai Wah Food Products Public Company Limited

1993-2014

- Independent Director, Audit Committee Chairman and Nomination Committee Member, Thai Reinsurance Public Company Limited

In Non-Listed Companies

Present

- Chairman, Phuket Fantasea Public Company Limited
- Chairman, Carnival Magic Company Limited
- Independent Director, Amcor Flexibles Bangkok Public Company Limited

Mr. Chanin Archjananun

Independent Director

Age 52 Years

Highest Educational Background / Director Certificate Program

- Master of Business Administration, Western Illinois University, USA
- Directors Certification Program (DCP 231/2016), Thai Institute of Directors Association

Family Relation between Management

No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Independent Director, Thai Wah Public Company Limited

In Non-Listed Companies

Present

- Senior Advisor, Whiteline Group Co., Ltd.

2013-2015

- Business Development Director, Geographical Expansion Asia, Friesland Campina Asia PTE

2011-2013

- Managing Director, Thailand and Indochina, Friesland Campina Thailand Public Company Limited

2009-2011

- Vice President, Modern Trade - Asia, Africa, Central Europe Region, Unilever Asia Private Ltd., Singapore

Remarks :

- No directors of the Company have any record of committing any illegal action
- * Authorized directors of the Company to be jointly signed by any two of them in accordance with the Affidavit
- (a) Dr. Sretsei Saittagaroon was assume the role of Non-Executive Director effective January 1, 2017
- (b) The Board of Directors' Meeting No. 4/2016 held on November 9, 2016 approved the appointment of Mr. Shankar Chandran, as a new director of the Company, replacing Ms. Sirivan Skulkerevathana, effective November 9, 2016
Mr. Shankar Chandran took up the post of Director effective December 25, 2016
- (c) Mr. Udom Vichayabhai resigned from the position of Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member on February 21, 2017
The Board of Director's Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member of the Company, succeeding Mr. Udom Vichayabhai

Management

As at December 31, 2016



Management

Mr. Ho Ren Hua

Chief Executive Officer

Dr. Sretsei Saittagaroon^(a)

Managing Director (Food Business)

Mr. Umnad Sukprasongphol

Managing Director (Starch Business)

Profile as shown in the section of "Board of Directors as at December 31, 2016"

Mr. Prateep Lertvatanakijkul^(b)

Managing Director (Food Business)

Age 52 Years

Highest Educational Background / Director Certificate Program

- Master of Business Administration (Marketing),
National Institute of Development Administration
- Bachelor of Agro – Industry, Kasetsart University

Percentage of Shareholding in the Company 0.01% (50,000 shares)

Family Relation between Management No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Managing Director (Food Business)
Thai Wah Public Company Limited

Oct 2016–Nov 2016

- Managing Director (Food Business) – Designate
Thai Wah Public Company Limited

Present

In Non-Listed Companies

- Director, Tapioca Development Corporation Limited

Jan 2010–Sep 2016

- Managing Director, Tapioca Development Corporation Limited

Ms. Sirivan Skulkerevathana^(c)

Vice President – Treasury and Corporate Affairs

Age 60 Years

Highest Educational Background / Director Certificate Program

- Master of Business Administration, Indiana University, USA
- Bachelor of Business Administration (Hons),
Assumption Business Administration College (ABAC)
(Currently known as Assumption University of Thailand)
- Directors Accreditation Program (DAP 80/2009),
Thai Institute of Directors Association

Percentage of Shareholding in the Company None

Family Relation between Management No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Vice President – Treasury and Corporate Affairs,
Thai Wah Public Company Limited

Oct 2015–Nov 2016

- Director, Thai Wah Public Company Limited

Apr 2012–Sep 2015

- Director and Senior Assistant Vice President–Finance,
Thai Wah Starch Public Company Limited

Mar 2012–Sep 2015

- Senior Assistant Vice President–Finance,
Thai Wah Food Products Public Company Limited

Aug 2006–Feb 2015

- Director, Thai Wah Food Products Public Company Limited

2008–2012

- Senior Assistant Vice President–Finance and Company Secretary,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Thai Wah International Trade (Shanghai) Company Limited
- Director, Platinum Enterprise Limited
- Director, Tay Ninh Tapioca Joint Stock Company

2009–2014

- Director, Tapioca Starch Limited

2001–2012

- Director, Certain related companies of
Laguna Resorts & Hotels Public Company Limited

Ms. Naruemon Srisuma

Group Head of Research & Development
Age 58 Years

Highest Educational Background / Director Certificate Program

- Doctor of Philosophy (Food Science and Human Nutrition),
Michigan State University, USA

Percentage of Shareholding in the Company None

Family Relation between Management No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Group Head of Research & Development,
Thai Wah Public Company Limited

Oct 2015–Sep 2016

- Assistant Vice President– Research & Development
and Quality System,
Thai Wah Public Company Limited

Jan 1995–Sep 2015

- Assistant Vice President– Research & Development and
Quality System,
Thai Wah Food Products Public Company Limited

Ms. Orn-A-Nong Witchucharn

Group Finance Director
Age 44 Years

Highest Educational Background / Director Certificate Program

- Master of Business Administration,
The American Graduate School of International Management
(Thunderbird), Arizona, USA
- Directors Certificate Program (DCP 224/2016),
Thai Institute of Directors Association
- Diploma Examination (52/2016),
Thai Institute of Directors Association

Percentage of Shareholding in the Company 0.00% (10,000 shares)

Family Relation between Management No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Group Finance Director, Thai Wah Public Company Limited

In Non-Listed Companies

Present

- Director, Subsidiaries and associated companies of
Thai Wah Public Company Limited
- Director, Asia Tapioca Products Company Limited
- Director, Tay Ninh Tapioca Joint Stock Company

2013–2015

- Finance Director, Akzo Nobel Paints (Thailand) Limited

2011–2013

- Finance Director, Kimberly-Clark (Thailand) Limited
Company Secretary

Company Secretary

Ms. Manee Lueprasert

Company Secretary
Age 51 Years

Highest Educational Background / Director Certificate Program

- Master of Business Administration, Thammasat University
- Anti-Corruption : The Practical Guide (ACPG 11/2014),
Thai Institute of Directors Association
- Corporate Secretary Development Program,
Thai Listed Companies Association
- Fundamental Practice for Corporate Secretary (FPCS 18),
Thai Listed Companies Association and Thai Company Secretary Club

Percentage of Shareholding in the Company 0.05% (476,987 shares)

Family Relation between Management No relation

Working Experiences for the Past 5 Years

In Listed Companies

Present

- Director of Corporate Affairs and Treasury and Company Secretary,
Thai Wah Public Company Limited

Apr 2012–Sep 2015

- Director, Thai Wah Starch Public Company Limited

Jan 2008–Sep 2015

- Senior Finance Manager, Thai Wah Starch Public Company Limited

Aug 2008–Sep 2015

- Company Secretary, Thai Wah Starch Public Company Limited

In Non-Listed Companies

Present

- Director, Tay Ninh Tapioca Joint Stock Company
- Director, Subsidiaries and associated companies of
Thai Wah Public Company Limited

Feb 2012–Sep 2015

- Director, Subsidiaries and associated companies of
Thai Wah Starch Public Company Limited

Remarks :

- No management of the Company have any record of committing any illegal action
- Dr. Sretsei Saittagaroon retired on December 31, 2016
 - Mr. Prateep Lertvatanakijkul was appointed to be Managing Director
(Food Business) effective January 1, 2017
 - Ms. Sirivan Skulkerevathana retired on December 31, 2016

Details of Position of Directors and Management

As at December 31, 2016

Name	TWPC	Subsidiary Companies															Associated Companies								
		ADP	BPT	BT5	BT6	CSL	DI	MCL	MHSL	MJ	PNR	TMS	TN	TN1	TNT	TOC	TS 1989	TTL	TW6	TWAS	TWRFTWBP	TWIT	ATP	TDC	VTC
Mr. Ho KwonPing	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Surapon Supratya	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Ariel P Vera	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Ho KwonCjan	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Ho Ren Hua	/, CEO, E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	/	/	X
Dr. Sretsei Saittagaroon	/	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	/	/	/	/
Mr. Umnod Sukprasongphol	/, //, E	/	/	/	/	/	/	/	/	/	/	/	/	/	X	/	/	/	/	/	/	/	/	/	/
Mr. Shankar Chandran	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Vudhiphol Suriyabhivadh	ID, ARCC, NRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Jingjai Hanchanlash	ID, ARC, NRCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Udom Vichayabhai	ID, ARC, NRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Chanin Archjananun	ID	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Prateep Lertvatanakijkul	//, E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-
Ms. Naruemon Srisuma	E	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Orn-A-Nong Witchucharn	E	-	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	-	/	-	-
Ms. Sirivan Skulkerevathana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	/	-	-	-
Ms. Manee Lueprasert	-	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	-	-	-	-
Mr. Nam Chitdechchai	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Orawan Charoenpatchayakul	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Tinnakorn Varajuntano	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-
Mr. Chalemkeit Chalempronkit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-
Ms. Dhitirat Makepoowadol	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CSB	-	-	-	-	-	-	-	-	-	-

Details of Position of Directors and Management

As at December 31, 2016

Name	TWPC	Subsidiary Companies														Associated Companies									
		ADP	BPT	BT5	BT6	CSL	DI	MCL	MHSL	MJ	PNR	TMS	TN	TN1	TNT	TOC	TS 1989	TTL	TW6	TWAS	TWRFTWBP	TWIT	ATP	TDC	VTC
Mr. Pinai Kiatteppawan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/
Mr. Suwit Chuensunthorn	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/
Mr. Vicharn Sritatanalai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/
Mr. Surachart Thananitayaudom	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/
Mrs. Attaya Pitawanich	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/
Mr. Pham Van Minh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/
Mr. Nguyen Quoc Viet	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	/
Mr. Vo Dong Giang	-	-	-	-	-	-	-	-	-	-	-	-	-	-	/	-	-	-	-	-	-	-	-	-	-
Mr. Nguyen Thanh Ngu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	xx	-	-	-	-	-	-	-	-	-	/
Mr. Nguyen Xuan Ky	-	-	-	-	-	-	-	-	-	-	-	-	-	-	SBM	-	-	-	-	-	-	-	-	-	-
Ms. Nguyen Thanh Tung	-	-	-	-	-	-	-	-	-	-	-	-	-	-	SBM	-	-	-	-	-	-	-	-	-	-

Remarks :

X

=

Chairman of the Board

XX

=

Deputy Chairman of the Board

CEO

=

Chief Executive Officer

/

=

Director

//

=

Managing Director

ID

=

Independent Director

ARCC

=

Audit and Risk Committee Chairman

ARC

=

Audit and Risk Committee Member

NRCC

=

Nomination and Remuneration Committee Chairman

NRC

=

Nomination and Remuneration Committee Member

E

=

Management according to the definition of the Securities Exchange Commission

CSB

=

Chairperson of Supervisory Board

SBM

=

Supervisory Board Member

-

=

None

Abbreviation

Abbreviation	Company Name in Full
ADP	Architrave Design & Planning Company Limited
ATP	Asia Tapioca Products Company Limited
BPT	Bangpakong Turakij Company Limited
BT5	Bang Thao (5) Company Limited
BT6	Bang Thao (6) Company Limited
CSL	Chiang Saen Land Company Limited
DI	DI Company Limited
LRH	Laguna Resorts & Hotels Public Company Limited
MCL	Mae Chan Land Company Limited
MHSL	Mae Hong Son Land Development Limited
MJ	Mae Joe Land Company Limited
PNR	Phang Nga Resorts Limited
TDC	Tapioca Development Corporation Limited
TMS	Thai Modified Starch Company Limited
TN	Thai Nam Tapioca Company Limited
TN1	Thai Nam Tapioca (1) Company Limited
TNT	Tay Ninh Tapioca Joint Stock Company
TOC	Thai Ongkarak Company Limited
TRL	Tropical Resorts Limited
TS1989	Thai Sin Tapioca (1989) Company Limited
TTL	Tha Thungna Land Company Limited
TW6	Thai Wah (6) Company Limited
TWAS	Thai Wah Alpha Starch Company Limited
TWRF	Thai Wah Rice Flour Company Limited
TWPB	Thai Wah Bio Power Limited
TWPC	Thai Wah Public Company Limited
TWIT	Thai Wah International Trade (Shanghai) Company Limited
VTC	Vietnam Tapioca Company Limited

Policy and Business Overview

History

Thai Wah Public Company Limited ("TWPC" or the "Company") has been formed by the amalgamation of Thai Wah Starch Public Company Limited ("TWS") and Thai Wah Food Products Public Company Limited ("TWFP"), in order to manufacture and distribute tapioca starch products and starch-related products such as vermicelli, noodles and sago for local and international distribution. The registration of amalgamation was completed with the Department of Business Development, Ministry of Commerce on October 1, 2015.

Milestones

February 24, 2015

Each of the Board of Directors' Meeting of TWS and TWFP agreed to propose in the 2015 Annual General Meeting (AGM) of each respective company that the amalgamation of TWS and TWFP be approved.

April 27, 2015

Each of the 2015 AGM of TWS and TWFP approved the amalgamation of TWS and TWFP.

September 30, 2015

The Joint Shareholders' Meeting between TWS and TWFP approved "Thai Wah Public Company Limited" as the name of the amalgamated entity.

October 1, 2015

The public companies registrar registered the amalgamation, the predecessor companies (TWS and TWFP) ceased to have the status of juristic persons and TWPC assumed all their assets, liabilities, rights, duties, and responsibilities.

The Company's core business is to manufacture and distribute tapioca starch products and starch-related products such as vermicelli, noodles and sago for local and international distribution.

Additionally, the Company has invested in the ordinary shares of other companies which conduct businesses other than the core business of the Company. The Company and its subsidiaries have invested in real property by possessing many pieces of land with great investment prospects in almost all regions of Thailand.

Company's Vision and Mission

The Board of Directors' Meeting of the Company has approved the Company's vision and mission, which will be reviewed at least every 5 years as follows:

Vision :

To be a regional leader in starch and starch-related food products

Mission:

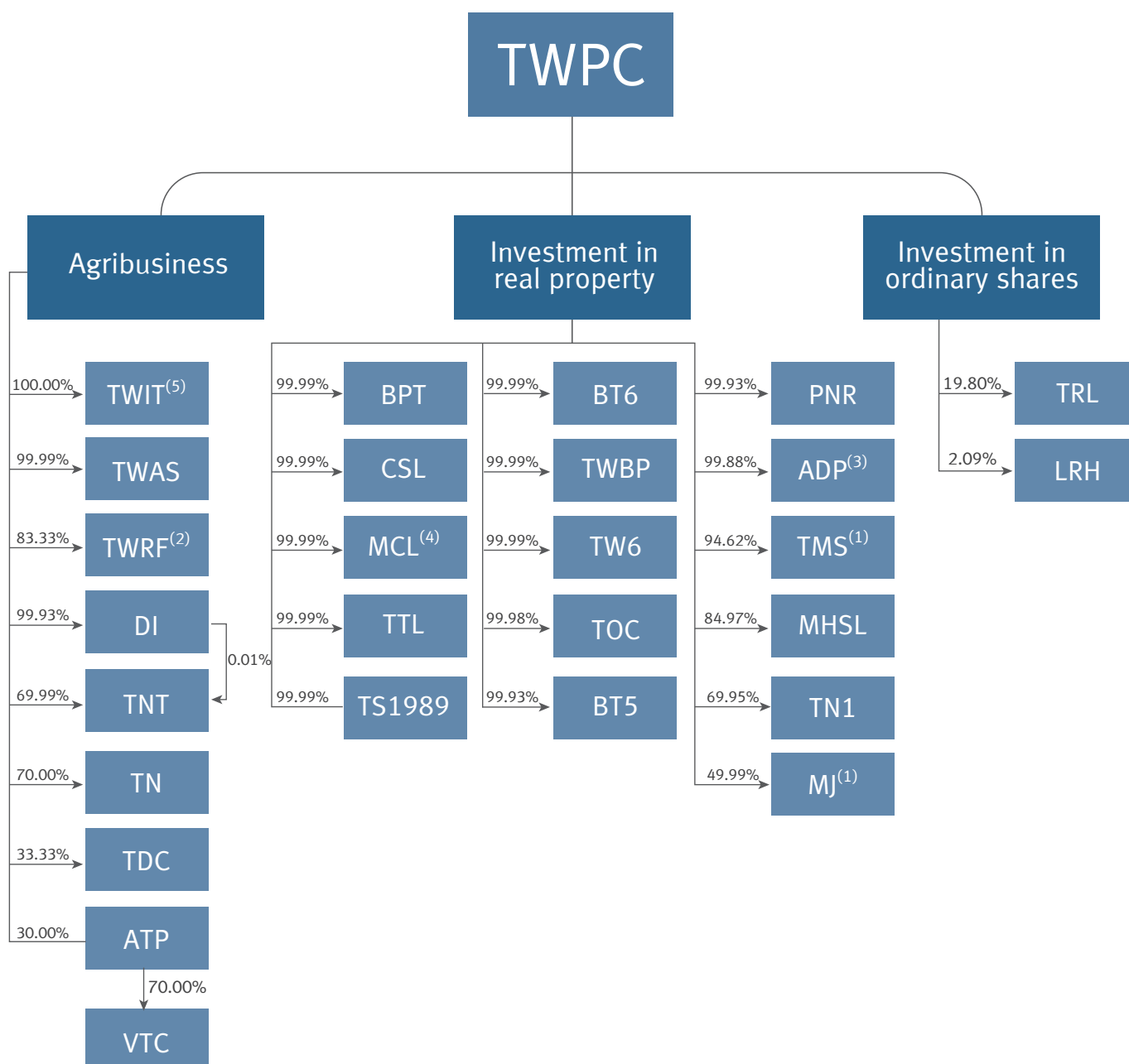
We will produce premium quality products to satisfy our customers, and work with pride, integrity and consistency

Key Developments

-N/A-

Shareholding Structure of the Company

As at December 31, 2016



Remarks:

- (1) Dormant
- (2) Registered the dissolution on December 30, 2015 and Registered the liquidation on February 1, 2017
- (3) Registered the dissolution on November 30, 2015 and Registered the liquidation on January 25, 2016
- (4) Registered the dissolution on October 31, 2016 and Registered the liquidation on December 22, 2016
- (5) Type of business : Trading of goods (Tapioca starch and related products)

Subsidiaries and Related companies in which the Company has shareholding exceeding 10 percent

Company	Type of Business	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-up Capital (Baht)	Shareholding Proportion (Direct & Indirect) (%)
Thai Wah International Trade (Shanghai) Company Limited Room 442, Floor 4, Building 1, No.458 East Fu Te No.1 Road, Pilot Free Trade Zone, Shanghai, China	Trading of goods	CNY 1,000,000	-	CNY 1,000,000	100.00
Thai Wah Alpha Starch Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Manufacture of alpha starch	18,000,000	100	18,000,000	99.99
Bang Thao (6) Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	21,500,000	100	21,500,000	99.99
Chiang Saen Land Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	75,000,000	100	75,000,000	99.99
Thai Sin Tapioca (1989) Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	5,000,000	100	5,000,000	99.99
Mae Chan Land Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Dormant*	15,000,000	100	15,000,000	99.99

Remarks: * Registered the dissolution on October 31, 2016 and Registered the liquidation on December 22, 2016 with the Department of Business Development, Ministry of Commerce

Company	Type of Business	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-up Capital (Baht)	Shareholding Proportion (Direct & Indirect) (%)
Tha Thungna Land Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	15,000,000	100	15,000,000	99.99
Bangpakong Turakij Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	91,000,000	100	91,000,000	99.99
Thai Wah Bio Power Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Manufacture transmission and supply of electricity	450,000,000	1,000	450,000,000	99.99
Thai Wah (6) Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	29,000,000	100	29,000,000	99.99
Thai Ongkarak Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	4,000,000	100	4,000,000	99.98
D I Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Manufacture of tapioca starch	10,000,000	1,000	10,000,000	99.93

Company	Type of Business	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-up Capital (Baht)	Shareholding Proportion (Direct & Indirect) (%)
Bang Thao (5) Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	1,000,000	100	250,000	99.93
Phang Nga Resorts Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	1,000,000	100	1,000,000	99.93
Architrave Design & Planning Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Dormant**	15,500,000	100	15,500,000	99.88
Thai Modified Starch Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Dormant	40,000,000	1,000	10,000,000	94.62
Mae Hong Son Land Development Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	2,000,000	100	2,000,000	84.97

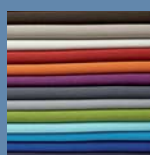
Remarks: ** Registered the dissolution on November 30, 2015 and Registered the liquidation on January 25, 2016 with the Department of Business Development, Ministry of Commerce

Company	Type of Business	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-up Capital (Baht)	Shareholding Proportion (Direct & Indirect) (%)
Thai Wah Rice Flour Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Dormant***	30,000,000	100	30,000,000	83.33
Thai Nam Tapioca Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Manufacture of tapioca starch	86,600,000	100	86,600,000	70.00
Tay Ninh Tapioca Joint Stock Company Tan Binh Hamlet, Hoa Thanh District, Tay Ninh Province, Vietnam	Manufacture of tapioca starch, glucose and candy	VND 112,081,200,000	VND 10,000	VND 112,081,200,000	69.99
Thai Nam Tapioca (1) Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Landholding	1,000,000	100	1,000,000	69.95
Mae Joe Land Company Limited 21st Floor Thai Wah Tower 1, 21/63-64 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120 Thailand Tel. 66 2 285 0040 Fax. 66 2 285 0271	Dormant	3,000,000	100	3,000,000	49.99
Tapioca Development Corporation Limited Thai Wah Tower I, 8th Floor, No. 21/19, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand Tel. 66 2 677 4466 Fax. 66 2 285 0281	Manufacture and distributor of modified tapioca starch	50,000,400	100	50,000,400	33.33

Remarks: *** Registered the dissolution on December 30, 2015 and Registered the liquidation on February 1, 2017 with the Department of Business Development, Ministry of Commerce

Company	Type of Business	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-up Capital (Baht)	Shareholding Proportion (Direct & Indirect) (%)
Asia Tapioca Products Company Limited Lumpini Tower, 13th Floor, No. 1168/18, Rama 4 Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand Tel. 66 2 286 8554 Fax. 66 2 286 3468	Holding company	140,000,000	100	105,250,000	30.00
Vietnam Tapioca Company Limited 043 Cau Hamlet, Tan Phong Commune, Tan Bien District, Tay Ninh Province, Vietnam	Manufacture of tapioca starch	USD 5,000,000	USD	USD 5,000,000	21.00
Tropical Resorts Limited 22nd Floor, Man Hing Commercial Building, 79-83 Queen's Road Central, Hong Kong Tel. 65 6849 5888 Fax. 65 6849 5713	Resort investment and development	USD 21,000,000	USD 1	USD 21,000,000	19.80

Thai Wah Public Company Limited





Nature of Business

Revenue Structure

The Company's revenue structure of the sale and services to the third party are described as follows:-

Products/Services	2016		For the period from 1 October 2015 to 31 December 2015	
	Revenue		Revenue	
	Million Baht	%	Million Baht	%
Starch business revenue				
Tapioca Starch	3,262	52	636	45
Coarse Starch	380	6	119	8
Modified Starch	71	1	18	1
Pearl	236	4	60	4
Glucose	889	14	209	15
Total Starch business revenue	4,838	77	1,042	73
Food business revenue				
Vermicelli and Bean Sheet	1,206	19	324	23
Rice Noodle and Rice Vermicelli	98	2	25	2
Mong starch and other starch	17	-	3	-
By products and other	4	-	1	-
Total Food business revenue	1,325	21	353	25
Investment in securities				
Share of gain from investments in associates	16	-	6	0.5
Investment properties				
Rental income	9	-	2	-
Gain on sale of investment property	57	1	-	-
Other income				
Gain on exchange	13	-	1	-
Interest income	23	-	6	0.5
Other income	40	1	11	1
Total	6,321	100	1,421	100

Type of Business

Core Business

The core business of the Company is divided into two main categories: manufacture of tapioca starch products and starch-related products such as vermicelli, noodles and sago for local and international distribution.

a. Tapioca starch products

all of which are manufactured and sold by the Company and its subsidiaries, namely Thai Nam Tapioca Company Limited, D I Company Limited, Thai Wah Alpha Starch Company Limited, and Tay Ninh Tapioca Joint Stock Company. The Company's products in this category include tapioca starch, alpha starch, sago and glucose syrup.

- **Tapioca starch**

Tapioca starch is a product derived from cassava roots. Apart from direct consumption, tapioca starch has many other uses in the food industry. Tapioca starch is an ingredient in seasoning powder (MSG) and sweetener products, and has many uses in other industries, including the paper and textile industries.

The Company and its subsidiaries have a total of four tapioca manufacturing plants in different regions of Thailand. Those plants have been awarded international certification standards under ISO 9001 : 2008, GMP (Good Manufacturing Practices), and HACCP (Hazard Analysis and Critical Control Points), including the Halal and Kosher standards.

In addition to its local manufacturing business, the Company has jointly invested with a state enterprise in the Socialist Republic of Vietnam to manufacture tapioca starch for local and international distribution. The joint venture company is called Tay Ninh Tapioca Joint Stock Company (TNT) (originally known as Tay Ninh Tapioca Company Limited) in Tay Ninh city in the Socialist Republic of Vietnam.

- **Alpha starch**

Alpha starch is a type of tapioca starch that is modified using a physical modification process. Alpha starch is widely used in the industries of aquatic animal feeds, mosquito repellents, and metal casting. Thai Wah Alpha Starch Company Limited (TWAS), a subsidiary of the Company, manufactures and distributes this product with the main markets being Japan and Taiwan. TWAS currently focuses on the importance of improving product quality and is currently researching methods to manufacture new products to satisfy the market's needs. TWAS also has the capability to manufacture alpha starch according to the chemical formula requirements specific to each industry in keeping with recognized standards. This will enable increased exports, both in terms of volume and value.

- **Sago**

Sago (or tapioca pearls) is another food product derived from tapioca starch. Sago is widely popular among consumers both locally and in other East Asian countries such as China and Taiwan because sago can be used in cooking savoury dishes as well as desserts, which underpin the upward trend of sago consumption. Currently, the Company has further developed its sago product line to offer more variety, producing Roselle sago, Pumpkin sago as well as Pandanus sago, allowing consumers the opportunity to select from products that are different and new. Furthermore, new recipes have been developed for both savoury dishes and desserts. The recipes are available to consumers as "recommended recipes" for greater variety, convenience, and speed. Examples of new recipes include boiled sago dumplings (in place of the traditional method of steaming), tapioca pearls mixed with coriander roots, garlic & pepper, the jade pearls, and the sea pearls, all of which use large tapioca pearls for preparation.

Additionally, a new product called Tiny Pearls has been developed for easy cooking, i.e. by pouring hot water into tiny pearls and leaving them for five minutes. This product can be served as an ingredient for breakfast or be mixed with sausages to add texture.

The Company's manufacturing plant for sago products has been awarded international certification standards under the ISO 9001 : 2008, GMP (Good Manufacturing Practices), HACCP (Hazard Analysis and Critical Control Points) and Halal, which can assure customers of the Company's product quality.

- **Glucose syrup**

Glucose syrup is made from hydrolysis of starch and its character is sticky viscous clear liquid, slightly sweet and colorless. It is used as an ingredient in many food products such as candy, toffees, jam, juice powder, ice cream, creamer and other beverages, which are manufactured by TNT, a subsidiary of the Company located in Tay Ninh, Socialist Republic of Vietnam. TNT's glucose syrup product are widely recognized and trusted by consumers for its quality and product standard. Furthermore the factory has been awarded ISO 9001 : 2008 for quality management systems, HACCP (Hazard Analysis Critical Control Points), HALAL certification and FSSC 22000 (Food Safety System Certification 22000) which is for certification of food safety systems during the manufacturing process.

- **Modified starch**

Furthermore the Company has also invested in Tapioca Development Corporation (TDC) which is a joint venture in which the Company has a 33.33 percent shareholding along with Japan Corn Starch Co., Ltd. (Japan), Tate & Lyle Ingredients Americas Inc., (USA) and Tate & Lyle Plc. (UK). TDC has a paid-up capital of Baht 50,000,400 and produces various modified tapioca starches for several industrial applications including paper and food for both the domestic and reign markets. The key export markets are China, Japan, South Korea, Indonesia, East Asia and ASEAN countries. TDC's factory is located at Baan Chang District, Rayong Province.

b. Vermicelli and noodle products

are manufactured and sold by the Company, with vermicelli as the main product. The raw materials for vermicelli and the other noodle products are pea starch, potato starch,

tapioca starch, and rice. The Company's products in this category include vermicelli, rice noodles, rice vermicelli, and mung bean starch noodles (Shanghai noodles).

1. Vermicelli or glass noodle can be classified by price and quality as follows:
 - "Double Dragon" brand: a premium product available both in dry and fresh varieties.
 - "Phoenix" brand: a higher than standard quality product with moderate price.
 - "Double Kilin" brand: a standard quality product available both in dry and fresh varieties.
2. Rice noodle and rice vermicelli – the Company produces and distributes rice noodle and rice vermicelli in both dry and fresh varieties under the "Double Kilin" brand which is positioned as a quality product with a medium price available in various forms such as small-strip rice noodle, large-strip rice noodle, and rice vermicelli.
3. Mung bean starch noodles (Shanghai noodle) under "Double Dragon" brand are available in Cut sheet type: a high-quality product, convenient to use, Round sheet type: a high-quality product which can be used in various styles of cooking, and Japanese Seaweed Cut sheet type: a high-quality product offering Japanese seaweed taste and fragrance.

Non-core Business

a. Investment in real property

The Company and its subsidiaries have invested in real property by possessing many pieces of land with great investment prospects in almost all regions of Thailand (i.e. in the north, upper part of the northeast, central, east, and west). Land investment represents less risk than investment in other assets because land in itself is unlikely to depreciate. The Company expects to derive returns from a higher selling price which is expected to increase in the future as Thailand's economy improves. Currently, the Company and its subsidiaries have no development plans for such properties.

b. Investment in ordinary shares

The Company has invested in the ordinary shares of Laguna Resorts & Hotels Public Company Limited and Tropical Resort Limited and is currently holding 2.09 percent and 19.80 percent of the total paid-up capital of each company, respectively. The purpose of investing in these non-core businesses is to diversify the Company's business risks. By investing in such ordinary shares, the Company expects to derive returns in the form of dividends.

Marketing and Competition

Target Customers

a. Products under tapioca starch category:

The Company distributes products under this category both locally, which accounts for approximately 20 percent, and internationally, which accounts for approximately 80 percent.

