

We Specialize in **Tea and Coffee** Creative Solutions



Annual Report 2015

T.A.C. Consumer PCL.

บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)



Tea and Coffee Creative Solutions

T.A.C.C Consumer has co-developed and developed products for key clients such as 7-Eleven, All Cafe', All About Eat, and All Service

B2B



B2C



T.A.C.C also establishes our own Brands, namely Zenya, V Slim Sawasdee and Na-Arun.





Corporate Social Responsibilities



Vision

“To be a leading beverage company
of fering well being of all”

Mission

T.A.C.C. is committed to become a leader in non-alcoholic drink segment, particularly in tea and coffee, both in B2B and consumer markets domestically and in CMLC group of countries, Cambodia, Myanmar, Laos and China. We will solidify our position as a leader by contributing 4 types of benefits as follows:

- Benefits to customers, by creating high quality products with reasonable price to satisfy consumers.
- Benefits to trading partners, by emphasizing on sustainable and long term trading relationships.
- Benefits to the society, by taking part of improving community and society's quality of lives and the environment.
- Benefits to organization, by providing satisfactory returns to shareholders and compensation to employees.





Contents

5

Summary of Financial Data

6

Message from the Chairman of the Board

8

Message from the President of the Executive Board

10

Board of Directors

11

Executive Committee

12

Organization Chart

14

Changes and Important Development

17

Policy and Overview of Business

18

Nature of Business

34

Management Discussion and Analysis : MD&A

35

Risk Factors

41

Shareholders and Management Structure

54

Corporate Governance

59

Dividend Policy

60

Internal Control and Risk Management

62

Corporate Social Responsibilities : CSR

66

Related Transactions

70

Board of Directors and Executive Committee

78

General Information and Other Significant Information

80

Audit Committee's Report

83

Independent Auditor's Report

84

Financial Statements

Summary of Financial Data

	Unit	2013	2014	2015
Statements of Comprehensive Income				
Total Revenues	Million Baht	1,086.97	1,004.71	1,006.36
Total Expenses	Million Baht	1,092.18	936.37	918.82
Profit Before Income Tax Expense	Million Baht	-6.89	65.45	86.23
Profit for the Years	Million Baht	-6.64	51.84	67.95
Statements of Financial Position				
Total Assets	Million Baht	304.72	283.04	806.71
Total Liabilities	Million Baht	280.13	196.61	191.67
Shareholders' Equity	Million Baht	24.59	86.43	615.04
Statements of Cash Flows				
Cash Flow from Operating Activities	Million Baht	-10.51	47.09	81.32
Cash Flow from Investing Activities	Million Baht	-46.4	-6.4	-28.28
Cash Flow from Financing Activities	Million Baht	53.65	-39.78	430.27
Increase in Cash and Cash Equivalents-Net	Million Baht	-3.27	0.9	483.30
Financial Ratio				
Current Ratio	X	0.83	1.14	4.05
Account Receivable Turnover	X	6.33	5.94	5.92
Average Collection Period	Day	56.86	60.62	60.76
Average Sale Period	Day	5.64	8.69	10.12
Account Payable Turnover	X	6.44	5.91	6.09
Average Payment Period	Day	55.93	60.93	59.14
Gross Profit Margin	%	24.59	28.2	30.66
Operating Profit Margin	%	-2.29	6.36	8.52
Net Profit Margin	%	-0.61	5.15	6.75
Return on Equity : ROE	%	-18.87	93.39	19.37
Return on Assets : ROA	%	-2.46	17.64	12.50
Asset Turnover	X	4.04	3.43	1.85
Debt to Equity Ratio : D/E	X	11.39	2.27	0.31
Interest Coverage Ratio	X	-0.57	18.7	75.64
Cash Basis	X	-0.12	0.83	0.68
Dividend Payout	%	0	101.27	90.18

Message from the Chairman of the Board

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6

2015 has been a significant year for T.A.C. Consumer Public Company Limited. Proudly Converting to a Public Company, the company was also listed on the Market Alternative of Investment (MAI) on 2 December 2015, which presents a stable growth of the Company in operating the business for the past 13 years. In 2015, the Company's performance was satisfying, which earned the net profit of 67.95 million Baht, with an increase of 31.07 percent in comparison to the the previous year.

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In the area of future operating performance, the company has been engrossed in run business and given precedence in Good Governance since it is considered as a crucial mechanic which leads to the efficient, transparent, and auditable management system. After raising fund and being listed on MAI, the Company has had financial strength and been increasingly recognized as a listed company by our customers, business partners, and financial institutions. In addition our goal has been set to develop and expand the business in order to grow sustainably in the future for increasing a long-term shareholder return.

On behalf of the Board of Director, I would like to thank you all of our business alliances, including our business partners and customers for your ongoing support which contributes a stable growth to our Company to the present time. I strongly believe in our executive and employees' determination and dedication to practice at full capacity which will result in achieving an accomplishment through the Company's policy and goal alignment.



Admiral Apichart Pengsritong
The Chairman of the Board

Message from the Chairman of the Executive Board

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8 In the event T.A.C. Consumer Public Company Limited pondering the significant step engaged in being listed on the Market for Alternative Investment (MAI) with the proud acquisition of potentiality in the past December 2015. With raising capital through the issuance of the Initial Public Offering (IPO), the Company received a good feedback from investors.