For international sales which are the main distribution channels, the sales are distributed through dealers or traders, accounting for 70 percent, and through direct sale to customers, accounting for approximately 30 percent. The classification of customers is as follows:

- **Tapioca starch**

The tapioca products are exported to many countries around the world, including China, Japan, Taiwan, Singapore, the United States of America, and the European Union under the "Rose Brand" trademark. Some parts of this product line are also distributed locally.

- **Alpha starch**

Alpha starch is exported internationally to Japan, Europe, and Taiwan. Some products are sold in the local market as well.

- **Sago (tapioca pearls)**

This product is mainly exported to East Asian countries such as China, the Philippines, and Indonesia. Some

products are distributed to Europe and the United States, as well as being distributed locally.

b. Products under the vermicelli and noodle

category are distributed both domestically and international and the sales ratio is as follows :

- **Domestic market**

The Company's domestic sales account for 92 percent of total sales for all the products under this category. The percentage of domestic sales by customer type to total sales of the Company are as follows:

Types of customers	Percentage
Wholesalers	72
Modern trade	9
Industrial clients	3
Others	8

- **Export market**

The Company's export sales account for 8 percent of total sales for all the products under this category. The Company exports to several countries such as Japan, South Korea, Hong Kong, the European Union, and the United States of America.

Distribution Channel

a. Marketing of tapioca starch products:

In the previous year, the Company's marketing activities focused on the food industry, instead of the paper and textile industries because of the higher pricing in the tapioca starch food industry.

Regarding distribution channels, the Company directly exports its products to food manufacturers. Some products were indirectly sold through local dealers in the importing countries.

b. Marketing of vermicelli and noodle products:

Domestic market – The Company sells its products through

Our Starch Products



Tapioca starch | Tapioca pearl | Coarse flour | Glucose syrup | Pregelatinized starch

various channels including: cash van sales system, wholesalers, retailers, department stores, superstores, supermarkets, convenience stores, restaurants nationwide and industrial clients.

As for international markets, the Company exports to several countries such as Japan, South Korea, Hong Kong, the European Union, and the United States of America.

Competition

a. Tapioca starch products

Competition in international markets is quite intense. In addition to local competitors, the Company has to compete with foreign manufacturers in ASEAN countries such as Vietnam, Cambodia, and Laos which have the advantage of lower costs when compared to Thailand. The Company's strategy is to focus on markets which prefer consistent quality over low prices.

Competitive environment: In previous years, there were 5-6 competitors whose capacity was equal to or greater than the Company's. While competitors adopted a competitive low-price strategy, the Company pursued the strategy of quality and punctuality of delivery, which are very important in international markets. The Company's strengths include its reputation, quality, punctuality of delivery, and brands, including the "Rose brand" trademark which has been well recognized in the food industry particularly in Taiwan and China.

Trend of industry and market competition: Although the global economic condition is still not particularly good especially China's economy that has slowed down. But the demand for tapioca starch from China has increased in spite of the clearance of corn starch stocks from China at a low price to the market. This has impacted both the volume and import prices of tapioca starch-related products including tapioca starch. By 2016 the volume of Thai tapioca starch exports was 4.25 million tons, representing a 10 percent increase from 2015 where the export volume was 3.85 million tons. However considering Thailand's export volume for tapioca starch during the previous years, before 2015,

the export volume would increase successively each year.

Source : Thai Tapioca Starch Association and customs department

b. Vermicelli and noodle products

- **Vermicelli**

Industry situation

The Thai vermicelli industry in general is operating in a perfectly competitive market. Various vermicelli products often look similar but can be significantly different in quality and price. It is therefore important for manufacturers to differentiate their products by quality and brand image so as to gain recognition and acceptance by consumers. The local consumption of vermicelli is estimated to be 37,000 tons per year or Baht 3,400 Billion in value. In total, there are 4 large manufacturers and about 10 - 15 medium-to-small manufacturers in Thailand. The Company is the largest vermicelli manufacturer in Thailand producing many different types of vermicelli with a total production capacity of 23,000 tons per year

Growth rate

The vermicelli market is estimated to have an average annual growth rate at about 3 - 5 percent.

Competition

Since production of vermicelli is rather simple, there are many producers competing in the market. Competitions however are mainly on price and on distribution and product quality. Quality varies to suit different customer segments in different locations. Consumers are generally loyal to a particular brand. Competition dimensions in the vermicelli industry can be summarized as follows.

Price competition

Each producer usually sets its selling price in line with market prices and consumer's acceptance in its product segment so as to capture market share.

Creating new market segment

New products such as fresh vermicelli, straight cut vermicelli, and instant vermicelli are introduced to give convenience and meet consumer demand.

Substitute goods

Currently, no product can directly substitute for vermicelli since it has its own unique characteristics but there are similar food products such as rice vermicelli, egg noodles, or rice noodles.

- **Noodles**

Industry situation and market share

Noodles are one of the most commonly favored dishes among Thais and other East Asian people following from rice. The Company estimates that the market size for rice noodles and rice vermicelli, including Thai rice noodle (Kanom Jeen), is approximately 350,000 – 370,000 tons per year for value of approximately Baht 15 billion. This is 10 times more volume than vermicelli, and approximately 5 times more value. Given that the market for rice noodles and rice vermicelli including Thai rice noodle is growing both locally and overseas, and given the Company's existing large customer base in the vermicelli market, the Company decided to expand its business into the rice noodle and rice vermicelli market by manufacturing and distributing small-strip rice noodles and rice vermicelli on a trial basis in 2009 and in 2010 respectively with the total capacity of 2,200 tons per year. The Company was very successful in entering this market as evidenced by the steady sales growth since the commencement of the operation. Sales have increased by over 100 percent per year since inception. As a result, the Company decided to expand its rice noodle production capacity by building a new factory in the same area as the vermicelli factory, with the initial production capacity of 5,400 tons per year. The Company expects that the new factory will start production by the end of 2015. The Company's rice noodle and rice vermicelli products are comprised of both fresh and dry rice noodle and rice

vermicelli and the proportion of sales being approximately 70 percent local and 30 percent international.

Marketing

- **Vermicelli**

The marketing strategy for vermicelli normally focuses on building brand recognition, emphasizing product quality and reliability. The Company's brands have been in the market for more than 60 years and have gained wide customer acceptance. The product is produced by a modern and hygienic process, and is convenient for consumption with a reasonable price.

- **Rice noodle and rice vermicelli**

Quality, good texture, hygienic production, and convenience are used as the foundation of its marketing.

- **Mung bean starch noodle (Shanghai noodle)**

The unique texture of mung bean starch noodles and beautifully-curved strips that result after being cooked are its selling points.

Procurement

a. Tapioca starch products

Production policy

The production process of the Company depends upon the availability of raw materials. The Company will maximize production capacity during the harvest season, which falls during the period of October through April every year. During the harvest period, the price of cassava roots are relatively low compared to other times of the year, so the Company would step up production in order to produce the maximum amount which can either be sold to customers or stored for future sales throughout the year. Towards the end of the harvest season, the price for fresh cassava roots would increase. But with the pending orders from the customers and the profit margin at a satisfactory level, the Company would continue with the production for as long as possible.

Production capacity and quantity

The Company and its subsidiaries have a total of five tapioca manufacturing plants, four of which are located in Thailand and the remaining one is in Socialist Republic of Vietnam. Thailand factories are located in Nakhon Ratchasima, Kalasin, Udon Thani, and Kamphaeng Phet with an aggregate production capacity of 375,000 tons per year. The factory in Socialist Republic of Vietnam has a production capacity of 40,000 tons per year and an average capacity utilization rate of approximately 80 percent of total annual production capacity.

Procurement of products or services

The core element of raw materials used in the manufacturing process is the locally grown fresh cassava roots that are purchased directly from the farmers.

Raw materials and suppliers

Movement in the price of fresh cassava roots depends on the demand and supply, while the selling price of the finished goods increases or decreases depending on the cost of the raw materials. During the year 2016, the average purchase price of fresh cassava roots for the group in Thailand was Baht 1,150–2,260 per ton while the price paid by the group in Vietnam was Baht 1,880–3,110 per ton.

The Company will purchase the majority of its fresh cassava roots directly from farmers, while the remainder will be purchased from the secondary cassava markets. Where the amount of cassava roots available within the areas close to the factory is not sufficient, the Company will purchase cassava roots from cassava markets in the nearby provinces in order to make up for the shortfall in the amount needed for production.

b. Vermicelli and noodle products

Production capacity

The Company has one factory for manufacturing vermicelli and other noodle products. The factory is located at Banglen district, Nakorn Pathom Province on a land plot of 230 Rai 3 ngan and 50 square wah and it has a factory floor area of

about 48,700 square meters. The total production capacity of vermicelli is approximately 23,000 tons per year and production capacity for the noodle and rice vermicelli is 5,400 tons per year. The production process employs a modern and efficient manufacturing technology which emphasizes quality and safety of the products for the consumer. The production policy is based on production plan which is mainly determined by customer's demand. At present the total capacity utilization rate is approximately 70 percent.

Raw materials

The key raw materials are pea starch, potato starch, tapioca starch, and rice. Because they are agricultural products, raw material prices fluctuate according to season and demand and supply in the market. In some situations, the Company has to stock up on raw materials in order to have sufficient raw materials for production and to maintain the costs of raw materials.

The Company directly and indirectly imports pea starch and potato starch through distributors in the EU and China. As such, exchange rates have a direct impact on the cost of imported starch. The Company does not exclusively depend on any particular manufacturer or distributor, managing supply risk by purchasing raw materials from several domestic and overseas suppliers.

Environmental Impacts

a. Tapioca starch products

During the manufacturing of tapioca starch, waste water is results from the washing of the fresh cassava roots and starch. Discharge of this waste water has the potential to adversely impact the environment and disturb the surrounding local communities. With great concern over the impact this may cause, the Company established a waste water treatment system which uses the LAGOONING technique. The Company's lagooning system was designed by certified engineers and consists of an anaerobic pond and an oxidation pond. The Company

continues to develop its waste water treatment system to make it better.

The Company's great concern for the environment resulted in the installation of a biogas system at the manufacturing plant of its subsidiary in Vietnam which was completed in 2011. The Company has already implemented the biogas system at its plant in Kalasin province and at a subsidiary's plant in Udonthani province, which are the main bases of manufacturing activities. In the system, biogases that are derived from the treatment ponds can be used as a substitute for furnace oil in the manufacturing procedure. Biogas is an energy-saving initiative and is effective in reducing the consumption of natural resources. Using biogas can reduce the amount of greenhouse gas emitted into the atmosphere and minimizes the unpleasant smell from waste water treatment ponds that could affect the environment of the surrounding local communities. The Company is installing a biogas system at the factory located in Phimai, Nakorn Ratchasima province. A test run began in November 2014 and the results of reducing the emissions of other pollutants that affect the environment were found to be satisfactory.

b. Vermicelli and noodle products

Vermicelli and rice noodle production and their by-products can be sold entirely and hence there is no significant problem of waste in the production. The waste water from the production process are treated by the lagoon system which uses a natural treatment process and therefore its operating and maintenance costs are rather low.

Undelivered Projects

N/A

Use of Our Products



Deep Fried | Suki | Stir-Fried | Salad | Tapioca Pearl | Shanghai Noodles | Cassarole | Noodles

Risk Factors

1. Risk Relating to Operating Business

Risk relating to the government's price intervention policy

During the mid of 2016, the Ministry of Commerce had requested for cooperation with the private sector of cassava business to set minimum prices for the export of starch at FOB price not lower than USD 320 USD per ton, for tapioca chips at FOB price not lower than USD 180 USD per ton. Currently, the Ministry of Commerce has issued policy for exporting tapioca chip whereby the exporters must keep stock of tapioca chips prior to export at the ratio of 1.5:1.0 (If the exporter would like to export 1 metric ton of the tapioca chip, they will have to stock at least 1.5 metric tons of tapioca chips). Due to unclear government's policy on the intervention of tapioca root prices in the future, this may impact the normal business of the trader and the Company which is beyond the Company's control.

The Company has carried out risk management initiatives to mitigate the impact of unforeseen government intervention by closely monitoring the market situation and the raw materials situation, exchanging information and knowledge with other cassava root buyers in Thailand and other countries, and with other organizations involved in the cassava root industry. This is the best way the Company can be prepared for any government intervention in the future and ensure that its finished products bear competitive costs and generate profits for the Company.

Risk relating to an offshore investment

The Company has entered into a joint venture to conduct the tapioca business in Vietnam. Offshore investment is

usually exposed to possible risks relating to changes in political conditions, laws, foreign exchange rates, and economy of the relevant country in which the investment has been made. An adverse significant change in any of these factors could adversely impact the Company's business in such country, and could result in the income and profits from the operation of its foreign business to miss the expected target.

The Company is aware of the above country risks and as a result closely monitors news information related to Vietnam and the areas nearby and also exchanges information on a timely basis about the market and economic conditions with other cassava root buyers in Thailand and other countries, and with other organizations involved in the cassava root industry. Furthermore, the Company has embedded a team of its executives to oversee the operation at the subsidiary's plant in Vietnam and requires the team to submit a report on the operating results to the head office in Thailand on a monthly basis.

Risk relating to climate change

Global warming over the past years has resulted in many changes to climate conditions around the world and Thailand is no exception to the impact of climate change, leading to various forms of natural disaster, such as drought and flood. In 2014, Thailand experienced a drought, which affected the quantity of cassava roots and the insufficient water supply reduced the Company's the production during dry season as well. However this year's impact of water shortage was not as significant compared to the previous years. As for the areas for the cultivation of tapioca, certain areas faced the infestation of mealy bugs, pest or plant diseases and other pesticides while

some areas suffered from flooding as well. By 2016, all of the above mentioned risks had subsided as compared to 2015, however these were still risk factors affecting the quantity of cassava roots which was the Company's main raw material.

The Company has taken measures to reduce the impact of such risks. Currently the Company has been conducting a study on recycling and reusing waste water from the production process and also improving the production system to reduce the amount of water used as well as storing water for the dry season in order to minimize the impact of droughts and water shortages. The Company works with the local authorities and others in factory locations in order to manage the water supply effectively for all users during water shortage periods.

Risk from substitute products

Changes in the demand and supply of substitute products such as corn starch and potato starch will cause fluctuation in prices of such products, which in turn will fluctuate the price of tapioca starch as well. With the prices of corn starch decreasing in China, causing the prices of tapioca starch to gradually decline as well.

In order to reduce the impact of the above mentioned risk, the Company closely monitors the market situation and production yields of substitute starches, exchanging of information and knowledge with other cassava root buyers in Thailand and other countries, and with other organizations involved in the cassava root industry. This helps the Company to assess likely price impacts and respond more effectively to any price movements in substitute starches.

2. Risk Related to Manufacturing of Products

Fluctuation in raw material prices

- **Tapioca starch products**

The Company is the manufacturer and distributor of tapioca starch products. Cassava roots are the key

raw material and accounts for approximately 70 percent of the total production cost. The prices of fresh cassava roots fluctuate seasonally, depending on the demand & supply in the market, the climate, and the quantity of roots in each season. Because these factors are beyond the Company's control, the Company faces risk related to its projections of raw material costs and selling price of finished products, and risk related to its ability to manage inventory levels. These risks can directly impact the Company's financial position and operating results.

Therefore in order to mitigate these risks, the Company closely monitors the market situation for raw materials, surveying the cultivation sources in Thailand, Vietnam, Laos, and Cambodia, in order to exchange information and knowledge with other cassava manufacturers in Thailand and other countries as well as other organizations related to the cassava root industry etc., focusing mainly on procuring the raw materials during the peak harvest period when there is a large supply and prices are low. In 2017, the Company will implement guarantee purchasing price in order to convince the farmers to register for selling cassava roots to the Company. The purpose of this project would be to create farmer's confidence that there certainly would be a market to purchase their roots. This would also enable the Company to do production planning, cost estimates, better pricing as well as cementing good relationships and exchanging knowledge, information, news with the local cassava root farmers. This way, the Company would be able to receive good information and forecast on the market trends of cassava roots which would be useful for further planning and managing sustainably.

- **Vermicelli and noodle products**

Raw material is the single highest cost component amounting to approximately 50 - 70 percent of total production cost. The fluctuation of raw material prices therefore has a large direct impact on the Company's performance. The key raw materials for manufacturing

vermicelli and noodle are pea starch, potato starch and rice which are agricultural products whose prices fluctuate according to seasonal availability, and demand and supply in the market.

In view of the above factors, the Company closely monitors the market situation of its raw materials and has established good relationships with its suppliers in order to forecast market trends and be better able to plan and manage its inventories. If necessary, the Company may stock-up raw materials to ensure that there is adequate supply for production and cost stability throughout the year. When market conditions allow, the Company may also consider the option of passing on any unforeseen increase in raw material prices to its customers by increasing the selling price of its products. However, the Company is always very cautious of such a move due to the very competitive and price sensitive nature of the vermicelli market.

The Company directly and indirectly imports or buys pea starch and potato starch through distributors in the EU and China to be payable in both local and foreign currencies. The movement of foreign exchange rates has a direct impact on The cost of imported starch.

Labour shortage

The vermicelli industry is labour intensive, especially in the packing process. Any shortage in the work force may adversely affect the Company's operations. To minimise with this risk, the Company offers competitive wages and attractive welfare benefits to retain and motivate its workforce. As a long-term solution to labour shortage risk, the Company is continually automating its production facilities to reduce its dependence on labour and at the same time improving production capacity and efficiency

3. Risk Related to Finance

Fluctuations in the foreign exchange rate

Since the Company's products are mainly exported to other countries, most of its income is principally linked to the US dollar. As such, the Company may face risk relating to the fluctuation in the foreign exchange rate, which is caused by the conversion of its sales income denominated in the US Dollar into the Thai Baht. The downside risk occurs when the US Dollar depreciates against the Thai Baht, resulting in a decrease in the income to be received in Thai Baht. On the contrary, the Company may obtain an increase in the value of income if the US Dollar appreciates against the Thai Baht. At present, the depreciation of Thai Baht against US Dollar when compared with 2015, is resulting in an advantage for the Thai exports over its significant international competitors, such as Vietnam, which had relatively stable exchange rates against the US Dollar.

The Company can partially manage its foreign exchange risk through the natural hedge which means that the Company can reduce the risk of fluctuation in exchange rates by creating a balance between foreign-currency sales revenues and foreign-currency expenditures. In this regard, the Company's main foreign-currency sales revenues are from exported starch while the Company's main foreign-currency expenditures are from imported pea starch and potato starch, which are the main raw materials for producing vermicelli.

Since the portion of export proceeds is greater than that of import expenditures, the Company is required to manage the remaining exchange rate exposure by entering into foreign currency forward sales contracts and regularly monitoring the movement of the foreign exchange rate. Other appropriate financial instruments have also been used to mitigate this risk.

Pea starch and Potato starch are the main raw materials used in the manufacturing of vermicelli. In certain cases, the Company imports the raw materials, based in US dollar

currencies, subjecting to foreign exchange risks as this has a direct impact on the cost of purchased raw materials. Furthermore, approximately 7 percent of the Company's income are attributed from exports that are denominated in US dollars, Japanese Yen and Euro.

In order to mitigate the foreign exchange risks, the Company closely monitors the currency situation and utilizes the appropriate forward exchange contracts when deemed necessary.

General Information and Other Key Information

General Information

Issuing Company

The Issuing Company : Thai Wah Public Company Limited
 Security Code : TWPC
 Head Office : Thai Wah Tower I, 20th - 21st Floor, No. 21/59, 21/63-64,
 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand
 Telephone : 66 2 285 0040
 Facsimile : 66 2 285 0268 and 66 2 285 0270-1
 Website : www.thaiwah.com

Branch Office :

1st Branch	Thai Wah Tower I, 6th - 7th Floor, No. 21/10, 21/12A and 21/17A South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand, Telephone 66 2 285 0031 and 66 2 285 0315-20, Facsimile 66 2 285 0485
2nd Branch	No. 76 Moo 3, Sukhumvit Road (Old Line), Takham Sub-District, Bangpakong District, Chachoengsao Province 24130, Thailand, Telephone 66 38 573 973, Facsimile 66 38 573 365
3rd Branch	No. 87 Moo 3, Sukhumvit Road (Old Line), Takham Sub-District, Bangpakong District, Chachoengsao Province 24130, Thailand, Telephone 66 38 573 975-6, Facsimile 66 38 573 329
4th Branch	No. 2, Moo 2, Sukhumvit Road (Old Line), Takham Sub-District, Bangpakong District, Chachoengsao Province 24130, Thailand, Telephone 66 38 573 003, Facsimile -
5th Branch	No. 301, Moo 8, Pimai-Huay Thalaeng Road, Naimueang Sub-District, Pimai District, Nakhon Ratchasima Province 30110, Thailand, Telephone 66 44 471 368-9, Facsimile 66 44 471 789
6th Branch	No. 136, Moo 12, Natal Sub-District, Thakhantho District, Kalasin Province 46190, Thailand, Telephone 66 43 877 087 and 66 43 877 053, Facsimile 66 43 877 032
7th Branch	No. 2, Moo 1, Banglane-Dontoom Road, Banglane Sub-District, Banglane District, Nakorn Pathom Province 73130, Thailand, Telephone 66 34 391 011-4, Facsimile 66 34 391 015
8th Branch	No. 173 Moo 1 Khok Sa-at Sub-District, Mueang Udon Thani District, Udon Thani Province 41000, Thailand, Telephone 66 42 248 794 and 66 42 248 618, Facsimile 66 42 248 618
9th Branch	Thaweephan Tower, 1st Floor, Room No. 100B, No. 363 Moo 1, Chiang Mai-Lampang Road, Thasala Sub-District, Mueang Chiang Mai District, Chiang Mai Province 50000, Thailand Telephone 66 53 850 333, Facsimile 66 53 850 123

10th Branch	No. 245 Moo 3, Liang Mueang Road, Roab Mueang Sub-District, Mueang Roi Et District, Roi Et Province 45000, Thailand, Telephone 66 97 139 0691, Facsimile -
11th Branch	No. 999/96, 2nd Floor, Mittraphap Road, Naimueang Sub-District, Mueang Phitsanulok District, Phitsanulok Province 65000, Thailand, Telephone 66 84 660 5725, Facsimile -
12th Branch	No. 208, Moo 3, Samed Sub-District, Mueang Chon Buri District, Chon Buri Province 20000, Thailand, Telephone 66 91 778 7934, Facsimile -
13th Branch	No. 142/124 Room No. 104 and 105, 1st Floor, Moo 1, Watpho-Bangyai Road, Makhamtia Sub-District, Mueang Surat Thani District, Surat Thani Province 84000, Thailand, Telephone 66 84 837 5405, Facsimile -
14th Branch	No. 198 Room No. 9101 and 9102, 1st Floor, Trok Sawairiang, Naimueang Sub-District, Mueang Nakhon Ratchasima District, Nakhon Ratchasima Province 84000, Thailand, Telephone 66 84 837 5405, Facsimile -
15th Branch	Thai Wah Tower 1, 5th Floor, No. 21/74, 21/76-77 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand, Telephone 66 2 285 0040, Facsimile -
16th Branch	No. 779/4, 1st Floor, Charoen Nakhon Road, Bukkhalo, Thon Buri, Bangkok 10600, Thailand, Telephone 66 91 778 7934, Facsimile -

Type of Major Business : Manufacture and distribute tapioca starch products and starch-related products such as vermicelli, noodles and sago.

Corporate Registration Number : 0107558000423

Registered Capital Baht : Baht 880,420,930

Issued and Paid-up Capital : Baht 880,420,930

Divided into Ordinary Shares : 880,420,930 Shares

Par Value : Baht 1

Foreign Limit : Not exceeding 49 percent of total issued and paid-up shares of the Company

Percentage allowed for Thai

Trust Fund : -N/A-

No. of Employees : 2,057 employees (Only employees employed by the Company as at December 31, 2016)

References

Regulator for Issuing Company

Securities and Exchange Commission (SEC)

Securities and Exchange Commission Building,

No. 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand

Telephone : 66 2 695 9999 Facsimile : 66 2 695 9660

SEC Help Center : 66 2 263 6000 Email : info@sec.or.th Website : www.sec.or.th

Regulator for Listed Company

The Stock Exchange of Thailand (SET)

The Stock Exchange of Thailand Building,

No. 93 Ratchadapisek Road, Din Daeng, Bangkok 10400, Thailand

Telephone : 66 2 009 9000 Facsimile : 66 2 009 9991

SET Contact Center : 66 2 009 9000 Email : SETContactCenter@set.or.th Website : www.set.or.th

Registrar

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building,

No. 93 Ratchadapisek Road, Din Daeng, Bangkok 10400, Thailand

Telephone : 66 2 00 9000 Facsimile : 66 2 009 9991

SET Contact Center : 66 2 009 9000 Email : SETContactCenter@set.or.th Website : www.set.or.th

Auditor

EY Office Limited by

Mr. Sophon Permsirivallop Certified Public Accountant No. 3182 and/or

Ms. Runnapa Lertsuwankul Certified Public Accountant No. 3516 and/or

Ms. Pimjai Manitkajohnkit Certified Public Accountant No. 4521 and/or

Ms. Rosaporn Decharkom Certified Public Accountant No. 5659 and/or

Ms. Sumana Punpongsanon Certified Public Accountant No. 5872

Lake Rajada Office Complex, 33rd floor,

No. 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand

Telephone : 66 2 264 0777 Facsimile : 66 2 264 0789 - 90

Legal Counselor

Weerawong, Chinnavat & Peangpanor Ltd.

Mercury Tower, 22nd floor,

No. 540 Ploenchit Road, Lumpini, Patumwan, Bangkok 10330, Thailand

Telephone : 66 2 264 8000 Facsimile : 66 2 657 2222

Financial Institutions

Bangkok Bank Public Company Limited, Head Office

Bangkok Bank Public Company Limited, Silom Branch

Bangkok Bank Public Company Limited, Banglane Branch

United Overseas Bank (Thai) Public Company Limited, Thai Wah Tower Branch

Citibank, N.A. Bangkok Branch

TISCO Bank Public Company Limited, Head Office

The Siam Commercial Bank Public Company Limited, Thanon Sathorn Branch

The Siam Commercial Bank Public Company Limited, Bang Len (Nakhon Pathom) Branch

Other Key Information

-N/A-

Additional information of the issuing company is available in the Form 56-1 which has been disclosed in the Company's website (www.thaiwah.com).

Shareholders

Major Shareholders as at December 30, 2016*

Name of Shareholders	No. of Shares Held	Total No. of Shares Held	% of Shareholding
1. Mr. Ho KwonPing Group		101,299,979	11.50
• Mr. Ho KwonPing	49,590,573		
• Kap Holdings Limited	45,976,945 ⁽¹⁾		
• Bibace Investments Ltd.	5,278,500 ⁽²⁾		
• MDM. Chiang See Ngoh	453,961		
2. Chang Fung Company Limited ⁽³⁾	89,093,634	89,093,634	10.12
3. Laguna Resorts & Hotels Public Company Limited ⁽⁴⁾	88,347,051	88,347,051	10.03
4. Mr. Ho KwonCjan Group		63,755,859	7.24
• Mr. Ho KwonCjan	34,416,488		
• Li-Ho Holdings (Private) Limited	29,339,371 ⁽⁵⁾		
5. Thai NVDR Company Limited	50,682,331	50,682,331	5.76
6. International Commercial Development Company Limited Group		39,248,150	4.46
• International Commercial Development Company Limited ⁽⁶⁾	34,708,545		
• ICD (HK) Limited	4,539,605		
7. Deutsche Bank AG, Singapore (DCS) A/C Pangolin Asia Fund ⁽⁷⁾	30,082,216	30,082,216	3.42
8. State Street Bank Europe Limited ⁽⁸⁾	24,921,802	24,921,802	2.83
9. Mr. Carlos Chang Koo	11,185,251	11,185,251	1.27
10. Mr. D Danfung Dennis	10,377,782	10,377,782	1.18
Other Minority Shareholders	371,426,875	371,426,875	42.19
Total	880,420,930	880,420,930	100.00

Remarks :

* As at the latest book closing date

1. Including 38,733,163 shares held by Credit Suisse AG, Singapore Branch on behalf of KAP Holdings Limited

2. Hold the Company's shares by Credit Suisse AG, Singapore Branch

3. Company registered overseas as general investment business

4. Listed on the Stock Exchange of Thailand as a hotel and property development business

5. Including 25,761,200 shares held by Credit Suisse AG, Singapore Branch on behalf of Li-Ho Holdings (Private) Limited

6. Register in Thailand as property rental business

7. Company registered overseas, contact address: Deutsche Bank AG, Bangkok, Athenee Tower, 27th floor, 63 Wireless Road, Lumpini, Pathumwan, Bangkok 10330

8. Company registered overseas, contact address: Standard Chartered Bank (Thai) PCL. Securities Services Dept.

14 th Floor Zone B. Sathorn Nakorn Tower, 90 North Sathorn Road, Silom, Bangrak, Bangkok 10500

Dividend Policy

1. The Company's Dividend Policy

The Company's Dividend Policy seeks to maximize shareholder value and encourage shareholder loyalty with predictable annual growth in dividend payout which is not impacted by profit volatility. With that objective, the Company's dividend policy is based on the principles of stability, predictability and managed growth, outlined as follows:

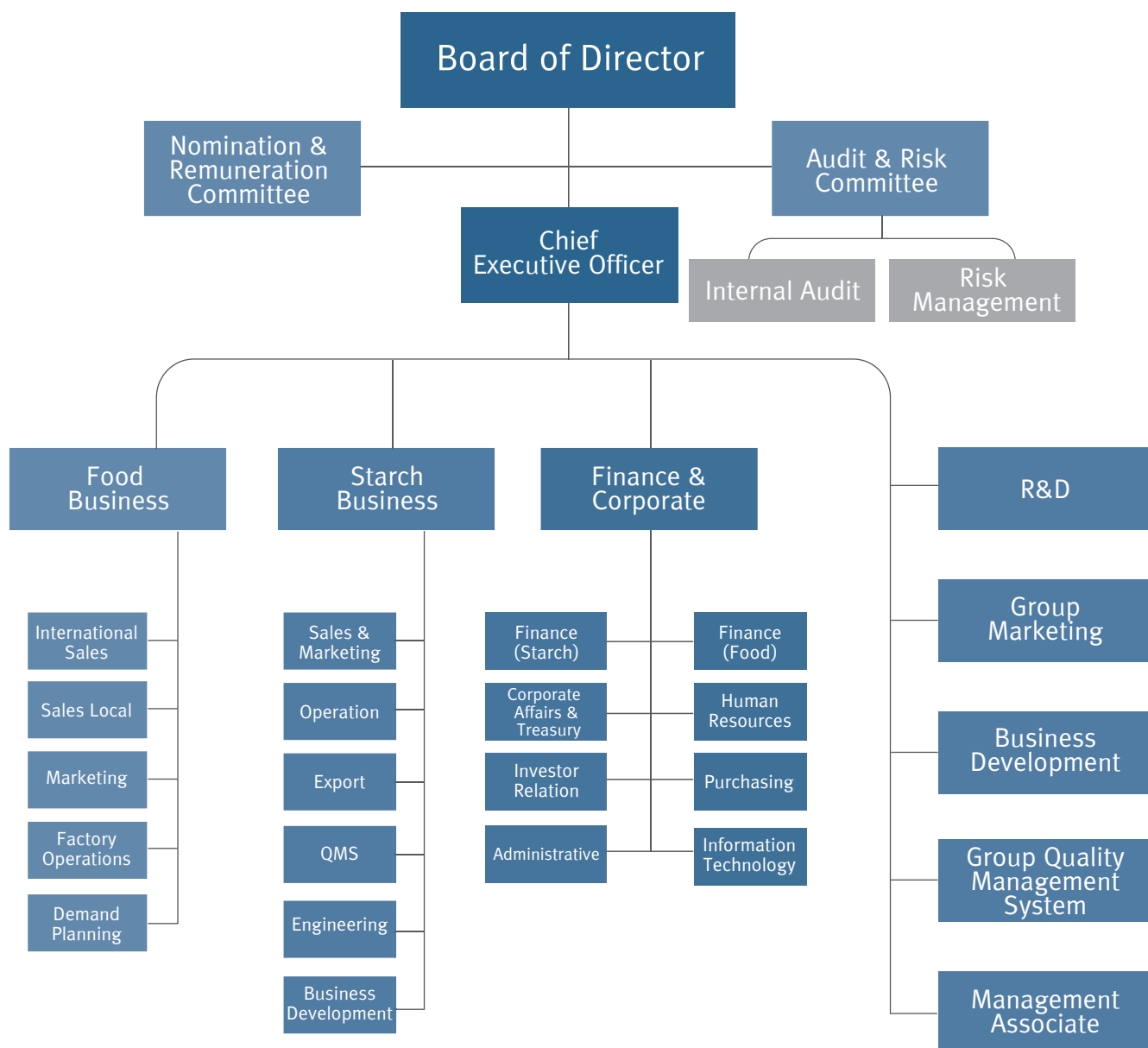
- **Stability**
Unless the Company suffers a substantial net loss, it will pay a dividend each year so that shareholders are not negatively affected by annual profit volatility.
- **Predictability**
Shareholders will be able to better anticipate the appropriate level of dividends to expect each year and therefore may be better able to manage their portfolio investment strategy.
- **Managed growth**
The Company will strive to increase and smooth out the dividends year-on-year within a broad band but the specific rate will be dependent on the Company's actual profit performance, cash and cash flow projections.