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In the area of marketing, the Company focused on strategic management in field of marketing and selling together with performing research and development on distinctly unique and one-of-a-kind beverages. With a diversity of styles and tastes, our products can fit into customers' lifestyles and meet their needs continuously. In addition, not only projecting our genuine sincerity towards our customers, but also our partners and business alliances are considered as a crucial matter in which the Company realizes and give precedence consistently. The duty of honest, straightforward, and sincere cooperation regards as a key to productivity along with our determination to conduct the business with our long-term partnership under the concept of sustainable growth and business alliances.

In term of revenue in 2015, the Company earned the net profit of 67.95 million Baht, with net profit margin of 6.75 percent, increasing by 16.11 million Baht or 31.07 percent in comparison to the previous year which had net profit at the amount of 51.84 million Baht, with net profit margin of 5.16 percent. The revenue increase resulted from the continuous increase of gross profit margin by focusing on the sale of products having high gross profit margin.



In the area of corporate social responsibility, the Company conducts the business by adhering and placing importance on the principle of duty and corporate social responsibility as well as all stakeholders in order to build sustainability in the business operation along with manage the business to stabilize our growth and be acceptable in the society. Moreover, the Company gives precedence on taking part of life quality development and returning benefits to society consistently. In addition, the aforementioned concepts of value have been educated to employees at all levels, that are the Board of Directors, executive management, employees, and stakeholders, which regards as norm compliance.

In conclusion, I would like to express my gratitude to our customers, partners, business alliances, shareholders, the Board of Directors, and employees for the preparation of being a listed company on MAI up to the present time with the cooperation of relevant parties for supporting the operation of T.A.C. Consumer Public Company Limited. In this regard, the Company will adhere to our vision and mission statement by creating stability through profits to our consumers, partners, society, and organizations, along with operating the business under the principles of good corporate governance. Furthermore, our employees will cooperate to drive “TACC” to grow stability for the Company’s future and make quality products to serve everyone persistently.

Chatchawe Vattanasuk
Chairman of the Executive Board

Board of Directors



● **Admiral Apichat Pengsritthong**
Chairman and Independent Director



● **Mr. Somboon Prasitjutakul**
Chairman of Audit Committee and
Independent Director



● **Miss Trithip Sivakrskul**
Audit Committee and
Independent Directors



● **Mrs. Paktra Suriyapee**
Audit Committee and
Independent Director



● **Mr. Chatchawe Vatanasuk**
Director



● **Mr. Chanit Suwanparin**
Director



● **Mrs. Chirapan
Khotcharit Choosang**
Director

Executive Committee



1 Mr.Chatchawe Vatanasuk
Chairman of the Executive Board

2 Mr.Chanit Suwanparin
Vice Chairman of the Executive Board

3 Mrs.Chirapan Khotcharit Choosang
Executive Director

4 Mrs.Suveeraya Ansavananda
Executive Director

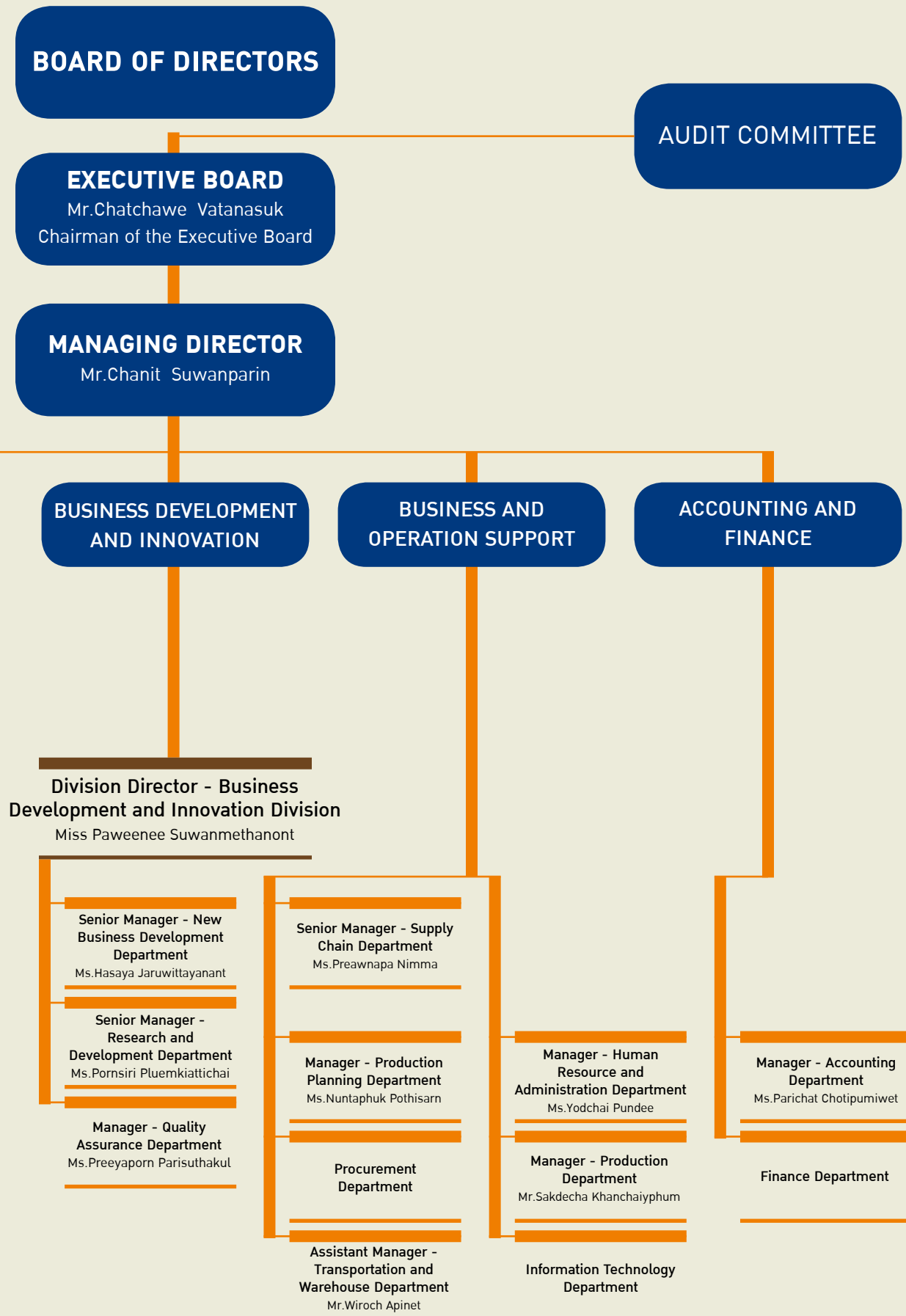
5 Miss Paweenee Suwanmethanont
Executive Director



Organization Chart

12





Changes and Important Development

The details of recent Company's development are provided below.

2002

- Registered as a company under the name "T.A.C. Beverage Company Limited" with its authorized capital of 2 million baht on 28 March 2002.



2003

- The Company started its dispenser drink business in 7-Eleven convenient stores, using the brand "Zenya". The first product sold was iced tea.



2005

- The Company launched a ready-to-drink green tea product, Zenya.
- The Company moved its head office from 99/18, Langsuan Balcony Building, 4th floor, Room No.8, Langsuan Road, Lumpini, Pathumwan, Bangkok to 1481, Sriwara Village, 3/2 Soi Ladprao 94, Wang Thonglang, Wang Thonglang District, Bangkok.



2007

- The Company began selling powder drink mix products, which included milked green tea, green tea, and coffee under the brand "Sha Sha".
- The Company exported ready-to-drink green tea product, "Zenya", to overseas market.



2009

- The Company expanded its business to meat processing and established the processing plant at Hi-Tech Industrial Estate, Bang Pa-In District, Ayuthaya Province.
- On 13 October 2009, the Company obtained BOI Promotion Certificate for manufacture or preservation of food, beverages, food additives or food ingredients using modern technology from Thailand Board of Investment (BOI).
- The Company started to sell grilled meatball and grilled skewered milk pork products under the brands "Happy Chef" and "Number One" in 7-Eleven convenient stores.
- The Company changed its registered name from "T.A.C. Beverage Company Limited" to "T.A.C. Consumer Company Limited" on 28 July 2009.

2010

- The Company increased its authorized capital by 5 million baht, from the previous capital of 2 million baht to 7 million baht, by issuing new 50,000 ordinary shares with par value of 100 baht per share to utilize as a working capital.



2011

- To utilize as a working capital, the Company increased its authorized capital by 3 million baht, from the previous capital of 7 million baht to 10 million baht, by issuing new 30,000 ordinary shares with par value of 100 baht per share which were offered to existing shareholders.
- The Company launched "Vslim", a ready-to-drink healthy and weight control coffee product brand.
- The Company moved its head office from 1481, Sriwara Village, 3/2 Soi Ladprao 94, Wang Thonglang, Wang Thonglang District, Bangkok to 9/231-233 UM Tower Building, 23rd floor, Ramkhamheang Road, Suanluang, Suanluang District, Bangkok.



2013

- To utilize as a working capital, the Company increased its authorized capital by 10 million baht, from the previous total capital of 10 million baht to 20 million baht, by issuing new 100,000 ordinary shares with par value of 100 baht per share which were offered to existing shareholders.
- The Company has won Partnership Award 2013 "Best of Business Growth" from CP ALL Public Company Limited. The award was granted by 7-Eleven to business partners who have outstanding business growth.
- The Company sold its meat processing business which includes renovated parts of the building, machines and equipment, office stationaries and remaining inventories, as well as transferred the Promotion Certificate to Happy Chef (Thailand) Company Limited. The selling price of 20.82 million baht was determined using the book value as of 31 July 2013.
- The Company bought 1 rai 1 ngan and 53 square wa of land and buildings at Paragon Factory Land, Ban Bueng District, Chonburi Province to be utilized as manufacturing plant for drink products.

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- The Company obtained the factory license to manufacture powder instant coffee mix from the Ministry of Industry Thailand on 15 October 2013 and started its production in December 2013.