2. The subsidiary's dividend policy

The subsidiary's dividend policy is subject to its Board of Directors' discretion on the availability of cash after taking into account major capital expenditure and debt repayment obligations in the following year.

Management Structure

Organization Structure



Board of Directors

The Board of Directors of the Company comprise of 12 Directors, 4 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Udom Vichayabhai^(d), Dr. Jingjai Hanchanlash and Mr. Chanin Archjananun representing one-third of total

Board members. The Independent Directors of the Company possess the qualifications in accordance with the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand. Details of the Board members are as follows:

No.	Name	Position	Date of Appointment	Number of Attendances in 2016/Meeting
1.	Mr. Ho KwonPing	Chairman of the Board	October 1, 2015	4/4
2.	Mr. Surapon Supratya	Director	October 1, 2015	3/4
3.	Mr. Ariel P Vera	Director	October 1, 2015	4/4
4.	Mr. Ho KwonCjan	Director	October 1, 2015	4/4
5.	Mr. Ho Ren Hua ^(a)	Director	October 1, 2015	4/4
6.	Dr. Sretsei Saittagaroon	Director	October 1, 2015	4/4
7.	Mr. Umnad Sukprasongphol ^(a)	Director	October 1, 2015	4/4
8.	Mr. Shankar Chandran ^(c)	Director	December 25, 2016	-/-
9.	Mr. Vudhiphol Suriyabhivadh	Independent Director, ^(b) Audit and Risk Committee Chairman and Nomination and Remuneration Committee Member	October 1, 2015	4/4
10.	Dr. Jingjai Hanchanlash	Independent Director, ^(b) Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman	October 1, 2015	4/4
11.	Mr. Udom Vichayabhai ^(d)	Independent Director, ^(b) Audit and Risk Committee Member and Nomination and Remuneration Committee Member	October 1, 2015	4/4
12.	Mr. Chanin Archjananun	Independent Director, ^(b)	October 1, 2015	4/4

Remarks :

Profile is detailed in Attachment 1 to Form 56-1 under the heading "Board of Directors" in the Company's Annual Report

(a) Authorized directors of the Company to be jointly signed by any two of them in accordance with the Affidavit

(b) The definition of "Independent Director" is disclosed under the section of "Corporate Governance"

(c) The Board of Directors' Meeting No. 4/2016 held on November 9, 2016 approved the appointment of Mr. Shankar Chandran, as a new director of the Company, replacing Ms. Sirivan Skulkerevathana, effective November 9, 2016

Mr. Shankar Chandran took up the post of Director effective December 25, 2016

(d) Mr. Udom Vichayabhai resigned from the position of Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member on February 21, 2017. The Board of Directors' Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member of the Company, succeeding Mr. Udom Vichayabhai

Duties and Responsibilities of the Company's Board of Directors

The Board's primary functions are to set corporate policy and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs. Apart from its statutory duties, and those defined in its objectives, articles of association and resolutions at the shareholders meeting, the duties and responsibilities of the Board include:

1. formulating and approving broad policies, strategies and financial objectives of the Company;
2. reviewing the financial performance and taking responsibility for the financial statements of the Company;
3. monitoring and approving the Company's key operational initiatives, annual budget, major investment and funding decisions;
4. ensuring that the adequacy of internal controls and risk management of the Company is regularly reviewed and evaluated;
5. approving the nominations of Board of Directors and appointments to the various Board committees;
6. assuming responsibility for good corporate governance; and
7. approving the charter of Sub-Committees so as to clearly state the scope of its duties and responsibilities.

Apart from this, the delegation of authority by the Board to the management is clear, details as disclosed under the section of "Corporate Governance".

The Term of Office

The term of office of a director of the Board shall be 3 years. A director of the Board who vacates his/her office by rotation may be re-appointed.

Sub-Committees

The Board approved the establishment of two sub-committees, namely the Audit and Risk Committee and the Nomination and Remuneration Committee in order to assist the Board to screen operations within certain limits of authority as stipulated in the charter and regularly report the outcome to the Board.

In order to perform their duties transparently and independently, all members of both sub-committees are Independent Directors. Additionally, the Chairman of the Board is neither a Chairman nor a member of both sub-committees.

1. Audit and Risk Committee

The Audit and Risk Committee comprises 3 Independent Directors of the Company as follows:

No.	Name	Position	Date of Appointment	Number of Attendances in 2016/Meeting
1.	Mr. Vudhiphol Suriyabhivadh	Chairman	October 1, 2015	4/4
2.	Mr. Udom Vichayabhai ^(a)	Member	October 1, 2015	4/4
3.	Dr. Jingjai Hanchanlash	Member	October 1, 2015	4/4

Remarks :

- (a) Mr. Udom Vichayabhai resigned from the position of Audit and Risk Committee Member on February 21, 2017. The Board of Directors' Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Audit and Risk Committee Member of the Company, succeeding Mr. Udom Vichayabhai.

All members of the Audit and Risk Committee possess the qualifications in accordance with the criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Mr. Udom Vichayabhai^(a) and Mr. Vudhiphol Suriyabhivadh, members of the Audit and Risk Committee, have adequate expertise and experience to review creditability of the financial reports. Mr. Vudhiphol gains his experience in reviewing the financial reports of some listed companies in the Stock Exchange of Thailand.

Duties and Responsibilities of the Audit and Risk Committee

1. To review the accuracy and adequacy of financial reporting of the Company;
2. To review the adequacy and effectiveness of internal control and internal audit systems of the Company as well as to determine the independence of the internal audit unit, and to approve the appointment, transfer and termination of employment of the chief of the internal audit unit;
3. To consider, select and nominate an independent person to be the external auditor of the Company and propose fees for such person, as well as to attend a non-management meeting with the external auditor at least once a year;
4. To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and the laws relating to the business of the Company;
5. To review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the laws, regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;
6. To report the activities of the Audit and Risk Committee to the Board;
7. To prepare and to disclose a report of the Audit and Risk Committee in the Company's Annual Report. The report must be signed by the Audit and Risk Committee Chairman, comprising at least the following information:

- a. an opinion on the accuracy, completeness and creditability of the Company's financial report,
- b. an opinion on the adequacy of the Company's internal control system,
- c. an opinion on the compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand or the laws relating to the business of the Company,
- d. an opinion on the suitability of an auditor,
- e. an opinion on the transactions that may lead to conflicts of interests,
- f. the number of the Audit and Risk Committee meetings, and the attendance of such meetings by each Audit and Risk Committee member,
- g. an opinion or overview comment received by the Audit and Risk Committee from its performance of duties in accordance with the charter, and
- h. other transactions which, according to the Audit and Risk Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board;
8. To review and encourage the Company to enforce and comply with an appropriate and efficient risk management policy, as well as to oversee and monitor the Enterprise Risk Management Committee;
9. In performing the duty of the Audit and Risk Committee, if there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results:
 - a. a transaction which causes a conflict of interest;
 - b. any fraud, irregularity, or material defect in an internal control system; or
 - c. an infringement of the law on securities and exchange, regulations of the Stock Exchange of Thailand or the laws relating to the business of the Company

the Audit and Risk Committee shall report such transaction or act to the Board for rectification within the period of time that the Audit and Risk Committee thinks fit. If the Board or management fails to make a rectification within such period of time, any Audit and Risk Committee member may report on such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand;

10. To review and oversee the Company's practice of good corporate governance;
11. To investigate and report the preliminary result to the Office of the Securities and Exchange Commission and the external auditor within thirty days upon receipt of the fact from the external auditor in relation to any suspicious circumstance that the director, manager or any person responsible for the operation of the Company commits an offence under the law on securities and exchange; and
12. To perform any other acts as assigned by the Board and accepted by the Audit and Risk Committee.

Authority of the Audit and Risk Committee

In order that the objectives of performance of the duty by the Audit and Risk Committee be fulfilled, the Audit and Risk Committee shall have the following power:

1. Management power

The Audit and Risk Committee shall have the power to invite the management, the internal audit, the working unit supervisor or the related staff of the Company to provide clarification, opinions, attend the meetings or submit documents as deemed relevant and necessary.

2. Power with respect to the Internal Auditor

- 2.1 To ensure that there exist a common objective and understanding amongst the internal auditor, external auditor and the Board in regard to internal control;
- 2.2 To approve the appointment, transfer, termination of employment of the chief of the internal audit unit;

- 2.3 To secure the independence of the internal auditor.

3. Power with respect to the External Auditor

- 3.1 To review and evaluate the work performance of the external auditor;
- 3.2 To submit the name of the external auditor and annual auditing fee to the Board of Directors of the Company for the purpose of obtaining approval at the Annual General Meeting of Shareholders;
- 3.3 To fix wage rate for audit services and other advisory services provided by the external auditor.

4. Other powers

The Audit and Risk Committee shall have the power to investigate related persons and matters within its scope of the authority and duty and shall have the power to employ or ask a specialist to provide advice and opinions as deemed appropriate by the Audit and Risk Committee.

The Term of Office

The term of office of a member of the Audit and Risk Committee shall be 2 years. A member of the Audit and Risk Committee who vacates his/her office by rotation may be re-appointed.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 Independent Directors of the Company as follows:

No.	Name	Position	Date of Appointment	Number of Attendances in 2016/Meeting
1.	Dr. Jingjai Hanchanlash	Chairman	October 1, 2015	3/3
2.	Mr. Vudhiphol Suriyabhivadh	Member	October 1, 2015	3/3
3.	Mr. Udom Vichayabhai ^(a)	Member	October 1, 2015	3/3

Remarks :

(a) Mr. Udom Vichayabhai resigned from the position of Nomination and Remuneration Committee Member on February 21, 2017

The Board of Director's Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Nomination and Remuneration Committee Member of the Company, succeeding Mr. Udom Vichayabhai

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company's Chief Executive Officer and his relatives who are employees of the Company;
3. To review and approve the expense claims of the Company's Chief Executive Officer;
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefit (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emolument of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy;
10. To inform the Board of the names of directors and Board

committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the renomination of those retiring directors and committee members;

11. To review the Committee charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee's activities and findings.

Authority of the Nomination and Remuneration Committee

To assist the Nomination and Remuneration Committee in achieving its objectives, the Nomination and Remuneration Committee shall have the discretion to appoint appropriate third party consultants to review existing employee related policies, propose new employee benefit and welfare programs and/or undertake other human resource related research and studies.

The Term of Office

The term of office of a member of the Nomination and Remuneration Committee shall be 2 years. A member of the Nomination and Remuneration Committee who vacates his/her office by rotation may be re-appointed.

Management

Management of the Company comprises the Chief Executive Officer and other Management in accordance with the definition of the Securities and Exchange Commission, a total of 7 persons, details as follows:

No.	Name	Position
1.	Mr. Ho Ren Hua	Chief Executive Officer
2.	Dr. Sretsei Saittagaroon ^(a)	Managing Director (Food Business)
3.	Mr. Umnad Sukprasongphol	Managing Director (Starch Business)
4.	Mr. Prateep Lertvatanakijkul ^(b)	Managing Director (Food Business)
5.	Ms. Sirivan Skulkerevathana ^(c)	Vice President – Treasury and Corporate Affairs
6.	Ms. Naruemon Srisuma	Group Head of Research & Development
7.	Ms. Orn-A-Nong Witchucharn	Group Finance Director

Remarks :

Profile is detailed in Attachment 1 to Form 56-1 under the heading "Management and Company Secretary" in the Company's Annual Report

(a) Dr. Sretsei Saittagaroon retired on December 31, 2016

(b) Mr. Prateep Lertvatanakijkul was appointed to be Managing Director (Food Business) effective January 1, 2017

(c) Ms. Sirivan Skulkerevathana retired on December 31, 2016

Company Secretary

The Board of Directors' meeting of the Company has approved the appointment of Ms. Manee Lueprasert, to be the Company Secretary of the Company effective October 1, 2015.

Remarks : Profile is detailed in Attachment 1 to Form 56-1 under the heading "Management and Company Secretary" in the Company's Annual Report

Duties and Responsibilities of the Company Secretary

The Company Secretary has to perform the duties in accordance with section 89/15 and 89/16 of the Securities and Exchange Act with responsibility, due care and loyalty, and in compliance with all laws, the objectives, the articles of association of the Company, the resolutions of the Board of Directors and the resolutions of the Shareholders' Meeting. The Company Secretary has the statutory duties and responsibilities as follows:

1. Preparing and keeping the following documents:
 - a. a register of Director;
 - b. a notice calling for the Board of Directors' Meeting, the minutes of the Board of Directors' Meeting and the Annual Report of the Company;
 - c. a notice calling for Shareholders' Meeting and the minutes of the Shareholders' Meeting;
2. Keeping a report on interest filed by the Director or Executive and submit a copy of such report in accordance with section 89/14 to the Chairman and the Audit and Risk Committee Chairman within seven business days upon receipt;
3. Performing any other acts as specified in the notification of the Capital Market Supervisory Board. Apart from this, the Company Secretary has other duties as specified in the job descriptions and as assigned by the Company.

Details of Securities held by Directors and Management in the Company

Board of directors and management as at December 31, 2016

No.	Name	Position	No. of shares held as at December 31, 2015	No. of shares changed in 2016 Increase / (Decrease)	No. of shares held as at December 31, 2016	Share-holding in the Company (%)
1.	Mr. Ho KwonPing Spouse and Minor child	Chairman of the Board	46,356,073 453,961	3,234,500 -	49,590,573 453,961	5.63% 0.05%
2.	Mr. Surapon Supratya Spouse and Minor child	Director	- -	- -	- -	- -
3.	Mr. Ariel P Vera Spouse and Minor child	Director	1,973,183 -	- -	1,973,183 -	0.22% -
4.	Mr. Ho KwonCjan Spouse and Minor child	Director	30,821,363 -	3,595,125 -	34,416,488 -	3.91% -
5.	Mr. Ho Ren Hua Spouse and Minor child	Director and Chief Executive Officer	2,130,524 -	- -	2,130,524 -	0.24% -
6.	Dr. Sretsei Saittagaroon ^(a) Spouse and Minor child	Director	3,396,239 -	(852,210) -	2,544,029 -	0.29% -
7.	Mr. Umnad Sukprasongphol Spouse and Minor child	Director and Managing Director (Starch Business)	380,226 7,014	- -	380,226 7,014	0.04% 0.00%
8.	Mr. Shankar Chandran Spouse and Minor child	Director	- -	- -	- -	- -
9.	Mr. Vudhiphol Suriyabhivadh Spouse and Minor child	Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Member	- 213,053	- -	- 213,053	- 0.02%
10.	Dr. Jingjai Hanchanlash Spouse and Minor child	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman	- 2,443,039	- 200,000	- 2,643,039	- 0.30%

No.	Name	Position	No. of shares held as at December 31, 2015	No. of shares changed in 2016 Increase / (Decrease)	No. of shares held as at December 31, 2016	Share-holding in the Company (%)
11.	Mr. Udom Vichayabhai ^(b) Spouse and Minor child	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	- -	- -	- -	- -
12.	Mr. Chanin Archjananun Spouse and Minor child	Independent Director	- -	- -	- -	- -
13.	Mr. Prateep Lertvatanakijkul ^(c) Spouse and Minor child	Managing Director (Food Business)	50,000 -	- -	50,000 -	0.01% -
14.	Ms. Sirivan Skulkerevathana ^(d) Spouse and Minor child	Vice President – Treasury and Corporate Affairs	- -	- -	- -	- -
15.	Ms. Naruemon Srisuma Spouse and Minor child	Group Head of Research & Development	- -	- -	- -	- -
16.	Ms. Orn-A-Nong Witchucharn Spouse and Minor child	Group Finance Director	10,000 -	- -	10,000 -	0.00% -

Remarks :

- (a) Dr. Sretsei Saittagaroon retired on December 31, 2016 and will assume the role of Non-Executive Director effective January 1, 2017 onwards
- (b) Mr. Udom Vichayabhai resigned from the position of Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member on February 21, 2017
- (c) Mr. Prateep Lertvatanakijkul was appointed to be Managing Director (Food Business) effective January 1, 2017
- (d) Ms. Sirivan Skulkerevathana retired on December 31, 2016

Method of Appointment and Removal of Directors as included in the Company's Articles of Association

Appointment of the Directors

1. The Company shall have a Board of Directors comprising at least five (5) directors. At least half of the total directors shall reside in Thailand.
2. The directors shall be elected at the Shareholders' Meeting in accordance with the following criteria and procedures:
 - (1) A shareholdes shall have one (1) vote per share.
 - (2) Each shareholder may exercise all the votes he or she has to elect one or several persons as director(s), but the shareholder cannot allot his or her votes to any person in any number; and
 - (3) The candidates who received the highest votes in their respective order of the votes shall be elected as the directors until all of the director positions that the Company has, or are to be elected at such meeting, are filled. In the event the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman of the meeting shall have a casting vote.
3. In the event of a vacancy on the Board of Directors for reasons other than by rotation, the Board of Directors shall elect any person who is qualified and who does not have any of the prohibited characteristics under the law on public limited companies and/or under the law governing securities and exchange as a substitute director at the subsequent Board of Directors' Meeting, unless the remaining term of office of the vacant directorship is less than two (2) months. The aforesaid substitute director shall retain office only for the remaining term of office of the replaced director.

The resolution of the Board of Directors under the first paragraph shall be passed by a vote of not less than three-fourths (3/4) of the remaining directors.

In the case where the directors' position is vacant and results in an insufficient number of directors to constitute a quorum, the remaining directors shall transact on behalf of the Board of Directors only to call a Shareholders' Meeting to elect the replacement of such vacant positions.

The Shareholders' Meeting to elect new directors to fill the vacant positions shall be held within one (1) month from date on which the number of directors becomes insufficient to form a quorum.

Removal of Directors

1. At each annual general meeting, one-third (1/3) of the total number of the directors shall retire from office. If the number of directors is not a multiple of three, then the number of directors nearest to one-third (1/3) shall retire from office.

Retiring directors in the first and second years following the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held office the longest shall retire.

Retiring directors are eligible for re-election.

2. Besides retiring by rotation, the directors shall be vacated from office upon:
 - (1) death;
 - (2) resignation;
 - (3) a lack of qualifications or having prohibited characteristics under the law on public limited companies and the law governing securities and exchange;
 - (4) removal by a resolution of the Shareholders' Meeting; and
 - (5) removal by a court order.
3. A director may be removed from office prior to the end of his/her term of office by a resolution passed at the Shareholders' Meeting, by a vote of not less than three-fourths (3/4) of the total number of shareholders who are present at the meeting and are eligible to vote, holding together not less than one-half (1/2) of the total number of shares of the shareholders who are present at the meeting and are eligible to vote.

Remuneration Policy

1. Employees' Remuneration

The Company's remuneration policy is built on a transparent appraisal system and formulated to drive performance of its employees, who are its most important asset. The objective of the Company's remuneration policy is to attract, motivate, reward and retain quality staff. The typical compensation package for employees comprises basic salary, variable performance bonus, allowances, as well as benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive with the industry's benchmark, the Company periodically reviews its base salary ranges and benefits package with comparative groups in the agribusiness and food sectors.

The remuneration for the Company's senior management and senior executives aims to motivate them to achieve the Company's annual and long-term goals to ensure that they are aligned with shareholders' interests. In addition to the above elements, performance-related elements therefore also form a part of senior management and senior executives' total remuneration.

The Company's approach to rewarding employees not only helps to attract, retain and motivate talented employees but also fosters a performance-oriented culture across the organization that will help attain the Company's financial objectives.

2. Directors' Remuneration

The fees for Independent Directors, Non-Executive Directors and Executive Directors reflect the scope and extent of a director's responsibilities and obligations. They are measured against industry benchmarks and are competitive. Directors' fees are subject to shareholders' approval at the AGM.

Directors' and Management's Remuneration

Monetary Remuneration

- **Directors**

Monetary remuneration for the Directors, both Non-Executive Directors and Executive Directors, is the remuneration per Meeting, classified by each category and directorship position in accordance with the resolutions approved at the Joint Shareholders' Meeting between the shareholders of Thai Wah Food Products Public Company Limited and the shareholders of Thai Wah Starch Public Company Limited as at 30 September 2015.

Monetary remuneration for the Directors, both Non-Executive Directors and Executive Directors, in 2016 was in the total amount of Baht 9,385,000. Details as shown in the section "Remuneration and Other Benefits of the Directors during the Year 2016".

- **Management**

Monetary remuneration for 7 management in 2016 was in the total amount of Baht 49,946,230 consisting of salaries and bonus, social security payment, car allowance, provident fund payment and laptop allowance.

Non-Monetary Remuneration

- **Directors**

-None-

- **Management**

Employee benefits such as medical expenses, life & health insurance, children education subsidy, etc. for 7 management in 2016 were in the total amount of Baht 6,826,216.

The Directors, both Non-Executive Directors and Executive Directors, did not receive any extra directors' remuneration other than those shown above.

Remuneration and Other Benefits of the Directors during the Year 2016

No.	Name	Position	Remuneration/Other Benefits (Baht/Year)			
			The Board	Audit and Risk Committee	Nomination and Remuneration Committee	Total (Baht/Year)
1.	Mr. Ho KwonPing	Chairman of the Board	1,000,000 / -	- / -	- / -	1,000,000
2.	Mr. Surapon Supratya	Director	680,000 / -	- / -	- / -	680,000
3.	Mr. Ariel P Vera	Director	680,000 / -	- / -	- / -	680,000
4.	Mr. Ho KwonCjan	Director	680,000 / -	- / -	- / -	680,000
5.	Mr. Ho Ren Hua	Director	600,000 / -	- / -	- / -	600,000
6.	Dr. Sretsei Saittagaroon	Director	600,000 / -	- / -	- / -	600,000
7.	Mr. Umnad Sukprasongphol	Director	600,000 / -	- / -	- / -	600,000
8.	Ms. Sirivan Skulkerevathana ^(a)	Director	600,000 / -	- / -	- / -	600,000
	Mr. Shankar Chandran ^(a)	Director	- / -	- / -	- / -	- / -
9.	Mr. Vudhiphol Suriyabhivadh	Independent Director, Audit and Risk Committee Chairman and Nomination and Remuneration Committee Member	680,000 / -	340,000 / -	135,000 / -	1,155,000
10.	Dr. Jingjai Hanchanlash	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Chairman	680,000 / -	180,000 / -	255,000 / -	1,115,000
11.	Mr. Udom Vichayabhai ^(b)	Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member	680,000 / -	180,000 / -	135,000 / -	995,000
12.	Mr. Chanin Archjananun	Independent Director	680,000 / -	- / -	- / -	680,000
	Total		8,160,000	700,000	525,000	9,385,000

Remarks :

(a) The Board of Directors' Meeting No. 4/2016 held on November 9, 2016 approved the appointment of Mr. Shankar Chandran, as a new director of the Company, replacing Ms. Sirivan Skulkerevathana, effective November 9, 2016

Mr. Shankar Chandran took up the post of Director effective December 25, 2016

(b) Mr. Udom Vichayabhai resigned from the position of Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member on February 21, 2017

Human Resources

As at December 31, 2016 there were 2,884 employees in the Company as follows:

	Starch business	Vermicelli and Noodle business	Subsidiaries*	Total
Direct labor (person)	727	837	736	2,300
Indirect labor (person)	91	161	86	338
Head office employee (person)	70	171	5	246
Total (person)	888	1,169	827	2,884

Remarks :

* Subsidiaries are Thai Nam Tapioca Co., Ltd., DI Co., Ltd., Thai Wah (6) Co., Ltd. and Tay Ninh Tapioca Joint Stock Company.

Total remuneration and benefits paid to the employees of the Company as at December 31, 2016 was Baht 785,742,528 comprising salary and bonus, car allowance, social security fund, provident fund, accident & health insurance, medical, etc

Human Resources Development Policy

The Company recognizes the importance of human resources and has a policy to develop the employees to be knowledgeable and competent. The Company places great importance on the human resources starting from recruitment, defining clear scope of works, training and development, performance evaluation, individual career development plan, providing fair remuneration and good welfare as well as promoting activities to strengthen the unity and positive atmosphere in the workplace.

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") of Thai Wah Public Company Limited ("the Company") comprises three independent directors and has the following objectives:

1. To formulate and align HR policies and programs for senior management to business goals and market practices.
2. To attract and retain the right people for senior management positions in the Company.
3. To ensure that the Company's senior management remuneration and benefit package remain competitive with the industry's benchmark.
4. To advise the Board on matters relating to the composition of the Board and its committees so that the Board is able to adequately discharge its responsibilities and duties.
5. To resolve and/or advise on any employee's remuneration which have conflict-of-interest issues.
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit and Risk Committee and Nomination and Remuneration Committee.
5. To review and if necessary, propose changes or additions to senior management welfare, benefit (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emolument of individual employees shall be determined by the management of the Company.
6. To establish criteria for Board membership.
7. To formulate a standard and transparent process for the selection of directors.
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy.

In the pursuit of its objectives, the NRC is empowered to perform the following functions:

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company.
2. To review and award the bonus, salary increment and incentives of the Company's Chief Executive Officer and his relatives who are employees of the Company.
3. To review and approve the expense claims of the Company's Chief Executive Officer.
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy.
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the renomination of those retiring directors and committee members.
11. To review the Committee charter at least once a year and recommend modifications to the Board of Directors as needed.

12. To report to the Board of Directors on the Committee's activities and findings

The NRC met thrice in 2016 to deliberate and decide on the level of annual bonus and salary increment for the Company's employees. The NRC also considered and made recommendation to the Board regarding the remuneration for the directors and sub-committee members Apart from this, the NRC considered and recommended the Board on the proposal of a new director to replace a director who resigned.



Dr. Jingjai Hanchanlash
Nomination and Remuneration Committee Chairman
13 January 2017

Corporate Governance

The Company is committed to maintaining high standards of corporate governance within the Company in order to protect and enhance long-term shareholder value. The Company has adopted and continuously developed a set of good corporate governance practices and policies which are modeled on principles advocated by the Stock Exchange of Thailand (SET) as per the details set out in the following sections.

1. Rights of Shareholders

The Company recognizes the importance of shareholders' rights. The Company conducted the meeting and fully complied with all relevant laws and regulations in respect of shareholders' rights in the following manner.

- 1.1 All shareholders have the same basis and rights in the casting of votes at meetings and the receipt of dividends when declared by the Company. These are calculated based on their respective shareholding in the Company.
- 1.2 At every shareholders' meeting, shareholders are given the right to approve important matters such as election of directors (shareholders can elect directors individually), directors' remuneration, appointment of auditors and dividend payment, etc.
- 1.3 The Company never discourages or creates any barriers to communication among shareholders. All shareholders can communicate with each other freely.
- 1.4 The Company has a policy to facilitate and encourage all classes of shareholders including institutional investors to attend every shareholders' meeting by selecting meeting venues that are convenient for attendance, distributing a package containing the

notice and meeting documents in English to foreign shareholders, setting up a separate registration desk for institutional investors, and distributing proxy forms which include clear supporting documents, together with the notice in order to facilitate shareholders who are unable to attend a meeting in person.

In addition, any shareholders who arrive at the meeting after the meeting has begun are still entitled to vote on the agenda items that are still under consideration and have not been voted upon.