2014

- To utilize as a working capital, the Company increased its authorized capital by 10 million baht, from the previous total capital of 20 million baht to 30 million baht, by issuing new 100,000 ordinary shares with par value of 100 baht per share which were offered to existing shareholders.
- The Company began selling durian milk with natural chunks, mango milk with natural chunks, and Thai milk tea, all of which were instant drink powder products under the brand "Sa-was-dee".
- The Company started distributing instant drink powder of milk tea, milk green tea, and coffee using "Na-Arun" brand.
- On the 12th of November 2014, the Company's drink manufacturing plant obtained GMP and HACCP certifications from SGS (Thailand).



2015

- To utilize as a working capital, the Company increased its authorized capital by 47 million baht, from the previous total capital of 30 million baht to 77 million baht, by issuing new 470,000 ordinary shares with par value of 100 baht per share which were offered to existing shareholders.
- It was concluded, in the 2/2015 Extraordinary General Meeting conducted on 21 August 2015, that:
 - The Company would be listed as a public company.
 - The par value would be decreased from 100 baht to 0.25 baht per share.
 - The authorized capital would be increased by 75 million baht, from the previous total authorized capital of 77 million baht to 152 million baht by issuing new 300 million ordinary shares with par value of 0.25 baht per share and employed the following arrangement.
 - (1) A Total number of 132 million capital increase ordinary shares would be offered to existing shareholders.
 - (2) A Total number of 9 million capital increase ordinary shares would be offered to the Company's directors, management, and employees.
 - (3) A Total number of 159 million capital increase ordinary shares would be offered to public.



Should there be any remaining unsold shares from the directors, management, and employees according to (2), they would be offered to public according to (3).

- The Company was listed in MAI (Market for Alternative Investment) on 2 December 2015 with the total amount of 608 million shares offered, at the price of 2.88 baht per share, and with the total offering value of 483.84 million baht. The authorized capital and the paid-up capital was 152 million baht as of 30 November 2015.
- The Company was awarded with Thailand Trust Mark from the Department of International Trade Promotion, Ministry of Commerce. This product quality symbol is set to encourage good product and service quality in Thailand. This certifies that the Company is well qualified and has product and service quality that is well accepted and trusted overseas and worldwide.

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Business Goal

16

- Grow together with major trading partners, with an aim to operate the business under sustainable growth and business partnership principles.
- Focus on continuous products development to differentiate the business.
- Create and strengthen distribution channels in both domestic and international markets.
- Increase sales volume in international market by maintaining existing customer base and tapping into new consumer groups.
- Maintain the status as a leader of ready-to-drink green tea market in Cambodia.



Policy and Overview of Business

T.A.C. Consumer Public Company Limited (“The Company”), formerly known as T.A.C. Beverage Company Limited, was registered as a company on 28 March 2002 with its authorized capital of two million baht to operate and sell dispenser drink products, which were jointly developed by the Company and CP ALL Public Company Limited, in 7-Eleven convenient store. Products that were sold at the time included iced tea, milk tea, coffee, and fruit juices such as punch and cantaloupe juice. Later in 2005 the Company expanded its business to ready-to-drink market by launching a ready-to-drink bottled green tea product branded “Zenya” and also expanded the distribution channel to overseas market such as Cambodia, Singapore, Dubai, Russia, and United State of America. Then, in 2009 the Company entered meat processing business by establishing its processing plant at Hi-Tech Industrial Estate, Bang Pa-In District, Ayuthaya Province, in order to manufacture and distribute meatball and grilled pork using the product brands “Happy Chef” and “Number One” and changed its registered name from T.A.C. Beverage Company Limited to T.A.C. Consumer Limited on 28 July 2009. After that in 2011 the Company expanded into functional drink market by launching VSlm, a ready-to-drink healthy and weight control coffee, in order to meet the need of consumers who place their importance on health and beauty. VSlm was considered the first healthy ready-to-drink canned coffee brand with weight control benefit in the market.

In terms of supply chain management, the Company primarily outsources its production to Original Equipment Manufacturer (OEM) to manufacture both jointly developed products with key strategic partners and Company’s own products which were distributed using Company’s brand. In addition, in order to expand its business value chain, in 2013 the Company invested in a plant for power drink mix with manufacturing capacity of 2,021.76 tons per year, with the total area of 1 rai, 1 ngan and 53 square wa located in Paragon Factory Land, Ban Bueng District, Chonburi Province. Although the Company established its own manufacturing plant, it still primarily employed outsourcing manufacturers in order to utilize the outstanding and unique advantages of each producer.

Inspiring by management’s vision to be a leading company in tea and coffee beverages which have been the Company’s main business, the Company sold its meat processing business on August 2013. Then in 2014, the Company developed and launched new instant drink powder products under the brand “Sawasdee” and positioned this product primarily for overseas market. The products included in this brand are durian milk with natural chunks, mango milk with natural chunks, and Thai milk tea, all of which are the flavors that illustrate innovation and contemporary Thai culture, as well as unique Thai taste.

Over the past years, the Company has focused on managing marketing and sales strategies together with research and development of unique and distinct beverages which vary in terms of style and flavor. The Company’s products, as a result, could continuously meet consumer needs and lifestyles, and have been increasingly trusted by customers and partners all along. Aiming to operate its business with long-lasting partners under sustainable growth and business partnership principles, the Company has continuously increased its capital and thus listed itself as a public company as well as changing the registered name to T.A.C. Consumer Public Company Limited since 26 August 2015. Currently, as of 30 November 2015, the Company has the paid-up capital of 152 million baht.