- 1.5 The Company has invited the shareholders to propose 2017 Annual General Meeting (AGM) agenda items in advance of the AGM by disclosing criteria and procedures through the channels of the SET and the Company's website (www.thaiwah.com). However, none is proposed by the shareholders.
- 1.6 The Company does not invite the minority shareholders to nominate their own candidates to be appointed as the Company's directors ahead of the meeting. This is because the Company already gives all shareholders an opportunity to nominate their own candidates (who meet the requirements under the Public Limited Companies Act) and to vote for candidates at the shareholders' meeting.
- 1.7 The Company has assigned Thailand Securities Depository Company Limited, which is the Company's share registrar, to distribute a package containing the notice and agenda of the meeting to the shareholders at least 10 days prior to the meeting. The meeting documents include the facts and rationales and opinions of the Board as well as other information relating to the agenda items such as information on the persons nominated for election as directors,

auditors' profiles, the part of the Company's Articles of Association that relates to the shareholders' meeting, map to the venue of the shareholders' meeting, proxy forms, documents and evidence of entitlement to attend the meeting, etc. This is to enable shareholders to prepare themselves for the meeting. In addition, the notice of the shareholders' meeting will be advertised in the press, all information contained in the meeting documents both in Thai and English will also be posted on the Company's website (www.thaiwah.com) at least 1 month prior to the meeting. Moreover, shareholders are always invited to register at least 1 hour before the meeting begins.

In addition, a barcode system has been utilized for registration, vote counting, and result presentation at the shareholders' meeting for its convenience, speed, and accuracy.

1.8 The Chairman conducts each meeting according to the sequence of the agenda and does not add any agenda items without prior notice to shareholders unless shareholders holding not less than one-third of the total number of paid-up shares may request the meeting to consider matters other than those specified in the notice.

1.9 Before the start of every shareholder's meeting, the Company Secretary explains the voting methodology to shareholders (voting criteria, procedures on using the voting slip, and the voting right). A team of legal counsels from a leading international law firm is invited to verify the registration procedure before the Chairman of the meeting announces to the shareholders, the number of shareholders and proxy holders present at the meeting and the number of shares held by them. The legal counsels also verify the vote counting procedure in respect of each agenda item before the votes are announced as resolution of the shareholders' meeting. Shareholders may verify the detailed results of the vote of each agenda item

at the end of each meeting. The Company disseminates the results of the vote of each agenda item at the shareholders' meeting on the Company's website (www.thaiwah.com) within the next business days after the meeting was held. Apart from this, the same results and a summary of questions from shareholders and answers have also been included in the minutes of the meeting which are accurately and completely documented in all material aspects and sent to all shareholders for their review prior to the following meeting. The minutes of the Annual General Meeting will be posted on the Company's website (www.thaiwah.com) within 14 days after the meeting is held.

1.10 The Company's policy in conducting shareholders' meetings is not only to meet all legal requirements but to also provide a platform and opportunity for shareholders to communicate their views and ask the directors and the management questions regarding matters affecting the Company. The Chairman allocates appropriate time for discussion and encourages the shareholders to express their opinions and ask questions related to the Company's operation. In addition, to facilitate shareholders in protecting their rights, shareholders who have any questions that require the Company's clarification during the meeting may send their questions to the Company in advance at Investor Relations Department (ir@thaiwah.com) or fax them to 66 2 285 0268.

1.11 Apart from the external auditor who attends the Annual General Meeting, the Chairman of the Board, the Chairman of the Audit and Risk Committee and the Chairman of the Nomination and Remuneration Committee, and all of the Company's directors also endeavour as far as reasonably practicable to be present at the shareholders' meeting in order to assist the Board in addressing queries raised by the shareholders. The Company also invites its legal counsels from a leading international law firm to

attend the meeting in case a legal question requiring clarification arises during the meeting. Furthermore, the Company provides a professional translator to be present at the meeting to assist shareholders and the Board to communicate more effectively in English and Thai.

- 1.12 News and information relating to the Company is disseminated through the Company's website (www.thaiwah.com), which includes information such as the resolutions of the Company's Board of Directors on important matters, resolutions of the shareholders' meetings, financial information, information which may affect the Company's share price, Annual Report, etc.

2. Equal Treatment of Shareholders

The Company recognizes its duty to ensure equal treatment of shareholders by complying with all relevant laws and regulations as following details:

- 2.1 With regard to voting at the shareholders' meeting, the shareholders shall have votes equal to the number of ordinary shares held by each of them, which means one ordinary share is entitled to one vote. The Company has only ordinary shares.
- 2.2 For shareholders who are unable to attend a meeting in person, the Company provides opportunity for such shareholders to appoint another person as proxy to attend the meeting on their behalf by using proxy form B sent by the Company. Proxy form B is one of the forms prescribed by the Ministry of Commerce which allow shareholders to make voting directions. Moreover, the Company provides opportunity for shareholders to appoint the Company's independent director as proxy to undertake proxy voting on behalf of shareholders who are unable to attend the meeting. The name of the independent director is provided in the proxy forms, together with the profile of that

independent director who have been given proxy to vote on behalf of shareholders that are unable to attend the meeting, all of which are attached as part of the meeting documents.

- 2.3 As a policy, the directors and management of the Company have to file report of their holding of the Company's securities to the SEC upon their appointment and to report any change in their holding of the Company's securities to the SEC within 3 business days, if they have purchased, sold, transferred or obtained any Company's securities, in accordance with the Securities and Exchange Act. The securities holding report is also included in the agenda items of the Board meeting for the Board's acknowledgment once every 3 months.

- 2.4 Any director or management who has an interest in, or is related to, any transaction between the Company and an interested or related person will not participate in the decision making process involving such transaction. In case shareholders' approval is required, the Company has disclosed details and reasons to enter into the transaction to the shareholders prior to entering into the transaction and strictly followed the procedures on such transaction in accordance with the regulations of the SET and notification of the Capital Market Supervisory Board. Details are further described under the heading "Connected transaction" in the Company's Form 56-1 and in the Company's Annual Report. There are no violation of the connected transactions and/or of the acquisition and disposition of assets found during 2016.

- 2.5 The Company has formulated a Code of Business Conduct to provide guidelines for the Board, senior management and employees of all levels to comply with. The Statement includes the prohibition on the improper use of insider information for personal benefit or to benefit others. Additionally, the Board approved the policy on dealing in securities of the Company which prohibits the dealing in the Company's shares while in possession of unpublished

confidential and price-sensitive information during the "embargo period". Details are further described under clause 5.9 hereof "Supervision on the Use of Inside Information". There is no violation of the policy found during 2016.

- 2.6 In 2016, the Company did not provide financial assistance to any company which is not a subsidiary of the Company.

3. Role of Stakeholders

In its pursuit for sustainable growth and financial returns for its shareholders, the Company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules and regulations.

Shareholders:

The Board of Directors is committed to perform its duties honestly, transparently and diligently in the best interest of all its shareholders to preserve and enhance long-term shareholder value. All important information which may have an impact on the Company's share price and/or shareholders decisions are fully disclosed on a timely manner.

Employees:

The Company believes that its people are its greatest asset. The Company has taken steps to ensure that all labour laws are complied with and all employees are treated fairly without discrimination or favoritism. The Company offers competitive pay packages and welfare benefits to all its employees comparable to the industry norms, related to the Company's short-term and long-term operating results, and to the performance of each individual employee. Additionally, the Company ensures that the legal rights of employees are not violated. All of these have been included in the Company's code of business conduct approved by the Board of Directors. Apart from this, the Company provides its employees a safe, hygienic, and

suitable working environment which has been recognized and certified in compliance with the OHSAS 18001 and TIS 18001 standards by the relevant organizations. Furthermore, the Company provides a provident fund, and encourages its employees to attend training courses related to their line of responsibility and allows job rotation to enhance and diversify their knowledge and skills.

Customers:

The Company aims to provide its customers good value, high quality and hygienic products which are manufactured with the finest ingredients. In addition, continuous research and development is valued to ensure that the customers' needs are met. This is in compliance with the Company's mission approved by the Board of Directors.

Competitors:

The Company believes that competition is the essence of a free and open market and therefore avoids any actions which may prevent, obstruct or discourage potential competitors from entering the markets in which the Company operates in. The Company takes the view that healthy competition encourages product and service innovations in the market place which would increase market standards and ultimately benefit consumers and society at large. In accordance with the Code of Business Conduct approved by the Board of Directors of the Company, the Company will neither engage in any fraudulent act to violate or obtain competitors' trade secrets nor in any infringement of intellectual property or copyright including anti-corruption and anti-bribery for the benefit of the Company's business. Moreover, the Company will not violate legal rights of competitors by any of the Company's actions and decisions which has been stated in the Company's Code of Business Conduct approved by the Board of Directors.

Society & Environment:

The Company aims to be a socially and environmentally responsible company which form a part of the Company's Code of Business Conduct. It is the Company's policy

to conduct its business under environmental standard by establishing its production process, utilizing resources and energy effectively and by implementing an environmental management system, evaluating and reviewing the system regularly to achieve sustainable development. As a result, the Company has obtained certification of environmental management system under ISO 14001:2004 and has also been awarded a green industrial certification at level 3 (the green system) from the Ministry of Industry of Thailand, which is the system that reflects environmental friendliness, details as shown under the heading "Corporate Social Responsibilities" in the Company's Form 56-1 and in the Company's Annual Report.

Suppliers:

The Company strives to forge long-term business relationships with its suppliers and therefore has the policy to always give a fair profit to its suppliers and to respect payment terms and conditions. In addition, in selecting its suppliers, the Company gives all suppliers an equal opportunity to propose their bid. The Company has established the Tender Committee to select its suppliers through the tender process for any transactions which are over Baht 1 million for transparency purpose.

Creditors:

The Company considers creditors as important business partners and therefore commits to fulfill all of its obligations under contracts to its creditors, to not conceal information nor facts that may damage its creditors, and to notify its creditors in advance in any case where there might be any potential event which could cause the Company to fail to comply with any obligations under contracts including guarantee conditions, capital management, and its debt servicing. In such cases the Company works with its creditors to mutually resolve those potential problems.

There were no violations of laws in relation to labour, employment, consumers, competitors, or environment found in 2016. In addition, no creditor alleged that the Company had failed to comply with any obligations under contracts.

3.1 Anti - Human Rights Violation Policy

It is the Company's policy not to take any actions which might violate the human rights. The Company will not hire anyone under 18 years old nor support of forced labour in all forms, including of unfair dismissal. The Company will strictly treat all employees equally in accordance with the labor law which also cover the protection of human rights. There are no record of unfair treatment against employees nor similar court cases against the Company found during 2016.

3.2 Anti - Piracy Policy

The Company has an anti-piracy policy which has been clearly stated in the standard operating procedures, of using only intellectual property that it does not own if it is properly authorized to do so, i.e., the use of authorized computer program licenses which would be periodically audited by the internal auditor of the Company. The Company was not a party to any piracy cases during 2016.

3.3 Anti - Corruption and Anti - Bribery Policy and Guidelines

The Company conducts its business based on the principles of transparency and law compliance. Moreover, the Company's Code of Business Conduct approved by the Board of Directors has stated that the Board of Directors, Management and employees are expected to carry out their work based on the principles of good corporate governance and to avoid any illicit activities which may damage the reputation of the Company. Therefore, it is the Company's policy and mandatory not to acquire business success by means of fraud or bribery. Violation of this policy is considered a serious offense which may result in severe disciplinary action, including dismissal as required by law.

3.4 Whistle-blowing Policy

The Board has approved a Whistle-blowing Policy in order to provide associates and third parties with a mechanism by which they can, free of any discrimination, retaliation, or harassment, raise concerns about unlawful practices, unethical actions, or any behavior that may be regarded as malfeasance or fraud on the part of any person in the organization. The Board has also set up a whistle-blowing channel, a procedure to manage concerns raised, and a mechanism to protect whistle-blowers, details as follows:

Whistle-Blowing Channel

Any whistle-blower can raise their concerns or perceived irregularities directly to the Board of Directors, the Audit and Risk Committee, or the Internal Audit Team through various channels as follows:

Board of Directors

Email: bod@thaiwah.com
Facsimile: 66 2 285 0685
Post: Board of Directors
Thai Wah Public Company Limited
Thai Wah Tower I, 20th-21st Floor,
21/59, 21/63-64, South Sathorn Road,
Tungmahamek, Sathorn, Bangkok 10120 or

Audit and Risk Committee

Email: arc@thaiwah.com
Facsimile: 66 2 285 0685
Post: Audit and Risk Committee
Thai Wah Public Company Limited
Thai Wah Tower I, 20th-21st Floor,
21/59, 21/63-64, South Sathorn Road,
Tungmahamek, Sathorn, Bangkok 10120 or

Internal Audit

Email: ia@thaiwah.com
Facsimile: 66 2 285 0685
Post: Internal Audit
Thai Wah Public Company Limited
Thai Wah Tower I, 20th-21st Floor,
21/59, 21/63-64, South Sathorn Road,
Tungmahamek, Sathorn, Bangkok 10120

Procedure to Manage Concerns

All concerns or reports raised by whistle-blowers will be investigated by the Internal Audit Team which will report the fact findings to the Audit and Risk Committee for consideration.

Mechanism to Protect Whistle-Blowers

Anonymity and confidentiality will be honoured throughout the process. Access to information will be limited only to responsible persons. If a whistle-blower believes that he/she is being subjected to discrimination, retaliation, or harassment for having made a report, he/she should immediately report those facts to the Board of Directors or the Audit and Risk Committee or the Internal Audit Team through one of the above whistle-blowing channels. Reporting should be done promptly to facilitate investigation and the taking of appropriate actions.

If an associate has made an allegation in bad faith or for personal gain, disciplinary action may be taken against him/her. Likewise, if investigations reveal that a third party making a report had done so maliciously or for personal gain, appropriate action, including reporting the matter to the police, may be taken.

3.5 Social participation and development

The Company's policy is to maintain and build relationships with local communities by supporting community activities regularly with a focus on improvement of the quality of life in nearby communities. A series of campaigns with the aim of achieving proper sustainable development for the benefit of local and social communities have been launched, details as shown under the heading "Corporate Social Responsibilities" in the Company's Form 56-1 and in the Company's Annual Report.

3.6 Promote Sustainable Use of Resources

Economic growth and an increase in the world's population have led to an increase in human consumption

of resources every year, resulting in shortages of limited resources and creating environmental problems. The Company is aware of these problems and, in order to promote the efficient use of resources, has established the Environment, Occupational Health and Safety Committee and continuously carried out various energy conservation campaigns and projects, including set goals for certain campaigns, details as shown under the heading "Corporate Social Responsibilities" in the Company's Form 56-1 and in the Company's Annual Report.

3.7 Environmental Training for the Employees

The Company continuously provides training and instills sense of awareness on environmental issues to employees by carrying out various energy conservation campaigns and projects and communicating across the organization through the Company's intranet system and the notice board. Guest speakers are also invited periodically to educate and to provide training to the employees on matters related to the environment, such as environmental conservation, etc.

4. Information Disclosure and Transparency

The Company's emphasis on the disclosure of accurate and complete information in a transparent and timely manner as shown by the following:

4.1 Each of the directors and executives of the Company has filed with the Company a report covering his interest or his related person's interest in relation to management of the Company or its subsidiaries in accordance with the criteria and procedures as specified in the notification of the Capital Market Supervisory Board and has updated and filed with the Company within 30 days should there be any change in the report. Such report is also included in the agenda items of the Board meeting for the Board' acknowledgment once every 3 months.

4.2 In the previous year, the Company disclosed all general and financial information as well as information which may affect the price of the Company's securities correctly, completely, transparently and on a timely manner, in accordance with the rules and regulations of the SEC and the SET. All information is communicated to investors, shareholders and relevant sectors through the channels of the SET and the Company's website (www.thaiwah.com).

4.3 Individual investors, shareholders, stock analysts and state agencies may contact the Company through the Company Secretary at telephone number 66 2 285 0040 or 66 2 285 0315 – 20 or at Investor Relations Department (ir@thaiwah.com).

4.4 The Company's financial statements contain accurate and complete information and are prepared in accordance with generally accepted accounting standards. In addition, they are audited/ reviewed by auditors from a well-known auditing firm (currently EY Office Limited) and are approved by the Company's Audit and Risk Committee and Board before being disclosed through the SET. The information relating to the "Board of Directors' Responsibility for the Company's Financial Statements" is available in the Company's Annual Report. In 2016, the Company's financial statements were certified unconditionally from the auditor.

4.5 The Company has neither a share repurchase program, nor any shareholders' agreement which has a material impact on the Company or other shareholders. Therefore, the Company could not disclose such information.

4.6 The Company wishes to refer the following matters to the disclosure made in other places:

- The name of directors and the scope of the powers, duties and responsibilities of the Board (including matters to be approved by the Board) and other committees are detailed under the heading "Management Structure" in the Company's Form 56-1 and in the Company's Annual Report.

- The professional experience of the directors and members of other committees is detailed in Attachment 1 to the Company's Form 56-1 and under the heading "Board of Directors & Management and Company Secretary" in the Company's Annual Report.
- The number of Board meetings held and the number of Board meetings attended by each director in during 2016 are detailed in clause 5 hereof: "Board Responsibility".
- The performance of the Audit and Risk Committee in the past year is detailed in Attachment 5 to the Company's Form 56-1, and under the heading "Report of the Audit and Risk Committee" in the Company's Annual Report.
- The performance of the Nomination and Remuneration Committee in the past year is detailed in Attachment 6 to the Company's Form 56-1, or under the heading "Report of the Nomination and Remuneration Committee" in the Company's Annual Report.
- The remuneration for directors and management is detailed under the heading "Directors' and Management's Remuneration" in the Company's Form 56-1 and in the Company's Annual Report.
- Policy of disclosing/reporting of sales and purchase of the Company's securities held by directors and management has been disclosed in clause 2.3 hereof: "Corporate Governance".

Change in securities held by directors and management in the Company is detailed under the heading "Management Structure" in the Company's Form 56-1 and under the heading "Details of Securities held by Directors and Management in the Company" in the Company's Annual Report.

- Criterion for directors and senior management remuneration is detailed under the heading

"Remuneration Policy" in the Company's Form 56-1 and in the Company's Annual Report.

- Director's remuneration for each individual director is detailed under the heading "Remuneration and Other Benefits of the Directors during the year 2016" in the Company's Form 56-1 and in the Company's Annual Report.

4.7 In 2016, the Company made full disclosure of information (including key events) within the time frame specified in the regulations of the SET and the SEC. In addition, neither the Listing Department of the SET nor the SEC challenged that the Company had failed to comply with any disclosure requirement.

5. Board Responsibility

5.1 Board Structure

5.1.1 Members of the Board and Terms of Directorship

The Company's Board of Directors comprises 12 members, 4 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Mr. Udom Vichayabhai^(a), Dr. Jingjai Hanchanlash and Mr. Chanin Archjananun representing one-third of the total Board members.

Remarks: (a) Mr. Udom Vichayabhai resigned from the position of Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member on February 21, 2017. The Board of Directors' Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member of the Company, succeeding Mr. Udom Vichayabhai.

The Board comprises business leaders and professionals with financial, accounting, legal and business management backgrounds. Mr. Vudhiphol Suriyabhivadh, an independent director, who is a non-executive director of the Company has experience related to the major industry conducted by the Company.

The Directors and senior management of the Company have never been employees, or partners of the Company's external auditor which has served the Company for the last 2 years.

All Independent Directors of the Company are independent of the Management and major shareholders of the Company. None of the Independent Directors holds a directorship position in more than 5 listed companies in Thailand. In fact, none of the Company's executive directors holds a directorship position more than 2 listed companies in Thailand.

The Company's policy to fix the term of office of directors is under Article 18 of the Company's Articles of Association which stipulated that at each annual general meeting, one-third (1/3) of the total number of the directors shall retire from office. If the number of directors is not a multiple of three, then the number of directors nearest to one-third (1/3) shall retire from office.

Retiring directors in the first and second years following the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held office the longest shall retire.

Retiring directors are eligible for re-election.

The term of office of a director of the Board shall be 3 years. A director of the Board who

vacates his/her office by rotation may be re-appointed by the annual general meeting.

5.1.2 Definition of "Independent Director"

The definition of the Company's independent directors, approved by the Board, is the persons who have all the necessary qualifications and independence in accordance with the criteria set by the Capital Market Supervisory Board as follows:

- (a) holding shares not exceeding one per cent of the total number of voting rights of the company, its parent company, subsidiary, associated company, major shareholder or controlling person, including the shares held by related persons of such independent director;
- (b) neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, associated company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of appointment. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the company;
- (c) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children of other directors, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling person of the company or its subsidiary;

- (d) not having a business relationship with the company, its parent company, subsidiary, associated company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (e) neither being nor having been an auditor of the company, its parent company,

subsidiary, associated company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years from the date of appointment;

- (f) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the company, its parent company, subsidiary, associated company, major shareholder or controlling person, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of appointment;

- (g) not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder;

- (h) not operate any business which has the same nature as and is in significant competition with the business of the company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or not holding shares exceeding one per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the company or subsidiary;

- (i) not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (a) to (i) of the first paragraph, the independent director may be assigned by the board of directors to take part in the business decision of the company, its parent company, subsidiary, associated company, same-level subsidiary, major shareholder or controlling person, providing that such decision shall be in the form of collective decision.

5.1.3 Nomination and Appointment of Directors

The process for nominating directors is made through the Nomination and Remuneration Committee which considers qualifications, i.e. appropriateness, competency, experience, knowledge, and proficiency in various professional fields as well as skill necessary to fill any possible gap in the Board. Each candidate for a Company directorship must have the qualifications prescribed by the SET, the SEC and the Public Limited Companies Act, and must be nominated by the Nomination and Remuneration Committee to the Board and to the shareholders' meeting. Additional details in regard to method of appointment of Directors are described under the heading "Method of Appointment and Removal of Directors as included in the Company's Articles of Association".

5.1.4 Role of Chairman of the Board

The Chairman of the Board is responsible for leading the Board in charting the strategic direction and growth of the Company. He also facilitates and ensures active and comprehensive Board discussions on Company matters,

concludes resolutions of the Meeting, monitors the translation of the Board's decisions into executive actions and has a casting vote in case the Board of Directors' meeting has a tie vote. Apart from acting as the Chairman of the Board of Directors' meeting, he also serves as the Chairman of the Shareholders' meeting.

5.1.5 Aggregation or Separation of Positions - Chairman of the Board and Chief Executive Officer

To enhance the good corporate governance of the Company, the Company has separated the positions of the Chairman of the Board and the Chief Executive Officer.

Mr. Ho KwonPing is the Chairman of the Board while Mr. Ho Ren Hua is the Chief Executive Officer in order to manage business operations of the Company effectively.

5.1.6 External Directorship Policy

The Board of Directors of the Company has established an external directorship policy as follows:

- External directorships held by the Chief Executive Officer of the Company are to be approved by the Nomination and Remuneration Committee.
- External directorships held by the senior management of the Company are to be approved by the Managing Director or the Chief Executive Officer of the Company.

The Board has not determined the maximum number of listed company board representations which any Director may hold. Instead the Board allows each Director to personally determine, at his/her sole discretion, the demands of his/her company directorships and assesses how much time he/she must dedicate in order to perform

his/her duties as a Director of the Company effectively.

5.2 Sub-Committees

The Board approved the establishment of two sub-committees, namely the Audit and Risk Committee and the Nomination and Remuneration Committee comprising all Independent Directors in order to assist the Board to screen operations within certain limits of authority as stipulated in the charter and to achieve operational efficiency. Additionally, in order to perform their duties transparently and independently, the Chairman of the Board is neither a Chairman nor a member of both committees as follows:

5.2.1 Audit and Risk Committee

The Audit and Risk Committee comprises three Independent Directors, two of whom, namely Mr. Udom Vichayabhai^(a) and Mr. Vudhiphol Suriyabhivadh have adequate expertise and experience to review creditability of the financial reports. Mr. Vudhiphol Suriyabhivadh has experience on reviewing the financial reports of some listed companies in the Stock Exchange of Thailand. The members and the scope of duties and responsibilities of the Audit and Risk Committee have been disclosed under the heading "Management Structure" in the Company's Form 56-1 and in the Company's Annual Report.

Remarks : (a) Mr. Udom Vichayabhai resigned from the position of, Audit and Risk Committee Member on February 21, 2017
The Board of Directors' Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Audit and Risk Committee Member of the Company, succeeding Mr. Udom Vichayabhai

5.2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three Independent Directors, thus forming a strong and independent element which will enable decisions on nomination and remuneration to be made independently. Members and the scope of duties and responsibilities of the Nomination and Remuneration Committee have been disclosed under the heading "Management Structure" in the Company's Form 56-1 and in the Company's Annual Report.

5.3 Role, Duty and Responsibility of the Board

5.3.1 Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance within the Company. The Company has adopted and continuously developed a set of good corporate governance practices and policies which are modeled on the 2012 principles of good corporate governance for listed companies advocated by the SET. The Company has also adopted and continues to apply the Code of Business Conduct approved by the Board of Directors and communicated throughout the organization. The Standard Operating Procedures have also been documented and applied by the Company. In addition, new internal rules and regulations with an aim to continuously improve the good corporate governance of the Company are approved and announced from time to time.

During 2016, none of the non-executive directors resigned due to corporate governance issues and no impairment of the Company's reputation arose due to the failure of the Board of Directors' supervision.

5.3.2 Code of Business Conduct

The Company holds strongly to the belief that good business ethics is one of the key elements for

sustainable growth. To protect the interest of all stakeholders and in the interest of promoting and advocating good business ethics throughout the organization, the Company has adopted a Code of Business Conduct, which has been approved by the Board of Directors and communicated across the organization through electronic mail, the Company's intranet system, and notice boards in order to understand and to ensure that the Board of Directors, Management and employees strictly adhere to the Code as well as to encourage them to comply with the Code accordingly.

The Code has been drafted based on the principles of integrity, transparency and good corporate governance practices and good social ethics and disseminate through the Company's website (www.thaiwah.com).

During 2016, the Company's Board of Directors was not aware of any claim or allegation that the Company's Code of Business Conduct was disobeyed.

5.3.3 Delegation of authority between the Board and the Management

The Board's primary functions are to set corporate policy and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs.

The delegation of authority by the Board to the management is clear. Annual budgeted capital expenses require approval by the Board. Unbudgeted capital expenses require approval as authorized by the Board as follows:

- Unbudgeted capital expenses less than Baht 2.0 million to be solely approved by the Managing Director.

- Unbudgeted capital expenses ranging from Baht 2.0 million to Baht 10.0 million to be jointly approved by the Chief Executive Officer and any one of the directors.
- Capital expenses in excess of Baht 10.0 million to Baht 50.0 million to be jointly approved by the Chief Executive Officer and any one of the directors and also requires ratification by the Board of Directors.
- Capital expenses in excess of Baht 50.0 million to be solely approved by the Board of Directors.

The approval to enter into a significant transaction by the Company's Board of Directors and/or shareholders' meeting as well as all information disclosure must comply with rules and regulations of the Stock Exchange of Thailand and/or the Capital Market Supervisory Board.

Duties and responsibilities of the Board have been disclosed under the heading "Management Structure" in the Company's Form 56-1 and the Company's Annual Report.

5.3.4 Conflict of Interest

Transactions between the Company and its connected parties which may give rise to a conflict of interest are scrutinized by the Audit and Risk Committee and if necessary, the approval to enter into such transactions are sought from the Board of Directors and/or shareholders based on the nature and size of transaction in accordance with the provisions of the Capital Market Supervisory Board. Any director or management who has an interest in, or is related to, such transaction will not participate in the decision making process.

Such transactions have to be made under normal commercial terms, determined at fair price and at arm's length basis. In the event that the price is unavailable, the Company will then rely on the report of an independent appraiser appointed by the Company to value important connected transactions to arrive at a pricing which is fair to both the Company and the connected party.

All connected transactions are disclosed clearly and accurately. Details are further described under the heading "Connected Transactions" in the Company's Form 56-1 and in the Company's Annual Report.

5.3.5 Internal Audit and Control

The Company realizes the significance of effective system of control. The Board of Directors has assigned the Audit and Risk Committee to review the Company's internal control system in order to ensure that the Company's internal control system comprising of 5 components, namely control environment, risk assessment, control activities, information & communication, and monitoring activities in accordance with the guidelines of the Committee of Sponsoring Organizations of the Treadway Commission : COSO, is adequate and to report the outcome to the Board accordingly.

Opinions of the Audit and Risk Committee and of the Board of Directors on the internal control system of the Company are disclosed under the heading "Report of the Audit and Risk Committee" and "Opinion of the Board of Directors on the Company's internal control" in the Company's Form 56-1 and in the Company's Annual Report

Internal Audit

The Company has established the Internal Audit

Department, an independent unit, head by Mr. Narupon Wuttichai. Mr. Narupon reports directly to the Audit and Risk Committee. His role is to audit and to assess the adequacy and efficiency of the Company's internal control based on the internal audit schedules approved by the Audit and Risk Committee and to regularly report the findings to the Audit and Risk Committee on a quarterly basis in order to improve the efficiency and effectiveness of the operation of the Company.

The appointment, transfer and termination of employment of the chief of the Internal Audit Unit have to be approved by the Audit and Risk Committee.

5.4 Meetings of the Board and Sub-Committees

5.4.1 The Board

The Company conducts regular scheduled Board meetings at least 4 times a year on a quarterly basis which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. The Company conducted 4 Board meetings and handouts for the meeting have been distributed to the Board members at least 5 days prior to the meeting. Attendance of all directors is shown below.

No.	Name	Number of Attendances in 2016/Meeting
1.	Mr. Ho KwonPing	4/4
2.	Mr. Surapon Supratya	3/4
3.	Mr. Ariel P Vera	4/4
4.	Mr. Ho KwonCjan	4/4
5.	Mr. Ho Ren Hua	4/4
6.	Dr. Sretsei Saittagaroon	4/4

No.	Name	Number of Attendances in 2016/Meeting
7.	Mr. Umnad Sukprasongphol	4/4
8.	Mr. Shankar Chandran ^(a)	-/-
9.	Mr. Vudhiphol Suriyabhivadh	4/4
10.	Dr. Jingjai Hanchanlash	4/4
11.	Mr. Udom Vichayabhai ^(b)	4/4
12.	Mr. Chanin Archjananun	4/4

Remarks : (a) The Board of Directors' Meeting No. 4/2016 held on November 9, 2016 approved the appointment of Mr. Shankar Chandran, as a new director of the Company, replacing Ms. Sirivan Skulkerevathana, effective November 9, 2016 Mr. Shankar Chandran took up the post of Director effective December 25, 2016

(b) Mr. Udom Vichayabhai resigned from the position of Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member on February 21, 2017 The Board of Directors' Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Independent Director, Audit and Risk Committee Member and Nomination and Remuneration Committee Member of the Company, succeeding Mr. Udom Vichayabhai

The Board is of the view that the contribution of each director should not be focused only on his or her attendance at board and/or Committee meetings. A director's contribution may also extend beyond the confines of the formal environment of Board meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interests of the Company.

5.4.2 Audit and Risk Committee

The Company conducts regular scheduled Audit and Risk Committee's meetings at least 4 times a year, prior to the Board meeting, on a quarterly basis which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. The Company conducted 4 Audit and Risk Committee's meeting. Each of the Audit and Risk Committee members attended the meeting as follows:

No.	Name	Number of Attendances in 2016/Meeting
1.	Mr. Vudhiphol Suriyabhivadh	4/4
2.	Mr. Udom Vichayabhai ^(a)	4/4
3.	Dr. Jingjai Hanchanlash	4/4

Remarks : (a) Mr. Udom Vichayabhai resigned from the position of, Audit and Risk Committee Member on February 21, 2017

The Board of Directors' Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Audit and Risk Committee Member of the Company, succeeding Mr. Udom Vichayabhai

5.4.3 Nomination and Remuneration Committee

The Company conducts regular scheduled Nomination and Remuneration Committee's meetings, prior to the Board meeting, at least once a year. The meetings are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. The Company conducted 3 Nomination and Remuneration Committee's meeting. Each of the Nomination and Remuneration Committee members attended the meeting as follows:

No.	Name	Number of Attendances in 2016/Meeting
1.	Dr. Jingjai Hanchanlash	3/3
2.	Mr. Vudhiphol Suriyabhivadh	3/3
3.	Mr. Udom Vichayabhai ^(a)	3/3

Remarks : (a) Mr. Udom Vichayabhai resigned from the position of, Nomination and Remuneration Committee Member on February 21, 2017

The Board of Directors' Meeting No. 1/2017 held on February 21, 2017 approved the appointment of Mr. Subhak Siwaraksa, as a new Nomination and Remuneration Committee Member of the Company, succeeding Mr. Udom Vichayabhai

5.5 Board of Directors' Report

5.5.1 Financial Report

The Board of Directors is accountable to its shareholders for the Company's financial statements as well as the financial information as shown in the Annual Report. The Board of Directors is satisfied that the Company's financial statements are prudently prepared in accordance with generally accepted accounting principles and are independently reviewed and audited by the international auditors who has expressed an unqualified opinion on the Company's financial statements. Additionally, the Audit and Risk Committee has been tasked to independently review the Company's financial report and internal control practices directly with the auditors. All pertinent information relating to the financial statements is clearly and completely disclosed in the accompanying notes.

Details are described under the heading "Internal Control and Risk Management" in the Company's Form 56-1 and under the heading "Opinion of the Board of Directors on the Company's Internal Control System" and the "Board of Directors'

Responsibility for the Company's Financial Statements" in the Company's Annual Report.

5.5.2 Minutes of Meeting

The minutes of the meetings of the Board and other committees were accurately and completely recorded in all material aspects addressed at each meeting, including the questions, opinions and clarifications. The Company has a safe and secure filing system in place to keep the minutes of meetings and other supporting documents.

5.6 Development of Directors and Management

The Company's directors, management and employees are constantly encouraged to develop their skills by attending various seminars and training courses organized by various organizations, e.g. the Thai Institute of Directors, the SET and the SEC, etc. Seminars and training courses are periodically forwarded to them. Furthermore, relevant information is regularly provided to the directors so that they are kept abreast of latest developments thus enabling them to make informed decisions. Details of the training previously undertaken by each director are set out in Attachment 1 to the Company's Form 56-1 and under the heading "Board of Directors & Management and Company Secretary" in the Company's Annual Report.

In 2016, directors and management attended the training and seminar courses as follows:

Directors and Management	Position	Course
Mr. Ho Ren Hua	Director and Chief Executive Officer	<ul style="list-style-type: none">Chartered Director Class (CDC 10/2015), Thai Institute of Directors AssociationDirectors Certification Program (DCP 214/2015), Thai Institute of Directors AssociationDiploma Examination (47/2016), Thai Institute of Directors Association
Mr. Chanin Archjananun	Independent Director	<ul style="list-style-type: none">Directors Certification Program (DCP 231/2016), Thai Institute of Directors Association
Ms. Orn-A-Nong Witchucharn	Group Finance Director	<ul style="list-style-type: none">Directors Certification Program (DCP 224/2016), Thai Institute of Directors AssociationDiploma Examination (52/2016), Thai Institute of Directors Association

5.7 Orientation

The Company recognizes the importance of supporting new directors in performing their duties. The Company has provides information on the business of the Company and other information related to the operations of the Company to new directors, i.e. annual report and the relevant rules and regulation. Such materials are useful for them in performing their duties as directors of the Company.

5.8 Supervision on the operations of the subsidiaries or the associated companies

In order to supervise the operations of the subsidiaries or the associated companies, the Company has assigned management of the Company to serve on the Board of Directors of each subsidiary and associated company.

The number of the Company's representatives who serve on the Board of Directors meets or exceeds proportionate shareholding of the Company's shareholdings in each subsidiary or associated company. The formulation of major policy and votes on the key agenda items of the subsidiaries or the associated companies require the approval of the Company's Board of Directors.

List of directors who serve on the Board of Directors of the subsidiaries or the associated companies is disclosed under the heading "Details of position of directors and management" in the Company's Form 56-1 and in the Company's Annual Report.

5.9 Supervision on the use of inside information

Adhering to high standards of best corporate governance practice, the Company has a Statement of Business Conduct to guide its Board of Directors, senior management and all rank and file employees in the use of inside information for the purpose of preserving the interest of all stakeholders of the Company. Apart from this, in order to prevent the misuse

of confidential and price-sensitive corporate information, the Board of Directors of the Company approved the policy on dealing in securities of the Company which prohibits any directors, management and employees, regardless of rank, from disclosing such confidential and price-sensitive corporate information for personal gain or for any other reason not in the Company's interest or dealing in the Company's shares while in possession of unpublished confidential and price-sensitive information during the "embargo period" which is defined as two weeks before and up to the date of announcement of results for each of the first three quarters of the Company's financial year, and one month before and up to the date of announcement of the full-year financial results. The policy and reminder of the embargo period have been communicated to directors, management and employees on an annually and quarterly basis to strictly comply with this policy. Confidential and price-sensitive information is also restricted to only directors, management and those officers who have a direct responsibility over such matters. Any violation of this policy shall be subject to disciplinary actions under the working regulation. Additionally, the Company monitors the trading of the Company's shares by its directors, and senior management who are required to report to the Board of Directors on a quarterly basis on the holding of the Company's shares and in accordance with the rules of the Securities and Exchange Commission.

6. Auditors' Remuneration

6.1 Audit Fees

The Company and subsidiary companies paid the audit fees to the audit firm for the year 2016 for a total amount of Baht 4,430,750 and for a total amount of Baht 614,393 for two of its subsidiaries based abroad, details as follows:

Company	Auditors' remuneration
The Company	2,000,000 Baht
2 associated companies*	340,750 Baht
Subsidiary companies	
• 18 companies in Thailand	2,090,000 Baht
• 1 company in Vietnam	190,000,000 VND (approximately Baht 302,645)
• 1 company in China	60,000 Yuan (approximately Baht 311,748)

Note:

* The audit fee of the associated companies includes fees for the quarterly review of interim financial statements of associated companies amounting to Baht 240,000 paid by the Company. As the associated companies are not listed on the Stock Exchange of Thailand (SET), there is no requirement for their financial statements to be reviewed each quarter. The only reason why the quarterly reviews are carried out on the associated companies is to facilitate the quarterly reviews of the Company's financial statements. The quarterly reviews of the associated companies improves the Company's accuracy in the accounting for the share of results of these companies under the equity method.

In addition, the Company also absorbed Baht 100,750 which is a portion of the annual audit fee of an associate company. This was primarily due to the Company's request for the associated company to change its auditor from a local audit firm to a reputable international firm so that the Company can improve the accuracy and reliability of the share of result from this associated company. The amount absorbed by the Company represents the increase in audit fee of the associated company arising from the change in audit firm.

6.2 Non Audit Fees

Non audit fees were Baht 800,000 was the advised fee for the information system.

Corporate Social Responsibility

The Group commits itself to conducting its business with accountability to social communities, the environment and stakeholders by practising the principle of corporate social responsibility (CSR) as a guideline to doing business. In a bid to protect all stakeholders' interests, the Company's code of business conduct approved by the board of directors applies. This focuses on integrity, transparency, corporate governance and social ethics to maintain the Group's sustainable growth. The code of business conduct has been disseminated to the senior management and staff members of the Group so that they can use it as guidance on the performance of their duties.

1. Fair conduct

Fair competition

The Company recognises the importance of equal and fair treatment of its counterparties by taking the following actions:

- providing correct and adequate information and advise in a timely manner to ensure their proper knowledge of our products and services;
- clearly stating the terms and conditions of each sale and purchase transaction and strictly complying with those provisions;
- delivering good quality products that have fair prices and meet the customer's requirements; and
- appointing a procurement committee responsible for implementing the bidding procedure in relation to any transactions worth more than one million baht, so that all information in the proposals will be reviewed by the committee to promote fairness.

Respect of others' property

To recognise the importance of the property rights of others, the Company has established a policy applicable to the senior management and staff members. Under this policy, senior management must prevent the Company from violating any legal rights of stakeholders, including its employees, counterparties, social communities, business competitors and creditors, through any acts or decisions made. The Company also has an anti-piracy policy.

Supply chain management

To recognise the importance of supply chain management, the Company has drawn up guidance on the performance of duties by the senior management and staff members to ensure collaboration between the Company and various stakeholders in a bid to enhance the Company's sustainable wealth and growth.

2. Anti-corruption

The Company's board and senior management comply with the code of business conduct relating to anti-corruption by:

- dealing with a conflict of interest in a careful, honest, fair and independent manner to best benefit the Company; and
- establishing and maintaining the internal audit and control system relating to finance, operations and compliance. Given there is an emphasis on signaling an alert in relation to any irregularities, the internal audit and control system should be implemented along with risk management.

3. Respect of human rights

According to the Company's code of business conduct, its board of directors and/or senior management are expected to ensure that the Company has not violated and will not violate any legal rights, including human rights, through any acts or decisions made. The key policy and procedure relating to human rights established as a part of the Company's standard operating procedures are as follows:

- The Company will not hire, be involved with or support the use of child labourers under 18 years of age. This requirement applies to employees and workers hired by any contractors providing services to the Company.
- The use or support of forced labour in all forms is prohibited. If an employee does not wish to voluntarily work for the Company any longer, he/she may resign by proceeding with the procedures stated in the Company's Work Rules.
- All male and female employees will be treated equally, except where the nature and conditions of work do not allow the Company to do so. All pregnant female employees will be provided with appropriate working conditions and a work environment that ensures their safety and the safety of their unborn babies. The Company has no policy to dismiss, demote, or reduce the fringe benefits, of female employees who become pregnant.
- The Company respects individual's right to form a group or participate in the activities of any group as he/she wishes, including any negotiation with such a group. However, if this freedom of association, including any negotiation, is limited by law, the members of such a group will be entitled to equal facilitation and treatment along with all other employees.
- No deduction or reduction of wages will be imposed on any employees as a disciplinary punishment in any circumstance. The Company will not take or support any action amounting to physical or mental punishment, coercion or harmful treatment against its employees.

4. Fair labour treatment

Employment and labour relations

The Company has a policy to employ legal labour, free of discrimination based on gender, race, religion or sexual orientation. Hiring forced labourers or child labourers (under the age of 18 years old) is prohibited. Disabled persons are given employment opportunities for any suitable positions to improve the quality of their lives. The employment conditions, working conditions and fringe benefits are well managed in compliance with labour law on the basis of fairness, social ethics and transparency. The nomination, selection and appointment procedure of Company personnel is of great importance. The Company's key considerations when hiring are a candidate's knowledge, ability, experience, and suitability for the relevant job position. These requirements will also be taken into account for determining the employee's wages and reviewing their job promotion. The Company provides various fringe benefits and facilities, including medical expenses, accident insurance, recreation facilities, internal and external training courses, to improve the quality of its employees' working conditions.

The Company has set clear policies on the remuneration and welfare benefits which commensurate with market rates in the same industry and with the performance of the Company and the individual, as set out in the Code of Business Conduct which has been approved by the Board of Directors.

Occupational health and safety

The Company promotes continuous training and development to develop its employees' skills, knowledge and ability, and to prepare them for their future careers. The training and development places particular emphasis on building team spirit, as well as promoting environmental and occupational health and safety. In relation to the latter, the Company provides training to its employees on environmental and occupational health and safety, ISO 9001:2008 quality management, personal healthcare, factory sanitation

and the GMP certification standards. The purpose of such training is to enhance the employee's morale, stability, and quality of working conditions, as well as to improve their leadership and commitment to the Company as an organisation.

On account of the Company's continued campaign to minimise accidents in the workplace, the rate of work-related accidents has decreased. There have been no records of death or severe accidents in the Group's manufacturing factories. These factories joined with a government campaign for an award of excellence in environmental and occupational health and safety, launched by the Welfare and Labour Protection Department and Ministry of Labour. The objective of the campaign was to promote employee alertness on this issue, work discipline, compliance with safety measures, and cooperation in preventing work-related accidents.

With awareness of the significance of its employees' occupational health and safety, the Company has strictly complied with all applicable laws and has established the Environment, Occupational Health and Safety Committee (EOHSC) to oversee the proper implementation of the OHSAS 18001 and TIS 18001 standards, and to regularly review the objectives and goals in relation to the working environment and occupational health and safety. The Company's fulfilment of the OHSAS 18001 and TIS 18001 standards has been recognised and certified by the relevant organisations.

5. Responsibility to consumers

Consumer health and safety

All staff members are encouraged to recognise the importance of safety at all stages of the manufacturing procedure. The Company operates an efficient reverse examination system that can prove the manufacturing procedure through a scientific method using standard and advanced technology equipment. It aims to make food products using the food safety management system according to the HACCP and GMP standards, to control against any hazards and to comply with laws and regulations relating to food safety

applicable in Thailand and other countries in which the counterparties operate. The Company's organisational procedure has been continuously improved to manage the clear disclosure of complete and correct information to all relevant parties.

The Company has a policy to produce good quality and high standard products using state-of-the-art technology, and maintains a quality control system covering all stages of its manufacturing procedure. The Company's products have won awards for the following international standard certifications: ISO 9001:2008, Good Manufacturing Practice (GMP), Hazard Analysis Critical Control Point (HACCP), KOSHER and Halal.

The Company has committed itself to maintaining and improving its quality management system across its organization in order to manufacture good quality products which are safe for its consumers. Currently, the Company has been awarded the following international certifications of manufacturing standards: GMP, HACCP, ISO 9001, and Halal. The Company has also recognised the importance of research and development to the development of quality products that meet customers' needs, and the Company carries out frequent calibrations on its laboratory equipment, as can be seen by the certification of its food lab standard: ISO/IEC 17025 granted by the Ministry of Public Health of Thailand.

Labels of goods and services

With awareness of the importance of showing correct information relating to its products, the Company has ensured that the sachets, sacks, and/or labels for all its products show the correct information about nutrition, cooking instructions, and other information in accordance with applicable laws, rules, regulations and international standards. This is to ensure that consumers derive the best benefit possible from use of its products.

Marketing communications and customer's privacy

The Company commits itself to producing good quality, hygienically safe and timely delivery so as to satisfy consumer requirements. The Company continuously improves its manufacturing quality control system to ensure it meets international standards. The Company's performance is measured by customers' satisfaction which the Company can be used further for improving and developing its products and services.

6. Environmental care

Sustainable use of resources

In the present day, energy use is one of the key factors in economic improvement. With the rising demand for energy due to economic growth, the Company has been alerted to the importance of sustainable energy use. The Company therefore implemented energy preservation and alternative energy sources into action by installing a system to generate biogas from waste water released from its factories. Biogas is used as a fuel in generating thermal energy, which substitutes for furnace oil in the manufacturing procedure of cassava starch. In addition to the direct benefit that the Company and its subsidiaries obtain from cost reductions, the biogas system also brings about a decrease in greenhouse gas emissions. Furthermore, the products of the Company and its subsidiaries also received Carbon Footprint certificate issued by Thailand Greenhouse Gas Management Organization (TGO) including subsidiary

companies are also certified with ISO 14001: 2004 standard which represents the Environmental Management System with the purpose of making the organization aware of the importance of environmental management and developing the environment along with business development by focusing on preventing the pollutions released and continuous development.

Prevention and mitigation of pollution

The construction of the biogas project was to replace the furnace oil with biogas, for which the Group uses the Covered Lagoon Bio Reactor (CLBR) technology, which incorporates in itself the advancements, high capacity and stability and carries the low cost of quality control. The CLBR technology has dual function both in biogas generation and waste water treatment. In addition to producing benefits in the form of cost reductions, the biogas project efficiently assists in environmental management. The benefits in respect of mitigating environmental effects are as follows:

- **Quality of discharged water:** After the waste water passes the CLBR system, the concentration value of organic compounds will reduce to 95-97 percent for both the Company and its subsidiaries. Subsequently, the waste water enters the open treatment system, which is the original system used by the factory that meets applicable standards of the Department of Industrial Works.



- **Reduction in greenhouse gas emissions:** Methane is a type of greenhouse gas that produces 21 times harsher effects than carbon dioxide. Reducing methane emissions into the atmosphere by reusing it as a source of energy can also reduce the emission of carbon dioxide.
- **Smell:** The CLBR system assists in eliminating the unpalatable smell of waste water discharged from the manufacturing procedure by using a close-covering system.
- **Sanitary condition of the Company's employees and local communities:** The cause of the problem will be solved in the manner that the unpalatable smell and waste discharged from the manufacturing procedure will be eliminated.

Furthermore the Company recognizes the importance of environmental conservation and has implemented an environmental management system, evaluated and reviewed the system regularly to achieve sustainable development. As a result, the Company has obtained

certification of its environmental management system under ISO 14001:2004 and has also been awarded a green industrial certification at level 3 (the green system) from the Ministry of Industry of Thailand, which is the system that reflects environmental friendliness. In addition, the Company has installed manufacturing waste treatment systems to tackle pollution in accordance with the Ministry of Industry's standards. Installed systems include: (i) natural ponds for wastewater treatment located on an area of approximately 50 rai; and (ii) an air pollution treatment system using both a wet scrubber and a cyclone scrubber to catch dust and fumes from the combustion process before they are discharged from the factory. These systems are subject to regular inspection, modification and improvement by a team of engineers and specialists.

7. Social and community development

The Company and its subsidiaries have always recognised the importance of improving the quality of life of local communities by participating in social and community development for sustainable growth as follows:



Project of converting a large civil state for modern farming

"The project of converting a large civil state for modern farming for cassava roots", Nikhom Sang Ton Eng sub-district, Pimai district, Nakhon Ratchasima province. It is a big modern farming project where farmers can reduce their costs and increase productivity for the plantation by using the drip irrigation system and by natural process (the rain) through the knowledge and technological know-how that they received from this cassava plantation prototype project and spread the success to other communities. In the end, the Company would receive good quality products and in a timely manner

Guarantee pricing project

The guarantee pricing project under the name "Thai Wah support cassava farmer members" by guaranteeing minimum price lesser than Baht 2 for starch content at 30% in order to encourage the farmers planting cassava roots to not to switch to planting other crops. This project would kick off starting June 2017 to March 2018.

The Company also encouraged farmers to register for selling cassava roots to the Company in the year 2017 in order to create confidence within the farmers that there certainly was a market to purchase while at the same time provide minimum guaranteed price. In this way the Company can plan purchasing the roots continuously according to the work plan.



Dredging the weed reservoir pond and pumping water back to the communities

The project of dredging the weed reservoir pond and pumping water back to the communities in order to reduce drought and to receive recognition for using water within the community.

Expanding the parking lot

Expansion of the parking lot in front of the factory for convenience and for also reducing road accidents amongst the farmers that had been caused from the trucks parking on the road pavement in front of the factory.





Planting trees together

The Company together with the local community participated in planting trees on the Arbour day in order to reduce air pollution and restore greenery back to the environment.

Training and Seminars to increase knowledge to the farmers

Conducting training and seminars for the farmers who are members of the factory. The Company took some of the farmers to study different plantation prototypes in order for them to gain knowledge on the different techniques of plantation by using planting and harvesting machines (Project implemented during September 2016)



Donating Air-conditioning machines

The Company donated an air conditioning machine to the child development center, Baan Pong, Chiang Yuen, Udon Thani.



Waste water treatment project from the factory for a sustainable farming

The Company met with the local villagers in order to implement the project "waste water treatment from the factory for a sustainable farming" at the Community hall, Baan Nong Hang, Chiang Pin, Muang, Udon Thani.

School within factory project

The Company's "School within the factory" project co-operated with the Udonthani Provincial Office of the Non-formal and Informal Education, in order to encourage employees who wished to enhance their knowledge and qualification. This would inturn improve their personal skills. This was a continuous project from the year 2015.



CSR-DIW Continuous Award 2016

Thai Nam Tapioca Company Limited was awarded CSR-DIW Continuous Award 2016 for maintaining its responsibility towards the society for the year 2016.

Cleaning the road and making it beautiful project

The Company participated in the activity of cleaning the road and making it safe and beautiful by giving out garbage trash cans at Thakam, Bangpakong, Chacheongsao.





Helping the fire victims

Helping the fire victims' at the Bang Luang Market: The Company and our employees donated items to the general public at the Bang Luang district, Bang Len, Nakhon Pathom. Since the market Bang Luang was a crowded area, when the fire broke out a lot of houses within the community were damaged.

Project Thai Wah planting 99 seedlings for the society and environment

The Company involved in tree plantation social event for the royal initiatives of His Majesty King Bhumibol Adulyadej led by the executives and employees. Planting trees along the edge of the fence line near the production building Line 4, provided shades as well as improved the environmental conditions by reducing pollution. In addition, the Company arranged a Futsal Academy as a special event between the executives and employees in order to increase unity through relationship and networks in the Company.



Environment and Safety week

The Company led by the Environmental and Safety Department, Safety Committee in the workplace, Head Chief, Management held a safety week for the employees by organizing activities in order to educate the employees and educated them to perform their work accurately and safely. The activities included free games giveaways and also a Poem and Slogan Contest project related to the safety in the workplace which received a lot of interest from the participants.

Anti – Fraud Policy

The Board of Directors had approved the Code of Business Conduct which the Company and its subsidiaries would carry out their work based on the principles of good corporate governance and would not be involved in any corruption activities. Such policy has been announced to all employees for them to comply. The Board of Directors also approved the Anti – Fraud Policy which requires all of its employees at all times to act with the highest levels of honesty and integrity and to safeguard the Group's resources for which they are responsible especially if he is involved with cash or payments systems, receipts, inventory or dealings with contractors or suppliers. Employees should alert their immediate supervisor where they believe the opportunity for fraud exists because of poor internal control procedures or lack of effective supervision. It is the responsibility of every employee to report details immediately.

The Group requires its employees to avoid situations involving any direct or indirect conflict between the employee's personal interests and those of the Group or clients, in particular:

- Any situation giving rise to the appearance of such a conflict should be avoided. A conflict or the appearance of a conflict situation can arise when an employee's action or decision which has an effect on his/her own personal interest but having an opposite effect on the Group's interest makes it difficult for him/her to objectively and effectively perform his/her responsibilities to the Group.
- The employee must separate his personal affairs from Group business.
- The employee must not personally gain, financially or otherwise, by taking advantage of the Group's asset, nor does business that competes with the Group's business.

- The employees must not to seek rewards or gifts for yourself or others from anyone with whom the Group does business and not to accept entertainment or gifts that could influence, or appear to influence, any Group decisions. To also include policies on banning the offer or acceptance of favours, inappropriate gifts, or the promise of gifts to influence business decisions in any way.

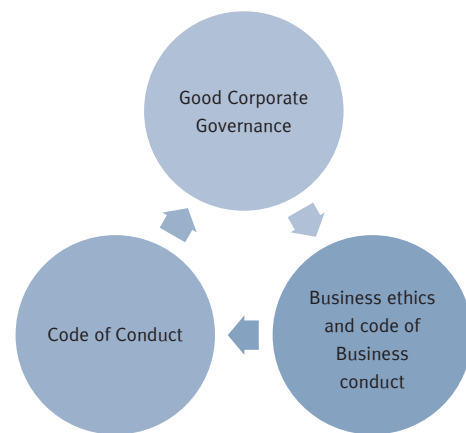
All directors, senior management and employees shall ensure that their actions in the conduct of business are totally transparent including appropriate segregation of duties and processes to monitor them all. The Board of Directors had approved the Whistle-Blowing Policy in order to provide the employees and third parties with a mechanism by which they can raise concerns free of any discrimination, retaliation or harassment. The Group will accept anonymous report and confidentiality and anonymity will be honored throughout the reviewing process. The reporting channel or complaints of wrongdoing including a detailed of the reviewing process are disclosed under the heading "Corporate Governance" in the Form 56-1 and the 2016 annual report of the Company.

Internal Control and Risk Management

The Company's Board of directors recognizes the importance the internal controls system and risk management by assign the policy with the internal audit department and risk management department conducted and coordinated with all departments, including all factories for assessments of the adequacy of the internal control system and risk management annually by means of inquiring from managements, all departments and all factories based on the guidelines for evaluating the adequacy of internal controls and risk managements as set out by The Securities and Exchange Commission. Furthermore, the Board of Directors has determined the standard operating procedure and practice for internal control and risk management based on the guidelines of The Committee of Sponsoring Organization of the Treadway Commission ("COSO"). This also includes the establishment of internal audit department for auditing, reviewing, assuring and reporting directly to the Audit and Risk Committee. The Board of Directors also recognizes the importance of planning for risk management to include risks that are either caused by external factors (inherent risks) and risks caused by internal factors (control risks), which may impact the business operations to include only acceptable level of risks or impacts that are immaterial. Additionally, adequacy and appropriate control are in place for subsidiaries and related party transactions. On the effective of internal control system, the Company may operate effectively and efficiency by meeting its policy and target with financial reporting that are correctly and reliable. Below are the internal control and risk management based on the COSO guidelines as follow:

Control Environment

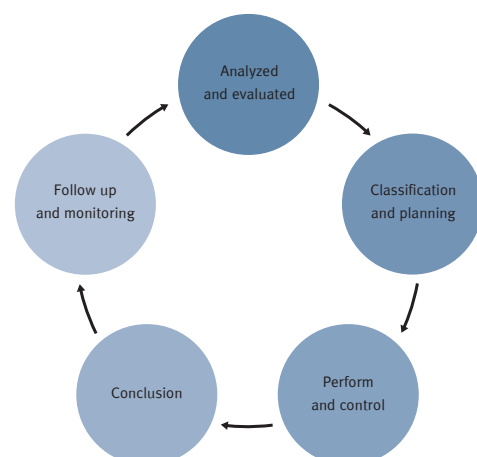
Board of directors have provided management system and set up organizational chart that are apparent, independent and practical which have been communicated efficiently. In order to achieve the Company's success in targets and policies have been implemented. The control environment as follow:



To provide the operations are carried out with transparency and fairness to the Company and other individual.

Risk Assessment

Board of directors have provided Risk management Department by coordinate all departments and all factories groups for supporting in the process of analyzed and evaluated factors that may cause risk to the Company for determining the control for these risk factors and provide risk management to reduce impact for operating could not achieve in the objective. For the risk management procedure as follow:



Control activities

Board of directors have determined the segregation of duty, operation practice explicitly, level of authority, responsibility and defined the standard operating procedure to ensure that the operation is correct and appropriate.

Information system and communication

Board of directors recognizes the importance to the information system and data communications by establishing information technology department that regulates and continuously develops the system so that communications and operation of work can be done accurately and up to date. Furthermore In year 2016, The Company and subsidiaries have implemented the Enterprise Resource Planning (ERP) used in the data management to be communicated to managements within reasonable period so that business decisions can be made effectively. Apart from this, the Board has also established policies based on the laws of Computer Related Crime Act to govern the use of sensitive information and other company's equipment. The information of policy, regulation and code of conduct included documentations and other announcements are communicated within the organization through channels via email and intranet to the employees.

Monitoring

Organizing the Board of directors and Audit and Risk Committee meeting once each quarter and regularly organizing the Board of Directors meeting. In order to analyze, evaluate and summarize performance to ensure that its meetings the business target. And also plan and improve business performance by tracking and fixing any inaccuracies that may occur.

Base on the policies and practices on internal controls and risk managements, the Board of Directors considers the Company's internal control system and risk managements to be adequate, appropriate and efficient and no significant material weaknesses in the Company's internal control system and risk managements.

Head of internal audit

The Audit and Risk Committee meeting had appointed Mr.Narupon Wuttichai to be the head of the internal audit department base on his qualifications, knowledge and his abilities to perform the tasks. He has attended several training courses of internal audit by The Institute of Internal Auditors

of Thailand. He also has experience in auditing and reviewing financial statements of other enterprises which can be applied in his practice. Mr.Narupon has full understanding of the Company's processes and procedures. Overall, the Audit and Risk Committee is satisfied with the appointment of Mr.Narupon as the head of internal audit and believes that he has full ability in performing his role.

The appointment, transfer and dismissal of the head of internal audit of the Company must be approved by the Audit and Risk Committee.

Profile of the Head of Internal Audit Unit

Name : Mr. Narupon Wuttichai

Age : 34 Years

Education background :

- Bachelor degree of Accounting, Bangkok University
- Certified Public Accountant No. 10419
- Cooperative Auditor in Thailand No.10395

Experiences :

October 2015–Present	Internal Audit Manager Thai Wah Public Company Limited
2012–September 2015	Internal Audit Manager, Thai Wah Starch Public Company Limited
2011–2012	Audit Manager, Marzars Limited
2004–2011	Audit Manager, KPMG Phoomchai Audit Ltd.

Training and Seminars

- Skill of New Auditor In-Charge, The Institute of Internal Audit
- Risk Assessment of Internal Control COSO ERM by Function
- Fraud Risk Management
- IFRS & TFRS Updating
- Taxation Updating
- BRC Global Standard for Food Safety Issued 7 system
- Quality System ISO 9000 version 2015

Opinion of the Board of Directors on the Company's Internal Control System

The Board of Directors is of the opinion that the Company's internal accounting controls are adequate and have enabled the external auditors to opine that the Company's financial statements for the year ended 2016 are presented fairly.

The Board has also taken note of, and accepted, the Audit and Risk Committee's report on the Company's internal control system comprising of 5 components namely control environment, risk assessment, control activities, information & communication, and monitoring activities and therefore concludes that the Company's internal control system is adequate with sufficient personnel to conduct the system efficiently and that there are no material weaknesses in the Company's internal control system.