Nature of Business

REVENUE STRUCTURE

Type of Revenue	Year 2013		Year 2014		Year 2015	
	Million Baht	%	Million Bah	%	Million Bah	%
Revenue from sales of drink products						
- Business to Business : B2B	773.26	71.14	773.79	77.02	841.86	83.65
- Business to Customer : B2C	249.14	22.92	228.86	22.78	162.58	16.16
Total revenue from sales of drink products	1,022.39	94.06	1,002.65	99.79	1,004.44	99.81
Revenue from sales of processes food from Meat Products ²⁾	45.38	4.17	-	-	-	
Total revenue from sales	1,067.77	98.23	1,002.65	99.79	1,004.44	99.81
Other Revenue ³⁾	19.20	1.77	2.06	0.21	1.92	0.19
Total Revenue	1,086.97	100.00	1,004.72	100.00	1,006.36	100.00

Remark:

- 1) The Company started to operate a food business in 2009 with a meat processing factory situated in Hi-Tech Industrial Estate in Bang Pa-in District, Ayutthaya. The main products are on-the-go grilled pork ball, grilled skewered milk pork and tendon pork ball under the brand "Happy Chef" and "Number One", distributed in 7-Eleven. Later, as the management of the Company determined to drive an organization to be the leading company in tea-and-coffee-based beverage industry, therefore, the Company spin-offs the food processing business since August 2013.
- 2) Other Income consists of interest income and sales of raw material. However, the Company adjusted the accounting method of raw material (premix) sales for nine-month period ended 30 September 2015 by recognized only the difference between the selling price and cost of sales.

NATURE OF PRODUCTS

The Company engages in the business of sourcing, manufacturing, and distribution of beverages in tea and coffee categories. The Company focuses on managing and executing marketing and sales strategies along with beverage product research and development. The developed products possess distinctive unique selling points and varieties in both formats and flavors. The Company's products meet the needs of consumers of all age and gender, both teenagers, students, college students and working people. The nature of products can be separated into 2 main categories, which consisted of the group of products that the Company jointly developed with its business partner and the group of product which are distributed under the Company brand name. The details are as follow:

1. Product group which the Company jointly developed with its business partner (Business to Business : B2B)

Business to Business: B2B - The Company researches and develops this group of products closely with its key strategic partner in order to manufacture and distribute products to the customer's stores including the convenience stores and food chain restaurants which will be the collaboration between the marketing, sales, new business development division and product research and development division of the Company and the Customer's marketing and purchase division. The products which the Company jointly developed with its partner can be summarized as follows;

1) Dispenser drink of core flavor

This type of beverages generates the Company's main revenue in which a jointly research and development of this dispenser drink has since 12 years been conducted cooperatively with 7-Eleven Convenience Store under the administration of the CP All Public Company Limited. The product will be distribute to the 7-Eleven shops in the form of instant powder package of several sizes, i.e. 467 grams, 702 grams, etc., after which the product will be merged in the dispenser and sold out as cold drink to the customers.

In administering the dispenser drink at the 7-Eleven shop, there will be both the Core Flavor, which is the main beverages that must be available in every 7-Eleven shop. The core flavor drinks that the Company jointly developed with 7-Eleven are ice-coffee with 7-Eleven trademark and milky ice-tea with the "Zenya" trademark of the company. Moreover, there will be other selective drinks in the dispenser drinks, which will be the alternatives for each store to select as seen appropriate with the space of each store. CP All Public Company Limited will jointly develop the products with each product distributor in which more details will be described in number 3 – Products which the Company jointly developed to distribute on occasions or seasonal. Apart from the CP All Public Company Limited, the company has also jointly developed dispenser drinks to distribute to other restaurants that are food business network as well.



2) Instant Powder Drink – Apart from jointly developed the dispenser drinks, the Company as well developed instant powder drink containing 35 g. per sachet to be distributed to All Café store, which is the stores that sells fresh drinks which is located in the 7-Eleven sh. The product has been launched since June 2014 and at present the Company provide 3 flavors; milk tea, matcha green tea and lemon tea.

3) Product that the Company jointly developed to distribute on Occation or Seasonal

Apart from the main products that the Company has jointly developed with the Key Strategic Partner, the Company and the partner have jointly developed drink products to distribute on a specific period of time as appropriate to the Season. The Example of the product in this group are

- Other dispenser drinks which is the alternative for each stores to select as seen appropriate with the space of each store.



Topping

Topping – to add into the drinks. The Company has jointly developed the topping with CP All Public Company Limited, which consisted of 5 flavors namely; Lemon, Cherry, Lychee, Vanilla and Hazelnut. Topping is a syrup for filling in the dispenser drink in 7-Eleven in order to give extra flavor to the drink and help create a fun and exotic in consumption. The products are packed in a colorful package containing 15 g. per sachet and are distributed in 7-Eleven store at the price of 5 Baht. The topping will distribute such products during summer between March and May 2015



4) Hot beverage vending machine

The company joins with CP All Public Company Limited in developing more products in the group of Hot Beverage Vending Machine to bring more convenience to the consumers and this kind of hot beverage vending machine has since been developed and put in to use before the end of 2015.