Mr. Ho KwonPing
Chairman of the Board

Report of The Audit and Risk Committee

The Audit and Risk Committee of Thai Wah Public Company Limited ("the Company") comprise of 3 independent directors. The Committee is empowered to:

- review the Company's financial reports, internal control and internal audit systems, disclosure of connected transactions and compliance with all relevant regulations and laws;
- recommend special audit plans to the internal auditor as well as approve the appointment, transfer and termination of employment of the chief of the internal audit unit;
- advise management on matters related to the principles of good corporate governance;
- recommend the appointment of the Company's external auditors and their remuneration; and
- review and encourage the Company to enforce and comply with an appropriate and efficient risk management policy, as well as to oversee and monitor the Enterprise Risk Management Committee.

During 2016, the Audit and Risk Committee formally convened four meetings with the Company's external auditors and internal auditors including the management in order to review the compliance with accounting standard requirements and internal controls prior to approving the quarterly reports and the annual financial statements. The meetings also included the discussions with the Company's internal auditor to review and advise on its findings and to follow up on matters arising from the schedule of work it had approved the internal auditor to undertake during 2016 thereby ensuring that the work was both sufficient and effective. Besides, the Audit and Risk Committee attended one non-management meeting with the external auditor to deliberate accounting approaches and audit plans also approved the Internal Audit's work plan and the Risk Management Committee's work plan for the year 2017.

All members of the Audit and Risk Committee attended the meetings convened in 2016.

In regard to Risk Management, the Audit and Risk Committee was assigned by the Board to oversee the Company's risk management processes and activities in order to mitigate and manage risk at the acceptable level. The Audit and Risk Committee had received a report from the Risk Management Committee which comprised of Senior Management and reported to the Audit and Risk Committee on the operational risks and the measures taken to address them. The Audit and Risk Committee approved the 2017 Risk Management Committee's work plan and reviewed the progress on risk management of the Company on a quarterly basis. In addition, the Audit and Risk Committee also provided recommendations to the Risk Management Committee in order to enhance the effectiveness and appropriateness of the risk management system suitable for the Company's operations.

The Audit and Risk Committee agrees with the certified public accountant that the Company's financial statements and disclosures of relevant information were adequate and fairly presented, in all material respects, in accordance with the general accepted accounting principles. The Audit and Risk Committee is satisfied that the Company's internal control system comprising of 5 components namely control environment, risk assessment, control activities, information & communication and monitoring activities is sufficient both to support the operations including financial procedures and to enable the external auditors to fairly express an opinion on the financial statements. Where internal control weaknesses have been detected during the course of the Audit and Risk Committee's review, the management has been alerted and has taken appropriate corrective action.

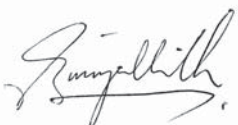
The Audit and Risk Committee also reviewed the connected transactions that required the Board of Directors or Shareholders' approval in compliance with the The Stock Exchange of Thailand and Securities and Exchange Commission regulations as well as the disclosure of the Company's connected transactions. The Audit and Risk Committee is satisfied that the connected transactions had been entered

into on an arms' length basis applying the principle of an open market between willing parties and the disclosure is sufficient and transparent.

The Audit and Risk Committee is satisfied that the Company has performed in compliance with the Securities and Exchange Commission/The Stock Exchange of Thailand rules and regulations and the laws related to the business of the Company and that the Company has supported and continuously developed its good corporate governance principles.

The interests of all shareholders remain the principal objective of the Audit and Risk Committee. The Company's operating results and financial reports are therefore reviewed for transparency and completeness. In this regard the Audit and Risk Committee has been able to satisfactorily resolve all matters arising within the terms of its Charter with both the management and the external and internal auditors.

The Audit and Risk Committee has recommended the Board to appoint Mr. Sophon Permsirivallop, Certified Public Accountant No. 3182 and/or Ms. Rungnapa Lertsuwankul, Certified Public Accountant No. 3516 and/or Ms. Pimjai Manitkajohnkit, Certified Public Accountant No 4521 and/or Ms. Rosaporn Decharkom, Certified Public Accountant No. 5659 and/or Ms. Sumana Punpongsanon, Certified Public Accountant No. 5872 of EY Office Limited to be the Company's auditors for the fiscal year 2017 with the recommended auditing fee of Baht 2,200,000. The appointment and the auditing fee would be subject to the approval at the Annual General Shareholders' Meeting.



Mr.Vudhiphol Suriyabhivadh

Audit and Risk Committee Chairman

February 15, 2017

Board of Directors' Responsibility for the Company's Financial Statements

The Board of Directors is responsible for the Company's financial statements including the notes to the financial statements.

In its review of the financial statements, the Board of Directors has relied upon the reports and work performed by the Company's external auditors, EY Office Limited, and the Company's Audit and Risk Committee which has carried out extensive discussions with management of the Company. The Board has also satisfied itself that there is no material weaknesses in the Company's internal accounting controls, internal control system and standard operating procedures.

The Board of Directors is therefore able to conclude that the financial statements for the year ended 2016 have been prudently prepared in accordance with generally accepted accounting principles to give a correct and complete presentation, in all material aspects, the financial position of the Company.



Mr. Ho KwonPing
Chairman of the Board



Mr. Ho Ren Hua
Chief Executive Officer

Independent Auditor's Report

To the Shareholders of Thai Wah Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Wah Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Wah Public Company Limited for the same period.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the

financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

The revenue from sales is the significant amount in the statement of comprehensive income and is also the key indicator of business performance on which the users of financial statements focus. In addition, the Company has a large customer base. There is therefore a risk of the Company recognising revenue that has not actually occurred or that does not pertain to its entity.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of sales, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.

- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

Goodwill and trademarks

I have focused my audit on the consideration of the impairment of goodwill and intangible assets (trademarks) with infinite useful lives, as discussed in Notes 19 and 18, respectively, to the financial statements, because the assessment of impairment of goodwill and intangible assets is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the values of goodwill and trademarks.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and of the industry, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and intangible assets, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Allowance for impairment of investments in subsidiaries

I have focused my audit on the consideration of the impairment of investments in subsidiaries as discussed in Note 14 to the financial statements, because the impairment assessment on

investment in subsidiaries is a significant accounting estimate requiring the management to exercise a high degree of judgment in identifying and estimating the recoverable amounts that are expected to be generated from those subsidiaries. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use. Moreover, the amount of the allowance for impairment of investments in subsidiaries is a significant account presented in the statement of financial position. There is thus a risk with respect to the valuation of investments in subsidiaries.

I assessed the identification of the financial models selected by management by gaining an understanding of management's decision-making process. In addition, I tested the significant assumptions applied by management in preparing estimates of the recoverable amounts that are expected to be generated from the subsidiaries, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the average costs of the subsidiaries and of the industry, tested the calculation of the realisable values of the investments in subsidiaries using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates.

Other Information

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

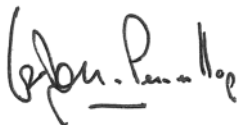
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

Bangkok: 21 February 2017

Statement of financial position

As at 31 December 2016

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015 (restated)	2016	2015 (restated)
Assets					
Current assets					
Cash and cash equivalents	8	315,326,452	1,218,528,474	134,656,805	980,720,044
Current investments	9	940,956,617	-	940,956,617	-
Current portion of other long-term investments	15	70,688,095	-		70,688,095
Trade and other receivables	7,10	655,889,409	517,647,741	572,983,648	411,238,321
Short-term loans to related parties	7	-	-	84,675,287	73,905,172
Inventories	11	703,597,398	672,163,699	392,005,803	551,423,037
Dividend receivable from related party	7	-	49,998,300	-	49,998,300
Other current assets		110,588,817	57,211,080	54,653,629	41,786,303
Total current assets		2,797,046,788	2,515,549,294	2,250,619,884	2,109,071,177
Non-current assets					
Restricted bank deposits	12	9,659,000	9,659,000	-	-
Investments in associates	13	278,659,734	261,164,664	86,350,700	86,350,700
Investments in subsidiaries	14	-	-	455,612,973	465,098,346
Other long-term investments - net of current portion	15	514,994,877	487,294,359	514,994,877	487,294,359
Investment properties	16	147,552,330	180,776,856	504,000	504,000
Property, plant and equipment	17	2,007,490,890	1,744,449,996	1,333,229,893	1,233,659,089
Intangible assets	18,19	529,444,028	512,034,273	526,460,964	508,704,167
Goodwill	2.2,19	100,678,428	100,678,428	100,678,428	100,678,428
Deferred tax assets	28	1,057,437	3,361,195	-	-
Other non-current assets		16,427,653	13,804,014	3,910,832	3,610,732
Total non-current assets		3,605,964,377	3,313,222,785	3,021,742,667	2,885,899,821
Total assets		6,403,011,165	5,828,772,079	5,272,362,551	4,994,970,998

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

Statement of financial position

As at 31 December 2016

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015 (restated)	2016	2015 (restated)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	140,561,123	80,000,000	-	-
Trade and other payables	7,21,37	454,973,291	387,572,152	475,845,068	356,944,002
Short-term loan and accrued interests from related party	7	2,629,198	2,605,041	-	-
Current portion of finance lease liabilities	22	2,838,751	2,494,726	2,838,751	2,494,726
Current portion of long-term loans from financial institutions	23	30,000,000	5,781,488	-	-
Income tax payable		75,507,948	69,746,810	54,315,848	54,576,292
Other current liabilities	37	43,664,418	21,946,071	23,735,945	5,146,535
Total current liabilities		750,174,729	570,146,288	556,735,612	419,161,555
Non-current liabilities					
Liabilities under finance lease agreements - net of current portion	22	8,801,059	11,639,810	8,801,059	11,639,810
Long-term loans from financial institutions - net of current portion	23	-	20,333,125	-	-
Provision for long-term employee benefits	24	155,525,774	163,435,769	135,135,453	142,479,732
Deferred tax liabilities	28	133,476,793	132,262,456	133,935,829	133,105,949
Other non-current liabilities		10,282,184	9,980,220	626,500	626,500
Total non-current liabilities		308,085,810	337,651,380	278,498,841	287,851,991
Total liabilities		1,058,260,539	907,797,668	835,234,453	707,013,546

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

Statement of financial position

As at 31 December 2016

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015 (restated)	2016	2015 (restated)
Shareholders' equity					
Share capital					
Registered					
880,420,930 ordinary shares					
of Baht 1 each		880,420,930	880,420,930	880,420,930	880,420,930
Issued and fully paid up					
880,420,930 ordinary shares					
of Baht 1 each		880,420,930	880,420,930	880,420,930	880,420,930
Share premium		300,740,523	300,740,523	300,740,523	300,740,523
Surplus on the amalgamation	2.2	764,866,016	764,866,016	764,866,016	764,866,016
Retained earnings					
Appropriated - statutory reserve	26	89,705,000	89,705,000	89,705,000	89,705,000
Unappropriated		3,157,119,218	2,804,374,214	2,483,715,117	2,339,375,398
Other components of					
shareholders' equity		(93,296,634)	(97,796,497)	(82,319,488)	(87,150,415)
Equity attributable to owners					
of the Company		5,099,555,053	4,742,310,186	4,437,128,098	4,287,957,452
Non-controlling interests					
of the subsidiaries		245,195,573	178,664,225	-	-
Total shareholders' equity		5,344,750,626	4,920,974,411	4,437,128,098	4,287,957,452
Total liabilities and					
shareholders' equity		6,403,011,165	5,828,772,079	5,272,362,551	4,994,970,998
		-	-	-	-

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

Statement of comprehensive income

For the year ended 31 December 2016

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)
Profit or loss:					
Revenues					
Sales		6,163,357,106	1,394,492,545	4,762,152,959	1,033,553,073
Other income		142,144,645	20,385,505	127,866,529	65,599,827
Total revenues		6,305,501,751	1,414,878,050	4,890,019,488	1,099,152,900
Expenses					
Cost of sales		4,600,087,183	1,106,506,561	3,686,890,163	854,934,666
Selling expenses		455,045,493	96,285,782	350,682,094	77,211,885
Administrative expenses		344,683,029	91,708,822	289,722,229	80,180,075
Total expenses		5,399,815,705	1,294,501,165	4,327,294,486	1,012,326,626
Profit before share of profit from investments in associates, finance costs and income tax expenses					
Share of profit from investments in associates	13	15,640,126	5,936,671	-	-
Profit before finance cost and income tax expenses					
Finance cost		(8,548,166)	(1,327,111)	(1,777,594)	(438,474)
Profit before income tax expenses					
Income tax expenses	28	(167,208,054)	(25,471,118)	(99,782,670)	(8,271,605)
Profit for the year/period		745,569,952	99,515,327	461,164,738	78,116,195

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

Statement of comprehensive income

For the year ended 31 December 2016

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent period:					
Exchange differences on translation of financial statements in foreign currencies		(5,623,835)	(2,304,541)	-	-
Unrealised gain (loss) on changes in fair value of available-for-sale investments - net of income tax		4,830,927	(6,125,152)	4,830,927	(6,125,152)
Share of other comprehensive income from investments in associates - net of income tax		4,382,944	365	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		3,590,036	(8,429,328)	4,830,927	(6,125,152)
Other comprehensive income not to be reclassified to profit or loss in subsequent period:					
Actuarial loss - net of income tax		-	(174,462)	-	(124,102)
Other comprehensive income not to be reclassified to profit or loss in subsequent period - net of income tax		-	(174,462)	-	(124,102)

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

Statement of comprehensive income

For the year ended 31 December 2016

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)
Other comprehensive income for the year/period		3,590,036	(8,603,790)	4,830,927	(6,249,254)
Total comprehensive income for the year/period		749,159,988	90,911,537	465,995,665	71,866,941
Profit attributable to:					
Equity holders of the Company		669,044,074	80,946,300	461,164,738	78,116,195
Non-controlling interests of the subsidiaries		76,525,878	18,569,027		
		745,569,952	99,515,327		
Total comprehensive income attributable to:					
Equity holders of the Company		674,069,886	73,022,028	465,995,665	71,866,941
Non-controlling interests of the subsidiaries		75,090,102	17,889,509		
		749,159,988	90,911,537		
Basic earnings per share	30				
Profit attributable to equity holders of the Company		0.76	0.09	0.52	0.09

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

Statement of cash flows

For the year ended 31 December 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)
Cash flows from operating activities				
Profit before tax	912,778,006	124,986,445	560,947,408	86,387,800
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	144,248,124	29,456,534	105,682,821	21,128,359
Amortisation of premium on other long-term investments	5,802,877	797,663	5,802,877	797,663
Bad debt and increase (decrease) in allowance for doubtful accounts	137,888	(98,448)	961,088	56,076
Increase (decrease) in allowance for impairment on investments in subsidiaries	-	-	(411,267)	939,420
Increase (decrease) in allowance for reducing cost of inventories to net realisable value	(1,635,027)	1,105,252	(865,330)	(378,412)
Loss (gain) on sales of property, plant and equipment	621,786	(25,493)	916,181	(21,152)
Loss from write-off of property, plant and equipment	5,347,845	-	4,192,505	-
Gain on sale of investment properties	(56,775,474)	-	-	-
Gain on sale of current investments	(862,407)	-	(862,407)	-
Loss (gain) on liquidation of the subsidiaries	18,462	-	(876,624)	-
Unrealised (gain) loss on exchange rates	(689,189)	2,161,356	(673,586)	2,161,356
Provision for long-term employee benefits	21,241,101	10,000,517	19,012,643	8,204,591
Actuarial loss from other long-term employee benefits	-	58,161	-	-
Interest income	(27,613,527)	(6,166,784)	(26,992,497)	(5,922,870)
Share of profit from investments in associates	(15,640,126)	(5,936,671)	-	-
Dividend income from related parties	(1,670,496)	-	(52,960,195)	(49,998,300)
Interest expenses	8,548,166	1,327,111	1,777,595	438,474

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

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)
Profit from operating activities before changes in operating assets and liabilities	993,858,009	157,665,643	615,651,212	63,793,005
Operating assets (increase) decrease Trade and other receivables	(114,121,992)	33,395,578	(141,318,836)	51,169,847
Inventories	(29,798,672)	(78,056,007)	160,282,564	(67,310,478)
Other current assets	(53,355,648)	(5,279,849)	(12,867,326)	(2,850,780)
Other non-current assets	(2,623,639)	350,774	(300,100)	39,058
Operating liabilities increase (decrease)				
Trade and other payables	43,071,161	57,388,213	106,184,701	96,356,340
Other current liabilities	21,547,391	203,239	18,418,453	260,132
Other non-current liabilities	301,964	801,101	-	-
Cash flows from operating activities	858,878,574	166,468,692	746,050,668	141,457,124
Cash paid for long-term employee benefits	(29,151,096)	(4,881,166)	(26,356,922)	(3,884,560)
Cash paid for income tax expenses	(158,899,652)	(2,348,553)	(100,420,967)	(423,111)
Net cash flows from operating activities	670,827,826	159,238,973	619,272,779	137,149,453

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)
Cash flows from investing activities				
Interest received	29,133,337	7,207,862	47,237,161	6,597,937
Increase in short-term loans to related parties	-	-	(10,770,115)	(29,400,000)
Acquisition of property, plant and equipment	(378,117,280)	(81,665,570)	(186,730,172)	(57,921,153)
Acquisition of intangible assets	(30,197,446)	-	(30,053,945)	-
Acquisition of current investments	(1,229,000,000)	-	(1,229,000,000)	-
Acquisition of other long-term investments	(100,015,250)	-	(100,015,250)	-
Proceeds from sale of current investments	265,768,210	-	265,768,210	-
Proceeds from sale of property, plant and equipment	1,594,446	268,050	1,293,189	149,359
Proceeds from sale of investment properties	90,000,000	-	-	-
Cash received from liquidation of a subsidiary	-	-	169,792	-
Acquisition of investment in a subsidiary	-	-	(5,267,000)	-
Decrease in non-controlling interests from changes in investments in subsidiaries	(67,200)	-	-	-
Dividend received from related parties	54,196,796	-	102,958,495	-
Net cash flows used in investing activities	(1,296,704,387)	(74,189,658)	(1,144,409,635)	(80,573,857)
Cash flows from financing activities				
Decrease in restricted bank deposits	-	46,232,722	-	46,232,722
Increase in short-term loans from financial institutions	60,561,123	60,000,000	-	-
Cash paid under finance lease agreement	(2,494,726)	(515,088)	(2,494,726)	(515,088)
Cash received from long-term loans from financial institution	46,302,452	-	-	-
Repayment of long-term loans from financial institutions	(39,812,903)	(4,105,258)	-	-
Interest paid	(8,524,009)	(1,327,111)	(1,777,595)	(438,474)

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

Statement of cash flows (continued)

For the year ended 31 December 2016

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)	31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (restated)
Increase in long-term loans and advances from related parties	-	6,320	-	-
Dividend paid	(316,654,062)	(7,740)	(316,654,062)	(7,740)
Dividend paid by the subsidiaries to non-controlling interests	(8,510,016)	-	-	-
Net cash flows from (used in) financing activities	(269,132,141)	100,283,845	(320,926,383)	45,271,420
Translation adjustments	(8,193,320)	(2,131,513)	-	-
Net increase (decrease) in cash and cash equivalents	(903,202,022)	183,201,647	(846,063,239)	101,847,016
Cash and cash equivalents at beginning of year/period	1,218,528,474	1,035,326,827	980,720,044	878,873,028
Cash and cash equivalents at end of year/period	315,326,452	1,218,528,474	134,656,805	980,720,044
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Undue installments for acquisition of property, plant and equipment	65,513,907	49,557,768	42,472,044	38,129,518
Undue installments for acquisition of computer software	8,285,654	-	8,285,654	-
Purchase of vehicle under financial lease agreements	-	4,117,000	-	4,117,000
Dividend payable	1,055,868	884,911	1,055,868	884,911
Decrease in investments in subsidiaries from liquidation	-	-	15,163,640	-
Decrease in trade and other receivables from bad debts written-off	154,098	-	-	-
Unrealised gain on changes in fair value of current and other long-term investments	6,038,660	-	6,038,660	-
Sales of current investments that have yet received	25,000,000	-	25,000,000	-

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

Consolidated financial statements											
	Equity attributable to owners of the Company										
	Issued and fully paid-up share capital	Share premium	Surplus on the amalgamation	Retained earnings		Other components of equity					
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income					
						Unrealised gain (loss) on changes in fair value of available -for-sale investments	Exchange differences on translation of financial statements in foreign currencies	Total other components of shareholders' equity	Total equity attributable to owners of the Company		
							Equity attributable to non-controlling interests of the subsidiaries				
Balance as at 1 October 2015	880,420,930	300,740,523	764,866,016	89,705,000	2,723,614,220	(80,993,551)	(9,064,980)	(90,058,531)	4,669,288,158	160,774,716	4,830,062,874
Profit for the period - restated	-	-	-	-	80,946,300	-	-	-	80,946,300	18,569,027	99,515,327
Other comprehensive income for the period - restated	-	-	-	-	(186,306)	(6,124,787)	(1,613,179)	(7,737,966)	(7,924,272)	(679,518)	(8,603,790)
Total comprehensive income for the period - restated	-	-	-	-	80,759,994	(6,124,787)	(1,613,179)	(7,737,966)	73,022,028	17,889,509	90,911,537
Balance as at 31 December 2015	880,420,930	300,740,523	764,866,016	89,705,000	2,804,374,214	(87,118,338)	(10,678,159)	(97,796,497)	4,742,310,186	178,664,225	4,920,974,411
Balance as at 1 January 2016	880,420,930	300,740,523	764,866,016	89,705,000	2,804,123,067	(87,118,338)	(10,678,159)	(97,796,497)	4,742,059,039	178,567,860	4,920,626,899
Cumulative effect of change in accounting policy for inventories (Note 4)	-	-	-	-	251,147	-	-	-	251,147	96,365	347,512
Balance as at 1 January 2016 - as restated	880,420,930	300,740,523	764,866,016	89,705,000	2,804,374,214	(87,118,338)	(10,678,159)	(97,796,497)	4,742,310,186	178,664,225	4,920,974,411
Profit for the year	-	-	-	-	669,044,074	-	-	-	669,044,074	76,525,878	745,569,952
Other comprehensive income for the year	-	-	-	-	525,949	4,826,724	(326,861)	4,499,863	5,025,812	(1,435,776)	3,590,036
Total comprehensive income for the year	-	-	-	-	669,570,023	4,826,724	(326,861)	4,499,863	674,069,886	75,090,102	749,159,988
Dividend paid (Note 25)	-	-	-	-	(316,825,019)	-	-	-	(316,825,019)	(8,510,016)	(325,335,035)
Decrease in non-controlling interests from liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	(48,738)	(48,738)
Balance as at 31 December 2016	880,420,930	300,740,523	764,866,016	89,705,000	3,157,119,218	(82,291,614)	(11,005,020)	(93,296,634)	5,099,555,053	245,195,573	5,344,750,626

Statement of changes in shareholders' equity

For the year ended 31 December 2016

	Separate financial statements					
	Issued and fully paid-up share capital	Share premium	Surplus on the amalgamation	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 1 October 2015	880,420,930	300,740,523	764,866,016	89,705,000	2,261,383,305	4,216,090,511
Profit for the period - restated	-	-	-	-	78,116,195	78,116,195
Other comprehensive income for the period - restated	-	-	-	-	(124,102)	(6,249,254)
Total comprehensive income for the period - restated	-	-	-	-	77,992,093	71,866,941
Balance as at 31 December 2015	880,420,930	300,740,523	764,866,016	89,705,000	2,339,375,398	4,287,957,452
Balance as at 1 January 2016	880,420,930	300,740,523	764,866,016	89,705,000	2,339,347,030	4,287,929,084
Cumulative effect of changes in accounting policy for inventories (Note 4)	-	-	-	-	28,368	28,368
Balance as at 1 January 2016 - as restated	880,420,930	300,740,523	764,866,016	89,705,000	2,339,375,398	4,287,957,452
Profit for the year	-	-	-	-	461,164,738	461,164,738
Other comprehensive income for the year	-	-	-	-	-	4,830,927
Total comprehensive income for the year	-	-	-	-	461,164,738	465,995,665
Dividend paid (Note 25)	-	-	-	-	(316,825,019)	(316,825,019)
Balance as at 31 December 2016	880,420,930	300,740,523	764,866,016	89,705,000	2,483,715,117	4,437,128,098

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

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

Thai Wah Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company was listed on the Stock Exchange of Thailand on 1 October 2015. The Company was formed as a result of the amalgamation between Thai Wah Starch Public Company Limited ("TWS") and Thai Wah Food Products Public Company Limited ("TWFP"). The Company is principally engaged in the manufacture and distribution of vermicelli, tapioca starch and other food products. Its registered address is 21/59, 21/63 and 21/64 Thai Wah Tower 1 Bldg., 20th - 21st Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

As a result of the amalgamation, the Company has assumed all assets, liabilities, rights, duties, and obligations of both companies by law. The transferred assets and liabilities are based on the net book value as of 30 September 2015.

The amalgamation will involve the allocation of shares of the Company to the shareholders of TWFP and TWS, with the number of shares allocated equal to the total number of shares in issue of the two companies, equal to 880,420,930 shares with a par value of Baht 1 each. The allocation ratios are to be 4.26104781 shares in the Company for each share of TWFP and 6.05280574 shares in the Company for each share of TWS.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Business combination

On 1 October 2015, the Company was formed as a result of the amalgamation between Thai Wah Starch Public Company Limited ("TWS") and Thai Wah Food Products Public Company Limited ("TWFP"). This amalgamation was considered to be a business combination under TFRS 3 (revised 2014), Business Combinations, and TWS is determined to be the acquirer. The difference between the cost of this amalgamation, calculated based on multiplication of the number of registered and paid-up ordinary share of TWFP as at 30 September 2015 by the closing

price of TWFP's shares at 22 September 2015, and the net book value of the equity of TWFP, amounting to Baht 764.87 million, was recorded as "Surplus on the amalgamation". The Company separately presented these transactions under equity in the consolidated and separate financial statements.

The fair values of the identifiable assets and liabilities of TWFP which TWS acquired as at the date of acquisition were as follow:

(Unit : Thousand Baht)

Fair value	
Cash and cash equivalents	182,066
Trade and other receivables	118,139
Inventories	289,402
Investments in associates	305,226
Other long-term investments	407,553
Property, plant and equipment	857,019
Trademark and customer relationships	511,526
Other assets	6,389
Trade and other payables	(160,197)
Income tax payable	(12,081)
Provision for long-term employee benefits	(88,909)
Liabilities under finance lease agreements	(8,664)
Deferred tax liabilities	(156,705)
Other liabilities	(3,447)
Fair values of net identifiable assets acquired	2,247,317
Shareholding (%)	100.00
Net identifiable assets acquired for proportion	2,247,317
Goodwill arising from amalgamation	100,678
Consideration transferred on amalgamation	2,347,995

The goodwill of Baht 100.68 million comprises the value of expected synergies arising from the acquisition. Goodwill is allocated entirely to the food segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

2.3 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Thai Wah Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

(Unit : Percent)

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
Thai Wah Alpha Starch Company Limited	Manufacture of alpha starch	Thailand	99.99	99.99
DI Company Limited	Manufacture of tapioca starch	Thailand	99.93	99.93
Thai Nam Tapioca Company Limited	Manufacture of tapioca starch	Thailand	70.00	70.00
Tay Ninh Tapioca Joint Stock Company ⁽¹⁾	Manufacture of tapioca starch, glucose and candy	Vietnam	70.00	70.00
Thai Wah International Trade (Shanghai) Company Limited	Distribution of tapioca starch	China	100.00	-
Thai Wah Bio Power Limited (formerly known as "Thai Wah Realty Limited")	Property development, generation and sale of electricity	Thailand	99.99	99.99
Bangpakong Turakij Company Limited	Landholding	Thailand	99.99	99.99
Chiang Saen Land Company Limited	Landholding	Thailand	99.99	99.99
Thai Wah (6) Company Limited	Landholding	Thailand	99.99	99.99
Bang Thao (6) Company Limited	Landholding	Thailand	99.99	99.99
Tha Thungna Land Company Limited	Landholding	Thailand	99.99	99.99
Thai Sin Tapioca (1989) Company Limited	Landholding	Thailand	99.99	99.99
Thai Ongkarak Company Limited	Landholding	Thailand	99.98	99.98
Mae Hong Son Land Development Limited	Landholding	Thailand	84.97	84.97
Thai Nam Tapioca (1) Company Limited	Landholding	Thailand	69.95	69.95
Phang Nga Resorts Limited	Landholding	Thailand	99.93	99.93
Bang Thao (5) Company Limited	Landholding	Thailand	99.93	99.93
Mae Joe Land Company Limited	Landholding	Thailand	49.99	49.99
Mae Chan Land Company Limited	Dormant	Thailand	-	99.99
Thai Modified Starch Company Limited	Dormant	Thailand	94.62	94.62
Architrave Design & Planning Company Limited	Dormant	Thailand	-	99.99
Thai Wah Rice Flour Company Limited	Dormant	Thailand	83.33	83.33

(1) The percentage of shareholder in Tay Ninh Tapioca Joint Stock Company included indirect holding of 0.01% by a subsidiary of the Company.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiaries and associate are translated to Baht using the exchange rate prevailing at the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currencies" in the statements of changes in shareholders' equity.

- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.4 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

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

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

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

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

TAS 27 (revised 2016) Separate Financial Statements

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

This standard will not have any significant impact on the Company and its subsidiaries' financial statements because the management has decided to continue accounting for such investments under the cost method in the separate financial statements.

4. Cumulative effect of change in accounting policies

During the fourth quarter of the current year, the Company and its subsidiaries have changed their accounting policy on inventories for factory supply, from first-in, first-out to average cost method which is more suitable for the businesses of the group. The change in the accounting policy on inventories for factory supply has been applied retrospectively as though the financial statements had originally been prepared using the average cost. The cumulative effect of the changes in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position as at 31 December 2015 and the statements of comprehensive income for the period as from 1 October 2015 (amalgamation date) to 31 December 2015 are summarised below.

(Unit : Thousand Baht)

	31 December 2015	
	Consolidated financial statements	Separate financial statements
Statements of financial position		
Increase in inventories	348	28
Increase in unappropriated retained earnings	252	28
Increase in non-controlling interests of the subsidiaries	96	-

(Unit : Thousand Baht)

	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015	
	Consolidated financial statements	Separate financial statements
Statements of comprehensive income		
Decrease in cost of sales	348	28
Increase in basic earnings per share (Baht)	-	-

5. Significant accounting policies

5.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting goods return and discounts.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Trade and other accounts receivable

Trade and other accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

5.4 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials and factory supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

5.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/ accreted amount presented as an adjustment to the interest income.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification is recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.7 Property, plant and equipment / Depreciation

Land and land improvement is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	5-45	years
Machinery and equipment	5-20	years
Furniture, fixtures and office equipment	3-10	years
Vehicles	5-15	years

Depreciation is included in determining income.

No depreciation is provided on land, land improvements and assets under installation and under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.9 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period

and the amortisation method for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Amortisation of intangible assets is calculated by reference to their costs on the straight line basis over the following estimated useful lives:

Leasehold rights to land	30	years
Customer relationship	4 – 16	years
Computer software	5 – 10	years

Intangible asset with indefinite useful life i.e. trademarks is not amortised, but is tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful life of the intangible assets is reviewed annually.

5.10 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain on profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.11 Related party transactions

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

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

5.12 Long-term leases

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are recognised in determining income.

5.14 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment or other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company also carries out annual impairment reviews in respect of goodwill and intangible asset with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell or its value in use, is less than the carrying amount.

In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

5.16 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.17 Income tax

Income tax expense represents the current tax and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation techniques that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Impairment of investments

The Company treats investments in subsidiaries, associates and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement of the management.

Goodwill and intangible assets from amalgamation

The initial recognition and measurement of goodwill and intangible assets from amalgamation, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, gold inflation rate, mortality rate and staff turnover rate.

7. Related party transactions

The relationships between the Company and its related parties are summarised below.

Name of related parties	Relationship
Thai Wah Alpha Starch Company Limited	Subsidiary
DI Company Limited	Subsidiary
Thai Nam Tapioca Company Limited	Subsidiary
Tay Ninh Tapioca Joint Stock Company	Subsidiary
Thai Wah International Trade (Shanghai) Company Limited	Subsidiary
Thai Wah Bio Power Limited (formerly known as "Thai Wah Realty Limited")	Subsidiary
Bangpakong Turakij Company Limited	Subsidiary
Chiang Saen Land Company Limited	Subsidiary
Thai Wah (6) Company Limited	Subsidiary
Bang Thao (6) Company Limited	Subsidiary
Mae Chan Land Company Limited*	Subsidiary
Tha Thungna Land Company Limited	Subsidiary
Thai Sin Tapioca (1989) Company Limited	Subsidiary
Thai Ongkarak Company Limited	Subsidiary
Mae Hong Son Land Development Limited	Subsidiary
Thai Nam Tapioca (1) Company Limited	Subsidiary
Phang Nga Resort Limited	Subsidiary
Bang Thao (5) Company Limited	Subsidiary
Thai Modified Starch Company Limited	Subsidiary
Architrave Design & Planning Company Limited*	Subsidiary
Thai Wah Rice Flour Company Limited**	Subsidiary
Mae Joe Land Company Limited	Subsidiary
Tapioca Development Corporation Limited	Associate
Asia Tapioca Products Company Limited	Associate
Vietnam Tapioca Company Limited	Indirect associate
Laguna Resort & Hotels Public Company Limited	Common shareholders and directors
International Commercial Development Company Limited	Shareholder of subsidiary
Thai Wah Tower Company Limited	Common directors
Thai Wah Tower (2) Company Limited	Common directors
Thai Wah Plaza Limited	Common directors
Banyan Tree Holdings Limited	Common directors
Banyan Tree Hotel Management (Beijing) Company Limited	Common directors

* Liquidation

** In the process of liquidation

7.1 During the year, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit : Million Baht)

	For the year ended 31 December 2016		
	Consolidated financial statements	Separate financial statements	Transfer pricing policy
<u>Transactions with subsidiaries</u>			
Purchases of goods	-	1,320.92	Cost plus margin
Sales of goods	-	111.12	Cost plus margin
Dividends received	-	48.76	As declared
Rental and service income	-	6.26	Contract price
Rental and service expenses	-	0.80	Contract price
Interest income	-	2.63	Contract rate
Other expenses	-	3.50	Actual charge
<u>Transactions with associates</u>			
Purchases of goods	36.05	-	Market price
Purchases of goods	36.93	36.93	Cost plus margin
Dividends received	-	2.53	As declared
Rental and service income	9.26	3.62	Contract price
<u>Transactions with related companies</u>			
Sales of goods	0.19	0.19	Market price
Dividends received	1.67	1.67	As declared
Rental and service income	0.25	0.25	Contract price
Rental and service expenses	16.69	16.69	Contract price
Interest expenses	0.02	-	Contract rate
Other expenses	2.16	2.16	Actual charge

For the period as from 1 October 2015
(amalgamation date)
to 31 December 2015

	Consolidated financial statements	Separate financial statements	Transfer pricing policy
Transactions with subsidiaries			
Purchases of goods	-	309.62	Cost plus margin
Sales of goods	-	4.60	Cost plus margin
Dividends received	-	-	As declared
Rental and service income	-	1.35	Contract price
Rental and service expenses	-	-	Contract price
Interest income	-	0.48	Contract rate
Other expenses	-	1.37	Actual charge
Transactions with associates			
Purchases of goods	26.22	-	Market price
Purchases of goods	14.10	14.10	Cost plus margin
Dividends received	-	50.00	As declared
Rental and service income	2.37	1.04	Contract price
Transactions with related companies			
Sales of goods	-	-	Market price
Dividends received	-	-	As declared
Rental and service income	5.57	5.59	Contract price
Rental and service expenses	3.67	3.67	Contract price
Interest expenses	0.01	-	Contract rate
Other expenses	0.42	0.42	Actual charge

7.2 As at 31 December 2016 and 2015, the balances of the accounts in the statements of financial position between the Company and those related companies are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade and other receivables - related parties (Note 10)				
Subsidiaries	-	-	152,228	112,388
Associates	15,955	456	15,955	456
Related companies	157	28	21	28
Total	16,112	484	168,204	112,872
Less : Allowance for doubtful debts	-	-	(51,325)	(50,502)
Total trade and other receivable - related parties - net	16,112	484	116,879	62,370
Short-term loans to related parties				
Subsidiaries	-	-	92,723	81,953
Less : Allowance for doubtful debts	-	-	(8,048)	(8,048)
Total short-term loans to related parties - net	-	-	84,675	73,905

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Long-term loans to related parties				
Subsidiaries	-	-	18,000	18,000
Less : Allowance for doubtful debts	-	-	(18,000)	(18,000)
Total long-term loans to related parties - net	-	-	-	-
Dividend receivable from related party				
Associate	-	49,998	-	49,998
Trade and other payables - related parties (Note 21)				
Subsidiaries	-	-	141,510	75,952
Associates	11,319	36,175	11,318	21,848
Related companies	1,531	3,173	1,531	3,173
Total trade and other payables - related parties	12,850	39,348	154,359	100,973
Short-term loans and accrued interests from related party				
Related company	2,629	2,605	-	-

7.3 During the period, movements of loans to related parties are as follows:

(Unit : Thousand Baht)

Loans to subsidiaries	Separate financial statements			
	Balance as at 1 January 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2016
DI Company Limited	47,560	84,600	(110,000)	22,160
Thai Wah Bio Power Limited	-	56,000	(5,000)	51,000
Chiang Saen Land Company Limited	7,755	-	-	7,755
Bang Thao (6) Company Limited	935	-	-	935
Mae Chan Land Company Limited	832	-	(832)	-
Tha Thungna Land Company Limited	390	-	-	390
Thai Ongkarak Company Limited	13,998	-	(13,998)	-
Mae Hong Son Land Development Limited	1,635	-	-	1,635
Thai Nam Tapioca (1) Company Limited	800	-	-	800
Phang Nga Resorts Limited	11,161	-	-	11,161
Bang Thao (5) Company Limited	6,839	-	-	6,839
Mae Joe Land Company Limited	8,048	-	-	8,048
Total	99,953	140,600	(129,830)	110,723
Less: Allowance for doubtful debts	(26,048)	-	-	(26,048)
Net	73,905	140,600	(129,830)	84,675

7.4 During the period, movement of loan and accrued interests from related party is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			
	Balance as at 1 January 2016	Increase during the year	Decrease during the year	Balance as at 31 December 2016
Short-term loan and accrued interests from related party International Commercial Development Company Limited	2,605	24	-	2,629

7.5 Directors and management's benefits

The Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	For the year ended 31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015
Short-term employee benefits	57,480	16,603
Post-employment benefits	2,336	496
Other long-term benefits	15	92
Total	59,831	17,191

8. Cash and cash equivalents

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	8,708	16,994	2,459	2,224
Bank deposits	306,618	1,201,534	132,198	978,496
Total	315,326	1,218,528	134,657	980,720

As at 31 December 2016, bank deposits in savings accounts and fixed deposits carried interests between 0.125% and 5.00% per annum (2015: 0.125% and 4.30% per annum).

9. Current Investments

(Unit : Thousand Baht)

	Consolidated / Separate financial statements			
	31 December 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
Open ended funds	939,095	940,957	-	-
Unrealised gain from changes in fair value of investments	1,862		-	
Total current investments - net	940,957		-	

The investments in open ended funds have been classified as investments in available-for-sale securities.

10. Trade and other receivables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	18	28	22,190	228
Past due				
Up to 3 months	3	-	33,294	14,044
3 - 6 months	-	-	8,290	-
6 - 12 months	-	-	1,629	7,838
Over 12 months	-	-	-	-
Total trade receivables - related parties	21	28	65,403	22,110
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	458,189	442,461	337,744	296,244
Past due				
Up to 3 months	145,196	68,616	88,672	47,707
3 - 6 months	551	305	227	305
6 - 12 months	75	-	75	-
Over 12 months	2,977	3,032	2,977	2,994
Total	606,988	514,414	429,695	347,250
Less: Allowance for doubtful debts	(3,139)	(3,155)	(3,139)	(3,001)
Total trade receivables - unrelated parties - net	603,849	511,259	426,556	344,249
Total trade receivables - net	603,870	511,287	491,959	366,359
Other receivables				
Interest receivables	4,219	4,477	4,206	4,448
Other receivables - related parties	16,091	456	102,801	90,762
Other receivables - unrelated parties	31,709	1,428	25,343	171
Total	52,019	6,361	132,350	95,381
Less: Allowance for doubtful debts	-	-	(51,325)	(50,502)
Total other receivables - net	52,019	6,361	81,025	44,879
Total trade and other receivables - net	655,889	517,648	572,984	411,238

11. Inventories

(Unit : Thousand Baht)

	Consolidated financial statements					
	Cost		Allowance for reducing cost of inventories to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	300,542	390,017	(5,722)	(3,924)	294,820	386,093
Raw materials	281,458	171,029	-	-	281,458	171,029
Goods in transit	32,326	25,890	-	-	32,326	25,890
Packing materials	39,232	29,926	(1,382)	(602)	37,850	29,324
Factory supplies	54,433	62,267	(1,110)	(5,324)	53,323	56,943
Other	6,065	5,129	(2,245)	(2,244)	3,820	2,885
Total	714,056	684,258	(10,459)	(12,094)	703,597	672,164

(Unit : Thousand Baht)

	Separate financial statements					
	Cost		Allowance for reducing cost of inventories to net realisable value		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	206,742	333,209	(5,694)	(3,893)	201,048	329,316
Raw materials	94,589	139,590	-	-	94,589	139,590
Goods in transit	32,326	25,890	-	-	32,326	25,890
Packing materials	33,710	25,274	(1,382)	(602)	32,328	24,672
Factory supplies	31,919	35,605	(204)	(3,650)	31,715	31,955
Total	399,286	559,568	(7,280)	(8,145)	392,006	551,423

12. Restricted bank deposits

As at 31 December 2016, fixed deposits which the subsidiaries pledged with the banks to secure credit facilities carried interests at the rate of 0.85% per annum (2015: 0.90% per annum).

13. Investments in associates

13.1 Details of investments in associates

(Unit : Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016	2015	2016	2015	2016	2015
			(%)	(%)				
Tapioca Development Corporation Limited	Manufacture and distribution of modified tapioca starch	Thailand	33.33	33.33	54,751	54,751	239,271	226,812
Asia Tapioca Products Company Limited	Holding company	Thailand	30.00	30.00	31,600	31,600	39,389	34,353
Total					86,351	86,351	278,660	261,165

(Unit : Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2016	2015	2016	2015
			(%)	(%)		
Tapioca Development Corporation Limited	Manufacture and distribution of modified tapioca starch	Thailand	33.33	33.33	54,751	54,751
Asia Tapioca Products Company Limited	Holding company	Thailand	30.00	30.00	31,600	31,600
Total					86,351	86,351

13.2 Share of comprehensive income and dividend received

During the year 2016, the Company has recognised share of comprehensive income from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit : Thousand Baht)

Associates	Consolidated financial statements		Separate financial statements
	Share of profit from investments in associates during the year	Share of other comprehensive income from investments in associates during the year	Dividend received during the year
Tapioca Development Corporation Limited	11,933	526	-
Asia Tapioca Products Company Limited	3,707	3,857	2,528
Total	15,640	4,383	2,528

During the period as from 1 October 2015 (amalgamation date) to 31 December 2015, the Company had recognised share of comprehensive income from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit : Thousand Baht)

Associates	Consolidated financial statements		Separate financial statements
	Share of profit from investments in associates during the period	Share of other comprehensive income from investments in associates during the period	Dividend received during the period
Tapioca Development Corporation Limited	5,122	-	49,998
Asia Tapioca Products Company Limited	815	-	-
Total	5,937	-	49,998

13.3 Summarised financial information about material associates

Summarised information about financial position

(Unit : Million Baht)

	Tapioca Development Corporation Limited		Asia Tapioca Products Company Limited	
	2016	2015	2016	2015
Current assets	617.17	705.33	107.38	99.61
Non-current assets	225.63	231.34	74.10	59.94
Current liabilities	(105.85)	(235.87)	(7.29)	(9.35)
Non-current liabilities	(25.61)	(26.58)	(3.94)	(3.73)
Less: Non-controlling interests of the subsidiary	-	-	(49.77)	(42.75)
Net assets	711.34	674.22	120.48	103.72
Shareholding percentage (%)	33.33	33.33	30.00	30.00
Share of net assets	237.09	224.72	36.14	31.12
Elimination entries	2.18	2.09	3.25	3.23
Carrying amounts of associates based on equity method	239.27	226.81	39.39	34.35

Summarised information about comprehensive income for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015 is as follows:

(Unit : Million Baht)

	Tapioca Development Corporation Limited		Asia Tapioca Products Company Limited	
	2016	2015	2016	2015
Revenue	949.72	291.81	372.50	141.39
Profit	35.80	15.37	19.71	4.55
Total comprehensive income	37.38	15.37	38.23	4.51

14. Investments in subsidiaries

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

	Paid-up capital		Percentage of shareholding		Investments at cost method	
	2015	2015	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Investments in subsidiary companies						
Agricultural business						
Thai Wah Alpha Starch Company Limited	18.00	18.00	99.99	99.99	17,999	17,999
DI Company Limited	10.00	10.00	99.93	99.93	9,408	9,408
Thai Nam Tapioca Company Limited	86.60	86.60	70.00	70.00	60,620	60,620
Tay Ninh Tapioca Joint Stock Company	192.53	192.53	69.99	69.99	86,877	86,877
Investments in subsidiary companies						
Agricultural business						
Thai Wah Rice Flour Company Limited	30.00	30.00	83.33	83.33	24,999	24,999
Thai Wah International Trade (Shanghai) Company Limited	5.27	-	100.00	-	5,267	-
Land holding and others						
Thai Wah Bio Power Limited	450.00	450.00	99.99	99.99	469,012	469,012
Bangpakong Turakij Company Limited	91.00	91.00	99.99	99.99	90,999	90,999
Chiang Saen Land Company Limited	75.00	75.00	99.99	99.99	74,999	74,999
Thai Wah (6) Company Limited	29.00	29.00	99.99	99.99	28,999	28,999
Bang Thao (6) Company Limited	21.50	21.50	99.99	99.99	21,499	21,499
Mae Chan Land Company Limited	-	15.00	-	99.99	-	14,999
Tha Thungna Land Company Limited	15.00	15.00	99.99	99.99	14,999	14,999
Thai Sin Tapioca (1989) Company Limited	5.00	5.00	99.99	99.99	4,999	4,999
Thai Ongkarak Company Limited	4.00	4.00	99.98	99.98	3,999	3,999
Mae Hong Son Land Development Limited	2.00	2.00	84.97	84.97	1,699	1,699
Thai Nam Tapioca (1) Company Limited	1.00	1.00	69.95	69.95	700	700
Phang Nga Resorts Limited	1.00	1.00	99.93	99.93	999	999
Bang Thao (5) Company Limited	0.25	0.25	99.93	99.93	250	250
Thai Modified Starch Company Limited	10.00	10.00	94.62	94.62	9,462	9,462
Architrave Design & Planning Company Limited	-	15.50	-	99.99	-	15,500
Mae Joe Land Company Limited	3.00	3.00	49.99	49.99	1,500	1,500
Total					929,285	954,517
Less: Allowance for impairment of investments					(473,672)	(489,419)
Investments in subsidiaries - net					455,613	465,098

The Company recognised dividend income from subsidiaries in the separate financial statements as follows:

(Unit : Thousand Baht)

	Separate financial statements	
	For the year ended 31 December 2016	For the period as from 1 October 2015 (amalgamation date) to 31 December 2015
Thai Nam Tapioca Company Limited	3,504	-
Mea Chan Land Company Limited	13,999	-
Thai Wah (6) Company Limited	14,500	-
Tay Ninh Tapioca Joint Stock Company	16,759	-
Total	48,762	-

Most subsidiaries are incorporated and operated in Thailand except for Tay Ninh Tapioca Joint Stock Company, which is incorporated and operated in Vietnam. This subsidiary is engaged in the manufacture and sale of tapioca and glucose products and has a period of operation which can be extended for 30 years starting from 31 January 1994.

Architrave Design & Planning Company Limited registered the dissolution with the Ministry of Commerce on 30 November 2015. Subsequently on 15 January 2016, the above subsidiary registered the completeness of its liquidation process. The Company had received its return on investment approximately Baht 0.17 million.

Thai Wah Rice Flour Company Limited registered the dissolution with the Ministry of Commerce on 30 December 2015. Subsequently on 1 February 2017, the said subsidiary registered the completeness of its liquidation process.

Mae Chan Land Company Limited registered the dissolution with the Ministry of Commerce on 31 October 2016. Subsequently on 22 December 2016, the said subsidiary registered the completeness of its liquidation process. The Company received its return on investment approximately Baht 15.87 million on 18 January 2017.

On 15 March 2016, the Company registered and established Thai Wah International Trade (Shanghai) Company Limited in China with a registered share capital of CNY 1 million. On 15 July 2016, the Company transferred money for the payment of capital investment in the said company by CNY 1 million or Baht 5.27 million (or 100% of the total 1 million issued and paid-up shares at CNY 1 per share). This subsidiary is engaged in the distribution of vermicelli, tapioca starch and other food products and has a period of operation for 30 years starting from 15 March 2016.

14.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit : Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the year/period ended		Dividend paid to non-controlling interests during the year/period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	(%)	(%)						
Thai Nam Tapioca Company Limited	30.00	30.00	101.16	80.18	22.48	5.72	1.50	-
Tay Ninh Tapioca Joint Stock Company	30.00	30.00	160.07	114.85	53.67	13.01	7.01	-

14.3 Summarised financial information based on amounts before inter-company elimination of subsidiaries that have material non-controlling interests.

Summarised information about financial position

(Unit : Million Baht)

	Thai Nam Tapioca Company Limited		Tay Ninh Tapioca Joint Stock Company	
	2016	2015	2016	2015
Current assets	231.85	163.24	463.45	342.13
Non-current assets	299.95	245.22	206.49	161.50
Current liabilities	188.22	131.68	118.49	79.62
Non-current liabilities	13.14	16.28	14.43	37.76

Summarised information of comprehensive income for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015

(Unit : Million Baht)

	Thai Nam Tapioca Company Limited		Tay Ninh Tapioca Joint Stock Company	
	2016	2015	2016	2015
Revenue	1,360.38	304.17	1,227.32	341.18
Profit	74.94	19.08	178.90	43.38
Other comprehensive income	-	0.05	-	-
Total comprehensive income	74.94	19.13	178.90	43.38

Summarised information of cash flows for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015.

(Unit : Million Baht)

	Thai Nam Tapioca Company Limited		Tay Ninh Tapioca Joint Stock Company	
	2016	2015	2016	2015
Cash flows from operating activities	38.72	(32.20)	(11.86)	90.14
Cash flows from investing activities	(80.24)	(13.63)	(77.44)	(21.32)
Cash flows from financing activities	19.80	56.02	12.09	(0.82)
Net increase in cash and cash equivalents	(21.72)	10.19	(77.21)	68.00

14.4 Impairment testing of investments in subsidiaries

For the purpose of impairment testing of investments in subsidiaries, the Company determined the recoverable amount of some significant investments in subsidiaries which have events indicating that an asset may be impaired. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use. The estimated future cash flows are determined using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a five-year period.

Key assumptions used in value in use calculations are summarised below:

(Unit: percent per annum)

Long-term growth rate	0%
Pre-tax discount rate	11.5%

The management determined the budgeted gross profit margin and growth rate based on past performance and its expectations of market development of those subsidiaries. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments of those subsidiaries.

The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts does not exceed the long-term average growth rate for the industries in which those subsidiaries operate.

The management considered and concluded that allowance for impairment of investments in subsidiaries which were recorded in the statements of financial position as at 31 December 2016 by Baht 473.67 million (2015: Baht 489.42 million) is adequate.

15. Other long-term investments

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
Investments in held-to-maturity debt securities	500,418	406,205
Investments in available-for-sale securities		
Laguna Resorts & Hotels Public Company Limited	174,010	174,010
Less: Unrealised loss on changes in fair value of investments	(88,745)	(92,921)
Total investments in available-for-sale securities - net	85,265	81,089

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
<u>Other long-term investments</u>		
Tropical Resorts Limited	45,703	45,703
Less: Allowance for impairment of investments	(45,703)	(45,703)
Other long-term investments - net	-	-
Total other long-term investments - net	585,683	487,294
Less: Current portion	(70,688)	-
Other long-term investments - net of current portion	514,995	487,294
<u>Investments in held-to-maturity debt securities</u>		
Mature in 2017	70,688	71,720
Mature in 2018	163,054	165,476
Mature in 2019	140,625	52,427
Mature in 2021	126,051	116,582
Total investments in held-to-maturity debt securities	500,418	406,205

Long-term investments in debt securities carry interest rate at 3.84% to 5.14% per annum (2015: 3.84% to 5.09% per annum).

16. Investment properties

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost	214,579	248,003	504	504
Less: Allowance for impairment of assets	(67,027)	(67,226)	-	-
Investment properties, net	147,552	180,777	504	504

Movements of the investment properties during the year ended 31 December 2016 and during the period as from 1 October 2015 (amalgamation date) to 31 December 2015 were as summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value as at the beginning of the year/period	180,777	180,777	504	504
Disposal during the year/period - net book value	(33,225)	-	-	-
Less: Allowance for impairment during the year/period	-	-	-	-
Net book value as at 31 December	147,552	180,777	504	504

The investment properties of the Company and its subsidiaries represent land awaiting for sale. Their fair value has been determined based on the valuation performed by an accredited independent valuer, using comparative method. As at 31 December 2016, their fair value is amounting to Baht 349.5 million (2015: Baht 425.2 million) (Separate financial statements: 2016 and 2015: Baht 147.0 million).

As at 31 December 2016 and 2015, the investment properties amounting to approximately Baht 0.4 million have been placed as collateral against credit facilities received from financial institutions.

17. Property, plant and equipment

(Unit : Thousand Baht)

Consolidated financial statements

	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under installation and under construction	Total
Cost:							
1 October 2015	363,569	732,335	1,482,356	70,762	116,428	376,590	3,142,040
Additions	-	124	8,179	2,207	5,846	60,176	76,532
Disposals	-	-	(761)	-	(432)	-	(1,193)
Transfer in (out)	-	13,813	77,724	-	-	(92,599)	(1,062)
Translation adjustment	-	(576)	(2,095)	(2)	(116)	(550)	(3,339)
31 December 2015	363,569	745,696	1,565,403	72,967	121,726	343,617	3,212,978
Additions	4,126	1,471	25,022	14,190	19,466	329,799	394,074
Disposals	-	(1,014)	(1,971)	(6,573)	(7,449)	-	(17,007)
Write-off	-	(26,363)	(98,648)	(39)	(1,569)	-	(126,619)
Transfer in (out)	357	218,377	162,419	8,108	2,899	(394,750)	(2,590)
Translation adjustment	-	(281)	(2,426)	(1)	86	490	(2,132)
31 December 2016	368,052	937,886	1,649,799	88,652	135,159	279,156	3,458,704
Accumulated depreciation:							
1 October 2015	-	(394,576)	(927,319)	(54,231)	(64,470)	-	(1,440,596)
Depreciation for the period	-	(4,953)	(16,076)	(1,409)	(1,961)	-	(24,399)
Depreciation on disposals	-	-	540	-	410	-	950
Translation adjustment	-	481	1,776	1	84	-	2,342
31 December 2015	-	(399,048)	(941,079)	(55,639)	(65,937)	-	(1,461,703)
Depreciation for the year	-	(29,313)	(76,476)	(7,523)	(9,932)	-	(123,244)
Depreciation on disposals	-	1,014	1,937	6,114	5,726	-	14,791
Depreciation on write-off	-	23,934	98,358	-	1,569	-	123,861
Translation adjustment	-	420	1,408	1	78	-	1,907
31 December 2016	-	(402,993)	(915,852)	(57,047)	(68,496)	-	(1,444,388)
Allowance for impairment:							
1 October 2015	-	(6,825)	-	-	-	-	(6,825)
Increase during the period	-	-	-	-	-	-	-
31 December 2015	-	(6,825)	-	-	-	-	(6,825)
Increase during the year	-	-	-	-	-	-	-
31 December 2016	-	(6,825)	-	-	-	-	(6,825)
Net book value:							
31 December 2015	363,569	339,823	624,324	17,328	55,789	343,617	1,744,450
31 December 2016	368,052	528,068	733,947	31,605	66,663	279,156	2,007,491

Depreciation for the period

1 October to 31 December 2015 (Baht 21.5 million included in manufacturing cost,
and the balance in administrative expenses)

24,399

For the year ended 31 December 2016 (Baht 110.6 million included in manufacturing cost,
and the balance in administrative expenses)

123,244

Separate financial statements							
	Land and land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under installation and under construction	Total
Cost:							
1 October 2015	239,520	554,856	903,484	61,048	72,366	282,332	2,113,606
Additions	-	124	4,459	2,103	4,359	42,654	53,699
Disposals	-	-	(496)	-	-	-	(496)
Transfer in (out)	-	3,288	23,450	-	-	(26,747)	(9)
31 December 2015	239,520	558,268	930,897	63,151	76,725	298,239	2,166,800
Additions	4,076	1,043	14,585	13,567	8,289	149,512	191,072
Disposals	-	(1,014)	(1,958)	(6,572)	(6,276)	-	(15,820)
Write-off	-	(26,363)	(20,861)	(10)	(1,570)	-	(48,804)
Transfer in (out)	357	198,245	148,079	8,108	-	(356,495)	(1,706)
31 December 2016	243,953	730,179	1,070,742	78,244	77,168	91,256	2,291,542
Accumulated depreciation:							
1 October 2015	-	(289,230)	(548,169)	(46,588)	(33,347)	-	(917,334)
Depreciation for the period	-	(3,939)	(9,478)	(1,220)	(1,538)	-	(16,175)
Depreciation on disposals	-	-	368	-	-	-	368
31 December 2015	-	(293,169)	(557,279)	(47,808)	(34,885)	-	(933,141)
Depreciation for the year	-	(23,493)	(47,549)	(6,795)	(7,262)	-	(85,099)
Depreciation on disposals	-	1,014	1,930	6,114	4,553	-	13,611
Depreciation on write-off	-	23,934	20,813	-	1,570	-	46,317
31 December 2016	-	(291,714)	(582,085)	(48,489)	(36,024)	-	(958,312)
Allowance for impairment:							
1 October 2015	-	-	-	-	-	-	-
Increase during the period	-	-	-	-	-	-	-
31 December 2015	-	-	-	-	-	-	-
Increase during the year	-	-	-	-	-	-	-
31 December 2016	-	-	-	-	-	-	-
Net book value:							
31 December 2015	239,520	265,099	373,618	15,343	41,840	298,239	1,233,659
31 December 2016	243,953	438,465	488,657	29,755	41,144	91,256	1,333,230
Depreciation for the period							
1 October to 31 December 2015 (Baht 13.6 million included in manufacturing cost, and the balance in administrative expenses)							16,175
For the year ended 31 December 2016 (Baht 73.3 million included in manufacturing cost, and the balance in administrative expenses)							85,099

As at 31 December 2016, the Company had vehicles under finance lease agreements with net book value amounting to Baht 10.6 million (2015: Baht 13.7 million).

As at 31 December 2016, certain plant, machinery and equipment items of the Company and its subsidiaries were fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 873 million (2015: Baht 1,008 million) (Separate financial statements: Baht 515 million and 2015: Baht 554 million).

The Company and its subsidiaries have placed some of their land, construction and machinery which the net book value amounting to approximately Baht 314 million (2015: Baht 294 million) as collateral against credit facilities received from financial institutions (Separate financial statements: Baht 177 million and 2015: Baht 158 million).

During the previous period, an overseas subsidiary started the construction of a new plant. The construction has been financed by a loan from a financial institution. Borrowing costs amounting to Baht 1.5 million (2016: Nil) were capitalised during the year. The effective interest rate of specific borrowing of 8.5% per annum (2016: Nil) has been used to determine the amount of borrowing costs eligible for capitalisation

18. Intangible assets

(Unit : Thousand Baht)

Consolidated financial statements					
	Leasehold rights to land	Trademarks	Customer relationship	Computer software	Total
31 December 2015					
Cost	12,757	264,303	247,223	7,090	531,373
Less: Accumulated amortisation	(9,406)	-	(4,782)	(5,151)	(19,339)
31 December 2015	3,351	264,303	242,441	1,939	512,034
31 December 2016					
Cost	12,463	264,303	247,223	45,573	569,562
Less: Accumulated amortisation	(9,589)	-	(23,908)	(6,621)	(40,118)
31 December 2016	2,874	264,303	223,315	38,952	529,444

(Unit : Thousand Baht)

Separate financial statements					
	Leasehold rights to land	Trademarks	Customer relationship	Computer software	Total
31 December 2015					
Cost	662	264,303	247,223	6,657	518,845
Less: Accumulated amortisation	(570)	-	(4,782)	(4,789)	(10,141)
31 December 2015	92	264,303	242,441	1,868	508,704
31 December 2016					
Cost	600	264,303	247,223	44,997	557,123
Less: Accumulated amortisation	(528)	-	(23,908)	(6,226)	(30,662)
31 December 2016	72	264,303	223,315	38,771	526,461

A reconciliation of the net book value of intangible assets is presented below.