The hot beverage drink costs 17 baht per glass and it has 3 different flavors; coffee flavor, chocolate flavor and Mutchi milky green tea flavor. The drink will be taken out from the dispenser drink vending machine which is regarded as the new innovation with mixed vending technology at a high speed of 13,000 spinning that can yield a glass of hot beverage in a short period with steady water pressure that makes the hot beverage a good milky taste and pleasurable smell. The following are types of products being developed

2. Product Group Distribute Under the Company Brand (Business to Customer : B2C)

Apart from the product group which the Company jointly developed with its partner, the company as well invent and developed manufacturing recipes to be distribute under its own brand which this group of products can be categorized in to 5 category as follow:

1) “Zenya” Ready-to-drink green tea

This kind of Zenya trademark product is the green tea drink made of the genuine green tea mixed with intense fruit juice, mineral and vitamins, making it completely unique and freshly taste of tea leaves and fruit juice, and this particular feeling has been identified as “Zenya Super Power from Super Fruit”. It is produced in 3 different flavors; (1) Ready-to-drink green tea mixed with pomegranate juice with the benefit of double amount of anti-oxidant derived from green tea and pomegranate fruit. (2) Ready-to-drink green tea mixed with red grapes that helps lower the level of body cholesterol, and (3) Ready-to-drink green tea mixed with the orange juice that helps maintain the body’s immunity system. These ready-to-drink products are placed in the colorful plastic bottles of 500 milliliters, and are good for every consumer of all ages and sexes, particularly the group of teenagers. This kind of product is sold in the general market as well as imported to the overseas, mainly in some ASEAN countries, particularly Cambodia. The retail price in the country’s general market is 20 Baht per unit. As for the overseas market, it will be developed in terms of the product formula so as to be appropriated to the needs of customers as well as the requirements of each particular country. For example, the ready-to-drink green tea with less sugar is granted by the Health Promotion Board of the Singapore with guaranteed sign on the bottle containers as the “Healthier Choice”, and this is to confirm that it is the healthy drink product which can be put into sale in every school all over the Singaporean country.



2) Functional coffee under the brand “Vslim”

A Health and weight control coffee drink with high fiber, low fat and non-cholesterol. Suitable for the working group. It also allows consumers to have a great shape from the benefits of 3 key active ingredients namely, Fiber, White Kidney Bean and L-Carnitine in responding to consumer’s awareness in health and beauty. Functional coffee under the brand name “Vslim” can be separated into 2 types, as follow

a) “VSlim” ready-to-drink coffee

VSlim is one of the ice coffees comprising the outstanding ingredients such as fiber and white kidney bean extracted as well as the L Carnitine. This kind of ready-to-drink coffee is packed up in 240 Milliliters can, and it comes in 2 different flavors; (1) Espresso concentrate coffee and (2) Latte aroma coffee. The VSlim is regarded as the first outstanding brand of healthy choice coffee for losing weight being packed in the form of canned coffee that help make easier for the consumers to drink anywhere and any occasion. The company produces this kind of ready-to-drink canned coffee for consumption both in the country and the outside group of Indo-China countries such as Myanmar, Kampuchea, etc. As for the Thai market, the company has concentrated on selling mainly through the convenience stores in which the retail selling prize is only 20 Baht per can.



b) Vslim™ instant coffee

This instant coffee powder has similar ingredient to that of Vslim ready-to-drink coffee. Of which are fiber and white kidney bean extracted as well as the L Carnitine. This kind of ready-to-drink instant coffee is packed in the small sachet of 14 grams and it comes in 2 different flavors; (1) Latte aroma coffee, and (2) Mocha concentrate coffee mixed with chocolate. This kind of product will be distributed for putting on sale in the country at the convenience stores, and it will be packed in a set of 5 sachets which costs 55 baht per pack.



3) Sha Sha™ ready-to-drink instant powder.

This kind of ready-to-drink instant will be sold in 1,000 grams pack of crates with 6 sachets per crate and it costs 980 baht a crate. The product will be put for sale in the general refreshment stall in the country with the hope that it will make more convenient to the customers only if they mix this ingredient in the water, after which they can drink it right away with good taste of Thai style ingredient that helps provide refreshment to the consumers in every time and every occasion. The product has two different flavors; the ordinary milk tea and the milk green tea, and it will be put for sale mainly in the wholesale shop.



4) Na-Arun” ready-to-drink instant powder

This product is produced in the form of ready-to-drink instant powder, packed in the 500 grams crates with 10 sachets per crate costing 1,000 baht. This kind of product is produced under the aim that the customers or consumers may be impressed on this particular kind of Thai taste the drink refreshment in which screenings of good quality ingredients are made for the benefit of the customers themselves. This kind of ready-to-drink instant powder is produced in 3 different flavors; 1) Latte instant ready-to-drink coffee produced in the form of sweet concentrate roasted instant with fresh aroma of Thai style instant coffee, 2) Thai milk tea ready-to-drink instant with soft mellow flavor of Thai traditional style, and 3) Ready-to-drink instant green tea with sweet and concentrate ingredient of milk and green tea with jasmine smell flavor. This kind of ready-to-drink instant is produced for exporting to the overseas market places, particularly and mainly in the oversea Thai restaurant as well as in Asian grocery stores.