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 October 2015	517,106	513,644
Acquisition during the period	13	13
Amortisation for the period	(5,058)	(4,953)
Translation adjustment	(27)	-
Net book value as at 31 December 2015	512,034	508,704
Acquisition during the year	38,483	38,341
Amortisation for the year	(21,004)	(20,584)
Translation adjustment	(69)	-
Net book value as at 31 December 2016	529,444	526,461

19. Goodwill and intangible assets with indefinite useful lives

For the purpose of impairment testing, the Company allocated goodwill acquired in business combinations and trademarks with indefinite useful lives to each of the cash generating units (CGUs), as presented below:

(Unit: Thousand Baht)

	Food Segment
Goodwill	100,678
Trademarks with indefinite useful lives	264,303

The recoverable amount of each CGU is determined based on a value-in-use calculation, using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a five-year period for food segment unit.

Key assumptions used in value in use calculations are summarised below:

(Unit: percent per annum)

Long-term growth rate	2.00%
Pre-tax discount rate	11.09%

The management determined the budgeted gross profit margin and growth rate based on past performance and its expectations of market development. The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent forecasts does not exceed the long-term average growth rate for the industry in which the CGU operates.

Increase in the discount rate of 1% per annum or decrease in the long-term growth rate of 1.5% per annum would result in recoverable amounts that are equal to the carrying amounts. The management considered and concluded that goodwill and trademarks with indefinite useful lives did not impair.

20. Short-term loans from financial institutions

(Unit : Thousand Baht)

	Interest rate (percent per annum)		Consolidated financial statements	
	2016	2015	2016	2015
Promissory note	3.90	4.00	80,000	80,000
Short-term loans from financial institutions	4.80	-	60,561	-
Total			140,561	80,000

21. Trade and other payables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables - related parties	11,319	36,175	152,828	97,800
Trade payables - unrelated parties	165,030	110,500	109,684	69,419
Other payables - related parties	1,531	3,173	1,531	3,173
Payables for purchase of fixed assets	65,514	49,558	42,472	38,130
Payables for electricity charges	23,675	22,234	13,277	13,520
Accrued factory expenses	20,315	20,215	12,431	15,180
Accrued expenses	167,589	145,717	143,622	119,722
Total trade and other payables	454,973	387,572	475,845	356,944

22. Liabilities under finance lease agreements

(Unit : Thousand Baht)

	Consolidated / Separate financial statements	
	2016	2015
Liabilities under finance lease agreements	14,760	19,013
Less : Deferred interest expenses	(3,120)	(4,878)
Total	11,640	14,135
Less : Portion due within one year	(2,839)	(2,495)
Liabilities under finance lease agreements - net of current portion	8,801	11,640

The Company has entered into the finance lease agreements with leasing companies for rental of vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit : Thousand Baht)

	Consolidated / Separate financial statements					
	Less than 1 year		1-5 years		Total	
	2016	2015	2016	2015	2016	2015
Future minimum lease payments	4,253	4,253	10,507	14,760	14,760	19,013
Deferred interest expenses	(1,414)	(1,758)	(1,706)	(3,120)	(3,120)	(4,878)
Present value of future minimum lease payments	2,839	2,495	8,801	11,640	11,640	14,135

23. Long-term loans from financial institutions

(Unit : Thousand Baht)

Loan	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements	
			2016	2015
1	MLR-1.90	Monthly	-	1,550
2	MLR-1.90	Monthly	30,000	-
3	8.50% for the first year, 12-month fixed deposit interest rate + 2.70% for the subsequent year	Quarterly	-	24,564
Total			30,000	26,114
Less: Current portion			(30,000)	(5,781)
Long-term loans from financial institutions - net of current portion			-	20,333

A long-term loan of a local subsidiary company under credit facilities of Baht 60 million is monthly repaid totaling 36 installments of Baht 1.67 million each. The loan carries interest at a rate of MLR-1.90% per annum. The loan is secured by the mortgage of the subsidiary's land and construction thereon. During the first quarter of the current year, the said subsidiary repaid such loan in the full amount.

A long-term loan of a local subsidiary company under credit facilities of Baht 100 million is monthly repaid within 36 installments. There is a grace period of 6 months from the date of the first drawdown. The loan carries interest at a rate of MLR-1.90% per annum. The loan is secured by mortgage of the subsidiary's land and construction thereon. The long-term credit facilities of this subsidiary which have not yet been drawn down amounted to Baht 70 million.

A long-term loan of an overseas subsidiary comprises credit facilities VND 28,000 million with the credit term of 84 months. The maturity date is 31 December 2021 and the interest rate is 8.50% per annum for the first year drawdown, and equal to the 12 month-term fixed deposit rate plus 2.70% per annum for the subsequent years. There is a grace period of 12 months from the date of the first drawdown. This loan is secured by mortgage of assets to be obtained from the drawdown. During the year, the said subsidiary completely repaid such loan in fully amount.

24. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2016 and 2015 is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Provision for compensation on employees' retirement	117,094	123,330	102,118	108,103
Provision for long service awards	38,432	40,106	33,017	34,377
Total	155,526	163,436	135,135	142,480

Provision for long-term employee benefits, which represents compensation payable to employees after they retire and other long-term employee benefits were as follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	2016			2015		
	Post- employment benefits	Other long-term benefits	Total	Post- employment benefits	Other long-term benefits	Total
Provision for long-term employee benefits						
as at the beginning of year/period	123,330	40,106	163,436	123,824	34,216	158,040
Current service cost	14,190	2,669	16,859	2,033	644	2,677
Interest cost	3,157	1,225	4,382	1,229	336	1,565
Past service costs and gains or losses on settlement	-	-	-	-	5,890	5,890
Actuarial loss arising from provision for compensation on employees' retirement Experience adjustments	-	-	-	218	-	218
Actuarial gain arising from provision for other long-term employee benefit Experience adjustments	-	-	-	-	(73)	(73)
Benefits paid during the year / period	(23,583)	(5,568)	(29,151)	(3,974)	(907)	(4,881)
Provision for long-term employee benefits as at 31 December	117,094	38,432	155,526	123,330	40,106	163,436

(Unit : Thousand Baht)

	Separate financial statements					
	2016			2015		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Provision for long-term employee benefits as at the beginning of year/period	108,103	34,377	142,480	109,000	29,005	138,005
Current service cost	13,167	2,136	15,303	1,785	518	2,303
Interest cost	2,783	926	3,709	1,047	252	1,299
Past service costs and gains or losses on settlement	-	-	-	-	4,678	4,678
Actuarial loss arising from provision for compensation on employees' retirement Experience adjustments	-	-	-	155	-	155
Actuarial gain arising from provision for other long-term employee benefit Experience adjustments	-	-	-	-	(76)	(76)
Benefits paid during the year / period	(21,935)	(4,422)	(26,357)	(3,884)	-	(3,884)
Provision for long-term employee benefits as at 31 December	102,118	33,017	135,135	108,103	34,377	142,480

Long-term employee benefit expenses included in the profit or loss for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015 consist of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current service cost	16,859	2,677	15,303	2,303
Interest cost	4,382	1,565	3,709	1,299
Past service costs and gains or losses on settlement	-	5,890	-	4,678
Actuarial gain arising from experience adjustments of provision for other long-term employee benefits	-	(73)	-	(76)
Total expenses recognised in profit or loss	21,241	10,059	19,012	8,204
Line items in profit or loss under which such expenses are included				
Cost of sales	9,208	5,249	7,249	3,799
Selling and administrative expenses	12,033	4,810	11,763	4,405

Actuarial losses arising from provision for defined benefit plans which were recognised in other comprehensive income of the Company and its subsidiaries in the year 2015 amounted to Baht 0.2 million (Separate financial statements: Baht 0.2 million) (2016: Nil).

The Company and its subsidiaries expect to pay Baht 7.06 million of long-term employee benefits during the next year (2015: Baht 23.03 million) (Separate financial statements: Baht 6.05 million and 2015: Baht 19.60 million).

As at 31 December 2016 and 2015, the weighted average duration of the liabilities for long-term employee benefit is 8 years (Separate financial statements: 8 years).

Significant actuarial assumptions at the valuation date are summarized below:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate (% per annum)	3 (Thailand) 7 (Vietnam)	3 (Thailand) 7 (Vietnam)	3	3
Salary increase rate (% per annum)	4 – 8	4 – 8	4 – 8	4 – 8
Gold inflation rate (% per annum)	3	3	3	3

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit : Thousand Baht)

	As at 31 December 2016			
	Consolidated financial statements			
	Discount rate		Salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 1.0%	Decrease 1.0%
Compensation on employees' retirement	(5,536)	5,983	13,239	(11,523)
Long service awards	(1,298)	1,378	-	-

(Unit : Thousand Baht)

	As at 31 December 2015			
	Consolidated financial statements			
	Discount rate		Salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 1.0%	Decrease 1.0%
Compensation on employees' retirement	(5,022)	5,422	12,920	(10,413)
Long service awards	(1,197)	1,270	-	-

(Unit : Thousand Baht)

	As at 31 December 2016			
	Separate financial statements			
	Discount rate		Salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 1.0%	Decrease 1.0%
Compensation on employees' retirement	(4,925)	5,326	11,739	(10,207)
Long service awards	(1,120)	1,190	-	-

(Unit : Thousand Baht)

	As at 31 December 2015			
	Separate financial statements			
	Discount rate		Salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 1.0%	Decrease 1.0%
Compensation on employees' retirement	(4,471)	4,829	11,577	(9,230)
Long service awards	(1,036)	1,099	-	-

25. Dividends

Dividends	Approved by	Dividends (Thousand Baht)	Dividend per share (Baht)
Dividends from retained earnings as at 31 December 2015	Annual General Meeting of the shareholders on 26 April 2016	237,599	0.27
Dividends from retained earnings as at 30 June 2016	Board of Director's Meeting on 10 August 2016	79,226	0.09
Total dividends for 2016		316,825	0.36

26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

27. Expenses by nature

Significant expenses classified by nature for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Salaries, wages and other employee benefits	792,193	205,374	628,316	163,468
Depreciation	123,244	24,399	85,099	16,175
Amortisation	21,004	5,058	20,584	4,953
Rental and service expenses from operating lease agreements	19,187	5,593	16,971	3,727
Raw materials and consumables used	3,840,208	943,557	1,647,338	452,109
Changes in inventories of finished goods	89,475	(69,990)	126,467	250,347

28. Income tax

Income tax expenses for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015 are made up as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	164,932	35,652	100,161	17,993
Deferred tax:				
Temporary differences relating to origination and reversal	2,310	(10,181)	(378)	(9,721)
Translation adjustment	(34)	-	-	-
Income tax expenses reported in the statements of comprehensive income	167,208	25,471	99,783	8,272

The amounts of income tax relating to each component of other comprehensive income for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax related to unrealised gain from the change in fair value of investments in available-for-sale securities	(1,208)	(1,531)	(1,208)	(1,531)
Deferred tax related to actuarial loss	(131)	(44)	-	(31)
Total	(1,339)	(1,575)	(1,208)	(1,562)

The reconciliation between accounting profits and income tax expenses is shown below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	912,778	124,986	560,947	86,388
Applicable tax rate	15%, 20% and 25%	20% and 22%	20%	20%
Accounting profit before tax multiplied by income tax rate	180,500	26,205	112,189	17,278
Adjustment in respect of current income tax at previous year	(2,603)	-	(354)	-
Effects of:				
Non-deductible expenses	2,858	985	1,641	1,122
Additional expense deductions allowed	(10,021)	(662)	(3,156)	(128)
Share of profit from investments in associates	(3,128)	(1,187)	-	-
Dividend income	(334)	-	(10,592)	(10,000)
Translation adjustment	(119)	113	-	-
Effect from tax rate change	-	17	-	-
Others	55	-	55	-
Total	(10,689)	(734)	(12,052)	(9,006)
Income tax expenses reported in the statement of comprehensive income	167,208	25,471	99,783	8,272

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets				
Provision for long-term employee benefits	31,105	32,687	27,027	28,496
Liabilities under finance lease agreements	2,328	2,827	2,328	2,827
Allowance for reducing cost of inventories to net realisable value	1,355	1,131	1,195	835
Unrealised loss on changes in fair value of available-for-sale investments	4,936	5,771	4,936	5,771
Others	8,530	9,190	4,639	4,793
Total	48,254	51,606	40,125	42,722

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax liabilities				
Accumulated depreciation – building and equipment	25,766	19,940	19,164	15,260
Vehicles under finance lease agreements	2,127	2,745	2,127	2,745
Surplus of fair value from the amalgamation	152,397	157,823	152,397	157,823
Others	384	–	373	–
Total	180,674	180,508	174,061	175,828
Net deferred tax liabilities	(132,420)	(128,902)	(133,936)	(133,106)
Reflected in the statements of financial position as follows:				
Deferred tax assets	1,057	3,361	–	–
Deferred tax liabilities	(133,477)	(132,263)	(133,936)	(133,106)
Net deferred tax liabilities	(132,420)	(128,902)	(133,936)	(133,106)

As at 31 December 2016, the subsidiaries had unused tax losses totaling Baht 25.76 million (2015: Baht 48.04 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to Baht 25.76 million (2015: Baht 48.04 million) will expire by year 2021 (2015: year 2020).

29. Promotional privileges

The Company received promotional privileges from the Board of Investment for the manufacture of producing dried rice noodles, pursuant to the investment promotion certificate No. 59-0098-0-00-1-2 issued on 20 January 2016. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues, to the extent that the amount of tax exempted does not exceed 100% of investment capital exclusive of land and working capital.

As at 31 December 2016, the Company has not started this promoted operation yet.

30. Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015 (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year/period.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit for the year/period (Thousand Baht)	669,044	80,946	461,165	78,116
Number of ordinary shares (shares)	880,420,930	880,420,930	880,420,930	880,420,930
Earnings per share (Baht/share)	0.76	0.09	0.52	0.09

31. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on their products and services and have two reportable segments as follows:

- the manufacture and distribution of starch and other agricultural products
- the manufacture and distribution of vermicelli and other food products

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss, total assets and total liabilities and on a basis consistent with that used to measure operating profit or loss, total assets and total liabilities in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit, total assets and total liabilities information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2016 and for the period as from 1 October 2015 (amalgamation date) to 31 December 2015.

(Unit : Thousand Baht)

	For the year ended 31 December 2016				
	Starch	Food	Total reportable segments	Adjustments and eliminations	Consolidated
Sales	4,838,213	1,325,144	6,163,357	-	6,163,357
Interest revenue	9,400	18,214	27,614	-	27,614
Interest expense	(6,790)	(1,758)	(8,548)	-	(8,548)
Depreciation and amortisation	(80,047)	(64,201)	(144,248)	-	(144,248)
Share of profit from investments in associates	-	15,640	15,640	-	15,640
Income tax expenses	(136,707)	(30,501)	(167,208)	-	(167,208)
Segment profit	605,247	140,323	745,570	-	745,570
Segment total assets	3,587,282	2,836,448	6,423,730	(20,719)	6,403,011
Investments in associates accounted for by the equity method	-	278,660	278,660	-	278,660
Additions to non-current assets other than financial instruments and deferred tax assets	238,150	11,700	249,850	-	249,850
Segment total liabilities	589,545	489,435	1,078,980	(20,719)	1,058,261

(Unit : Thousand Baht)

**For the period as from 1 October 2015 (amalgamation date)
to 31 December 2015**

	Starch	Food	Total reportable segments	Adjustments and eliminations	Consolidated
Sales	1,042,061	352,432	1,394,493	-	1,394,493
Interest revenue	1,985	4,763	6,748	-	6,748
Interest expense	(939)	(388)	(1,327)	-	(1,327)
Depreciation and amortisation	(15,739)	(8,809)	(24,548)	-	(24,548)
Share of profit from investments in associates	-	5,937	5,937	-	5,937
Income tax expenses	(23,013)	(10,682)	(33,695)	-	(33,695)
Segment profit	84,405	15,110	99,515	-	99,515
Segment total assets	3,022,510	2,848,796	5,871,306	(42,534)	5,828,772
Investments in associates accounted for by the equity method	-	261,165	261,165	-	261,165
Segment total liabilities	464,925	485,407	950,332	(42,534)	907,798

Revenue from external customers is based on locations of the Company and its subsidiaries.

(Unit : Thousand Baht)

	Consolidated financial statements	
	2016	2015
Sales		
Thailand	4,880,910	1,054,974
Vietnam	1,227,320	339,519
China	55,127	-
Total	6,163,357	1,394,493

Major customers

During the year/period, the Company and its subsidiaries have revenue from one major customer in amount of Baht 629 million, arising from sales by the starch segment (2015: Baht 165 million, arising from sales by the starch segment).

32. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. During the year/period, the Company and its subsidiaries contributed Baht 9.16 million (2015: Baht 1.94 million) (Separate financial statements: Baht 8.22 million and 2015: Baht 1.70 million) to the fund.

33. Commitments and contingent liabilities

33.1 Investment commitment

As at 31 December 2016 and 2015, the Company had commitment related to the uncalled portions of its investment in an associate, approximately of Baht 10.43 million.

33.2 Capital commitments

The Company and its subsidiaries had commitments related to the construction of buildings and the purchases of machinery, equipment and computer software as follows:

(Unit : Million)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Baht	130.62	73.17	35.87	71.49
Vietnam Dong	26,206.46	818.32	-	-

33.3 Purchase of raw material commitments

As at 31 December 2016, the Company had outstanding future payment commitments of approximately USD 1.68 million and Baht 8.19 million (2015: USD 1.20 million and Baht 20.93 million) in respect of agreements to purchase raw materials.

33.4 Commitment on purchase price guarantee for tapioca root program

The Company has offered the minimum purchase price guarantee for tapioca during 1 June 2017 – 31 March 2018. However, if the market price is higher than the minimum guarantee price, the Company will purchase the tapioca at the market price at the time of purchase. As at 31 December 2016, the Company had commitments of approximately Baht 76.83 million (2015: Nil), relating to this purchase price guarantee for raw material.

33.5 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space and office equipment. The terms of the agreements are generally 1-4 years. Operating lease agreements are non-cancellable.

Future minimum lease payments required under these non-cancellable operating leases were as follows (Unit : Million)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Baht				
Within 1 year	10.71	8.06	11.36	8.01
1 to 4 years	9.24	12.36	9.62	12.28
Total	19.95	20.42	20.98	20.29
Vietnam Dong				
Within 1 year	5,712.04	-	4,066.04	-
1 to 4 years	10,769.69	-	10,571.69	-
Total	16,481.73	-	14,637.73	-

33.6 Service agreements commitments

(Unit : Million)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Service agreements				
Baht	17.60	19.23	17.60	19.23
US Dollar	0.05	0.03	0.05	0.03
Vietnam Dong	441.41	114.75	325.85	-
Advertising agreements				
Baht	0.02	11.70	0.02	11.70

33.7 Guarantees

As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 27.92 million (2015: Baht 28.09 million) (Separate financial statements: Baht 15.89 million and 2015: Baht 16.21 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

34. Financial instruments

34.1 Financial risk management and policies

The Company's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, current investments, other long-term investments and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit Risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade account receivables. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its deposits with financial institutions and short-term loans to related parties. However, since most of the financial assets bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit : Million Baht)

	Consolidated financial statements As at 31 December 2016					
	Fixed interest rate		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	36.26	-	267.20	11.87	315.33	0.125 - 5.00
Current investments	-	-	-	940.96	940.96	-
Other long-term investments	70.69	429.73	-	85.26	585.68	3.84 - 5.14
Trade and other receivables	-	-	-	655.89	655.89	-
Restricted deposit	9.66	-	-	-	9.66	0.85 - 0.95
	116.61	429.73	267.20	1,693.98	2,507.52	
Financial liabilities						
Short-term loans from financial institutions	80.00	-	60.56	-	140.56	3.90 - 4.80
Trade and other payables	-	-	-	454.97	454.97	-
Short-term loan and accrued interests from related party	-	-	2.63	-	2.63	2.83 - 3.91
Finance lease liabilities	2.84	8.80	-	-	11.64	11.30 - 21.97
Long-term loans from financial institutions	-	-	30.00	-	30.00	MLR - 1.90
	82.84	8.80	93.19	454.97	639.80	

(Unit : Million Baht)

Consolidated financial statements As at 31 December 2015

	Fixed interest rate		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	731.63	-	308.02	178.88	1,218.53	0.125 - 4.30
Trade and other receivables	-	-	-	517.65	517.65	-
Restricted deposit	9.66	-	-	-	9.66	0.90
Other long-term investments	-	406.20	-	81.09	487.29	3.84 - 5.09
	741.29	406.20	308.02	777.62	2,233.13	
Financial liabilities						
Short-term loans from financial institutions	80.00	-	-	-	80.00	4.00
Trade and other payables	-	-	-	387.57	387.57	-
Short-term loan from related party	-	-	2.61	-	2.61	1.20
Finance lease liabilities	2.49	11.64	-	-	14.13	11.30 - 21.97
Long-term loans from financial institutions	-	-	26.11	-	26.11	4.625 - 8.50
	82.49	11.64	28.72	387.57	510.42	

(Unit : Million Baht)

Separate financial statements As at 31 December 2016

	Fixed interest rate		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	129.90	4.76	134.66	0.125 - 1.85
Current investments	-	-	-	940.96	940.96	-
Other long-term investments	70.69	429.73	-	85.26	585.68	3.84 - 5.14
Trade and other receivables	-	-	-	572.98	572.98	-
Short-term loan to related parties	-	-	84.68	-	84.68	2.38 - 3.91
	70.69	429.73	214.58	1,603.96	2,318.96	
Financial liabilities						
Trade and other payables	-	-	-	475.85	475.85	-
Finance lease liabilities	2.84	8.80	-	-	11.64	11.30 - 21.97
	2.84	8.80	-	475.85	487.49	

(Unit : Million Baht)

Separate financial statements As at 31 December 2015						
	Fixed interest rate		Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	652.45	-	177.00	151.27	980.72	0.125 - 1.85
Trade and other receivables	-	-	-	411.23	411.23	-
Short-term loan to related parties	-	-	73.91	-	73.91	2.31 - 2.34
Other long-term investments	-	406.20	-	81.09	487.29	3.84 - 5.09
	652.45	406.20	250.91	643.59	1,953.15	
Financial liabilities						
Trade and other payables	-	-	-	356.94	356.94	-
Finance lease liabilities	14.13	-	-	-	14.13	11.30 - 21.97
	14.13	-	-	356.94	371.07	

Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

The significant balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries at 31 December 2016 and 2015 are summarised below.

Currencies	Financial assets		Financial liabilities		Average exchange rate	
	2016 (Million)	2015 (Million)	2016 (Million)	2015 (Million)	2016 (Baht per 1 foreign currency unit)	2015
USD	8.65	5.31	0.94	0.68	35.83	36.09
EUR	0.50	0.51	0.02	-	37.76	39.44
GBP	-	-	0.02	-	44.04	53.50
CNY	-	0.01	0.01	0.21	5.15	5.55
SGD	-	-	-	0.01	24.80	25.52

As at 31 December 2016 and 2015, the Company and its subsidiaries had no outstanding foreign exchange forward contracts.

34.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the year/period, there were no transfers within the fair value hierarchy.

35. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured and disclosed at fair value using different levels of inputs as follows:

(Unit : Million Baht)

	As at 31 December 2016			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in available-for-sale securities	1,026.23	-	-	1,026.23
Assets for which fair value are disclosed				
Investment properties	-	349.50	-	349.50

(Unit : Million Baht)

	As at 31 December 2015			
	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in available-for-sale securities	81.09	-	-	81.09
Assets for which fair value are disclosed				
Investment properties	-	425.20	-	425.20

(Unit : Million Baht)

	As at 31 December 2016			
	Seperate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in available-for-sale securities	1,026.23	-	-	1,026.23
Assets for which fair value are disclosed				
Investment properties	-	147.00	-	147.00

(Unit : Million Baht)

	As at 31 December 2015			
	Seperate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in available-for-sale securities	81.09	-	-	81.09
Assets for which fair value are disclosed				
Investment properties	-	147.00	-	147.00

36. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their businesses and to maximise shareholder value. As at 31 December 2016, the Company's and its subsidiaries' debt-to-equity ratio was 0.20:1 (2015: 0.18:1) (Separate financial statements: 0.19:1 and 2015: 0.16:1).

37. Reclassifications

Certain accounts in the statements of financial position as at 31 December 2015 have been reclassified to conform to the current year's classification. The reclassifications are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 December 2015			
	As reclassified	As previously reported	As reclassified	As previously reported
Trade and other payables	454,973	290,502	475,845	272,033
Other current liabilities	43,664	119,016	23,736	90,058

38. Event after the reporting period

On 24 January 2017, the Company registered and established TWPC Investment (Cambodia) Company Limited in Cambodia with a registered share capital of KHR 4,000 million or Baht 35.2 million. This company is principally engaged in the manufacture and distribution of tapioca starch. The Company will invest at 100% of its shares.

On 7 February 2017, the Company registered and established Thai Wah Vietnam Company Limited in Vietnam with a registered share capital of VND 22,462 million or Baht 35 million. This company is principally engaged in the manufacture and distribution of food products (vermicelli and other). The Company will invest at 100% of its shares.

On 21 February 2017, the meeting of the Company's Board of Directors passed the following resolutions to propose to Annual General Meeting of the Company's shareholders for approval of dividend payment from the retained earnings as at 31 December 2016. The dividend will be paid by cash at the rate of Baht 0.30 per share. As the Company's Board of Directors Meeting held on 10 August 2016 has the resolution to approve interim dividend payment to the shareholders as cash dividend of Baht 0.09 per share. The interim dividend was paid on 9 September 2016. The Company will pay a final dividend of Baht 0.21 per share. The payment of the final dividend is dependent on approval being granted by the shareholders.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2017.

Related Party Transactions

Transactions between the Company or the subsidiaries and its related parties which may give rise to a conflict of interest are made under normal commercial terms, determined at fair price and at arm's length basis, details as follows:

Sales and Purchase of Goods

Payee	Payer	Detail of Transactions/Contract	Pricing Policy	Amount (million Baht)	Name of Persons with Mutual Interest	Relationship	Necessity and Reasonableness of Transactions
TWPC	TWPL	Sales of goods	Market price	0.19	LRH KCH CSH	Common-shareholder Common-director Common-director	Sales of goods in the ordinary course of business The price is based on normal commercial terms and at arms' length basis

Payee	Payer	Detail of Transactions/Contract	Pricing Policy	Amount (million Baht)	Name of Persons with Mutual Interest	Relationship	Necessity and Reasonableness of Transactions
TWPL	TWPC	Rental and service expenses for office at Bangkok and document storage (total area of 2,264 sqm.) at Thai Wah Tower 1.	Rental and services expenses at the rate of Baht 105-578/sqm./month. Rental rate and service expenses are in line with market rate as compared with other buildings in a similar location, Terms and conditions are similar to those applied to other tenants	18.46	LRH	Common-shareholder	Rental of the Group corporate head office. The building is well located and has good amenities
		Lease Agreement for 3 years from October 1, 2015 to September 30, 2018 and January 1, 2016 to December 31, 2018			KCH	Common-director	
					CSH	Common-director	
		Public utility expenses	Public utility expenses are charged as actual, similar to those charged to other tenants	0.15			Convenience of payment
		Outstanding balance					
TWPL	TWPC	Other service expenses	Actual charge at market price	1.08	LRH	Common-shareholder	To facilitate the business operations of the Company
					KCH	Common-director	
					CSH	Common-director	
BGL	TWPC	Other service expenses	Actual charge at market price	0.8	LRH	Common-shareholder	To facilitate the business operations of the Company

Rental and Service Expenses

Payee	Payer	Detail of Transactions/Contract	Pricing Policy	Amount (million Baht)	Name of Persons with Mutual Interest	Relationship	Necessity and Reasonableness of Transactions
LEL	TWPC	Other service expenses	Actual charge at market price	0.13	LRH	Common-shareholder	To facilitate the business operations of the Company
LBTL	TWPC	Other service expenses	Actual charge at market price	0.25	LRH	Common-shareholder	To facilitate the business operations of the Company

Financial Assistance (Loan and Interest)

Lender	Borrower	Principal Amount (million Baht)	Principal Increase (Decrease)	Interest Income (million Baht)	Interest Rate per Annum	Name of Persons with Mutual Interest	Relationship	Necessity and Reasonableness of Transactions
TWPC	MJ	8.05	-	0.22	Average cost of fund plus 1% per annum	TWPC US	Major shareholder Common-director	<p>The Company granted loan to MJ in the past since the Company foresaw an opportunity to generate profit in the future. The Company held 49.99% shareholdings in MJ. After MJ disposed its land in 2003, MJ had partially settled its debts to the Company.</p> <p>The Company has constantly reminded MJ to settle its outstanding debts owed to the Company. Unfortunately, MJ has experienced financial difficulties and does not have any other assets which could be sold to repay its outstanding debts owed to the Company. Apart from this, MJ's shareholders' equity is in negative. Therefore, the Company has set aside an allowance for doubtful debt in respect of MJ's total outstanding debts owed to the Company.</p>

Procedures for Approving Related Party Transactions

Transactions between the Company or the subsidiaries and its related parties which may give rise to a conflict of interest are scrutinized by the Management and proposed to the Audit and Risk Committee to opine on the transactions. Once recommended by the Audit and Risk Committee, the transactions will be proposed to the Board of Directors or the Board of Directors and the shareholders for approval depending on the nature and size of transactions in accordance with the provisions of the Capital Market Supervisory Board. Any director or management who has an interest in, or is related to, such transaction will not participate in the decision making process.

Such transactions have to be made under normal commercial terms, determined at fair price and at arm's length basis.

Abbreviations

LRH	=	Laguna Resorts & Hotels Public Company Limited
MJ	=	Mae Joe Land Company Limited
TWPC	=	Thai Wah Public Company Limited
TWPL	=	Thai Wah Plaza Limited
BGL	=	Bangtao Grande Limited
LEL	=	Laguna Excursions Limited
LBTL	=	Laguna Banyan Tree Limited
KCH	=	Mr. Ho KwonCjan
US	=	Mr. Umnad Sukprasongphol
CSH	=	Mr. Shankar Chandran

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