5) “Sawasdee” ready-to-drink instant powder

This kind of drink is regarded as the high quality product of ready-to-drink Instant powder and is produced with the aim of initiating different favorable need of consumption by using high quality ingredients and flavors as well as packaging so as to be appropriate to Thai identity under the Thai brand of salutation “Sawasdee”. This ready-to-drink brand is produced in 3 different flavors; 1) Durian milk flavor mixed with durian meat with “Sawasdee Bangkok Durian” trademark. It comes in the form of hot drink which makes the consumers feel the taste and smell of Thai durian which is regarded as the outstanding king of the tropical fruit, 2) Mango milk flavor mixed with mango meat with “Sawasdee Royal Mango” trademark. It comes in the form of hot drink with nice smell of mango which helps make relieve of tension to the consumers, and 3) Thai milk tea with “Sawasdee Thai Milk Tea” trademark is the concentrate taste of sweeten aroma Thai style of tea mixed with milk. These Sawasdee durian and mango flavors are packed in the crate of 30 grams weight with 5 sachets per crate, while Thai milk tea is packed in the crate of 10 sachets in which they are to be exported to the overseas markets, mainly the group of Chinese customers.



6) “Hay” Fruit Juice with Nata De CoCo

This is the quality group of fruit flavors drink supplemented with special ingredient of Juice with Nata De CoCo to add more freshly feeling and satisfaction among the customers. The product is named as “Hay” trademark comprising 3 different flavors; 1) orange flavor, 2) grape flavor, 3) strawberry flavor. These are packed in 290 milliliters crate, and have high standard of production to be sold mainly within the Kingdom as well as being exported to other countries of AEC group.



MARKETING AND COMPETITION

Competitive Strategy

1. Establishing Business Partnership

The heart of Company's business is to build business partnership with all the business partners, including customers, original equipment manufacturers (OEM), and material and packaging suppliers. The Company has its policy to establish long-term relationship with partners under business alliance concept. Apart from common business transaction, the Company has been working closely with its partners in exchanging the idea, determining business plan, as well as developing product and package that could satisfy customer's needs and that could swiftly and effectively react to marketing situation. Moreover, the Company and its trade partners regularly exchange their views on new products and update the trend of beverage markets both in domestic and overseas market. Such business relationship is beneficial to not only the Company but also its partners and lead to sustainable long-term business relationship. To add to this, the Company has been one of 7-Eleven key strategic partners which enable the Company to constantly develop and introduce new products to customers. This results in a steady growth of Company's revenue. In 2013, the Company was granted the Partnership Award 2013 “Best of Business Growth” from CP ALL Public Company Limited. The award has been bestowed to the trade partners, mostly large corporations, in recognition of continuous collaboration and excellent business growth. This, as a result, demonstrates that the Company has been accepted by its customers and has been on par with leading companies of the country.

2. Developing Unique and Differentiated Products

Another factor contributing to the steady business growth is that the Company has placed its importance on product research and development to create unique and distinct products both in appearance and taste; for examples, a green tea product without green color under the concept “The Colorful Green Tea” of which the idea has been further developed to “Super Power from Super Fruit” and a beverage with natural fruit chunks branded “Sa-was-dee”. This allows

the Company to react itself appropriately and promptly to business opportunities, gaps, and changes that evolve all the time, while being able to focus itself more on specific target market in order to thoroughly meet diverse consumers' needs and lifestyle. Such outcome stems from a cooperation among marketing team, business development team, and product research and development team. Initially, the marketing team will study and closely monitor beverage market trend both in domestic and overseas markets, as well as changes in consumers' behaviors. After that, the business development team will conduct a project feasibility study and then the product research and development team will create, develop, and design product that could satisfy the need. Since the product research and development team having long been experienced in beverage industry, they could constantly create and develop new unique and differentiated products to the market. By differentiating its products, the Company could mitigate the risk from substitute products of the same category. The Company's products are distinctly differentiated by their unique flavors which are difficult to imitate, thus making consumers satisfied and frequently purchase them. This results in the increasing bargaining power of the Company towards its distributors and importers.

3. Maintaining Product Quality Standards

Apart from inventing and developing new unique products, the Company also gives its priority to the production of quality products to satisfy consumers' needs. The Company has set in place its product quality control policies in every stage of the production, starting from selection and procurement of necessary ingredients for each product type from high quality producers / suppliers. Although most of the Company's products are manufactured by OEMs who procure ingredients on their own, the Company ensures its product flavor and quality standards by determining the list of major ingredient producer / supplier. The OEMs / Company will have to inspect the ingredient quality, so as to be in compliance with the determined specification set by the Company, as well as asking suppliers to deliver samples of ingredient to quality assurance department for inspection every purchase order. Moreover, the Company also examines and controls its product quality in every stage of production, from the beginning to the end, before delivering to its customers. All the processes aforementioned are made to ensure that the quality of products / materials supplied meet our standards.

As the manufacturing of most products is outsourced to external OEMs, the Company put its great emphasis on the selection of such manufacturers, starting from the quality standard inspection of their plants. Every contracted manufacturer must be certified with various standards such as GMP and HACCP. Moreover, the Company inspects its OEMs of their production procedures and processes, in manufacturing of sample products, and on the first batch production. The OEMs also have their own quality assurance teams to regularly inspect their own product quality and they have been requested to submit the sample of every batch of production for Company's inspection to ensure that the product quality meet the requirements before delivering to customers. In addition to that, the random quality inspection of in store products is also employed.

4) Continuous Public Relation and Sale Promotion

The Company places its great importance on sale promotion and public relation of products through its continuous arrangement of marketing activities in order to promote the products through its primary channels; for examples, regularly participating in domestic and overseas food and beverage exhibitions which create opportunities for the Company to exchange its view with groups of targeted customers, both direct customers and groups of distributors, importers, and

wholesalers from all over the world. This helps promoting the products and assisting in market expansion, as well as acting as a channel to receive customers' suggestion towards products which is crucial for product improvement and development to effectively satisfy customer's needs in each segment more precisely. Moreover, participating in such events also enables the Company to obtain information on food and beverage industry trend as well as innovative idea which allows the Company to timely evaluate and develop its product to satisfy customer's needs and lifestyles that evolve constantly.

In the Past, the Company has participated in various exhibition and fair, such as

- THAIFEX World of Food Asia, held in the month of May every year at Bangkok, Thailand
- SIAL China : Asia's Leading Food & Beverage Exhibition, held in the month of May every year at Shanghai, China
- FHC China : China's Global Food & Hospitality Trade Show, held in December every year at Shanghai, China
- Fine Food Australia held in September every year at Sidney, Australia
- Gulf Food Dubai : The World's Biggest Annual Food & Hospitality Show, held in the month of February every year.
- Foodex Japan Held in March every year in Tokyo, Japan

NATURE OF CUSTOMER AND TARGET GROUP

The Company's target customers covers all group of consumers, all gender and all age. The difference is the type of product which are as follow:

Products	Target Customers
<ul style="list-style-type: none"> • Dispenser drink 	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket
<ul style="list-style-type: none"> • Ready to Drink green tea under brand "Zenya" 	Target customers ranges from teenagers to middle-aged persons aged 15-30 years which are mainly in the low to moderate income bracket
<ul style="list-style-type: none"> • Health and weight control coffee under brand "VSlm" 	Females with health and beauty consciousness aged 20-39 years who are in need of refreshment during work that are mainly in the moderate to high income bracket
<ul style="list-style-type: none"> • Instant powder drink under brand "Sha Sha" 	The working population aged 30-49 years that are mainly in the low to moderate income bracket
<ul style="list-style-type: none"> • Instant powder drink under brand "Na Arun" 	The working population aged 30-49 years that are mainly in the low to moderate income bracket
<ul style="list-style-type: none"> • Instant powder drink under brand "Sawasdee" 	The working population aged 21-39 years that are mainly in the moderate to high income bracket focusing on overseas market particularly in China.
<ul style="list-style-type: none"> • Fruit Juice with Nata De CoCo under brand "Hay" 	Target consumers are kids to young adults 12-29 years with low to moderate income bracket. Focusing on the domestic Market and people in AEC group that work in Thailand as well as International AEC group Market.

Proportion of Revenue from Sales Separated into categories of Customer in the years 2013-2014

Sales	2013		2014		2015	
	MB	%	MB	MB	%	MB
Domestic sales	958.42	89.76	872.72	87.04	926.96	92.29
International sales*	109.35	10.24	129.93	12.96	77.48	7.71
Total Sales	1,067.77	100.00	1,002.65	100.00	1,004.44	100.00

Remarks : In 2013 and 2014 The aforementioned revenue from International sales include figures that is Indirect Export as well.

PRICE SETTING POLICY

The Company determines its product price using the cost plus margin method. The final product prices differ depending on the type of product itself, distribution channels, degree of competition in the market, and product recognition implanted by each segment. Moreover, the Company might arrange promotional campaigns which include discount, product giveaway, or other promotional activities with its business alliances based on market condition and marketing strategy.

SALE AND DISTRIBUTION CHANNEL

The Company distributes its products using both domestic and overseas channels. The dedicated sale team is tasked to contact and coordinate with different distribution channels to thoroughly and efficiently distribute products. In domestic market, products are distributed through large wholesalers and retailers, while in overseas market products are sold by importers and / or distributors.

The Company has two main distribution channels which can be summarized as follows:

1. Domestic Distribution Channels

Domestic sales are executed both in cash and with credit terms granted to customers. Most of which have a credit term between 30-60 days. Domestic channels can be divided into two types as follows;

A) Traditional Trade

- Van Sales : At present, the Company has four van sales accompanied by its sales staff. The sales staffs visit retail outlets to survey the market as well as promote and sell the Company's products in order to build new customer base. Product distribution coverage areas include Northeastern, Eastern, Western and Bangkok region. This sales channel focuses on product distribution through specific channels such as hospitals, factories, schools and golf courses.

- Sale through large wholesalers : The Company appoints one wholesaler per one territory to distribute its products to retail stores. Currently, there are three territories which are Upper Northeastern, Lower Northeastern and Central regions

B) Modern Trade

The Company distributes its products directly to modern trade outlets by focusing on distribution to convenience stores such as 7-Eleven, Family Mart, Tesco Lotus Express, Villa Market, Lawson 108 and Mini Big C. Most of the products distributed to modern trade are dispenser drink available at 7-Eleven and V Slim coffee.

2. Overseas Distribution Channels

The Company distributes products via importers and/or distributors. At present, the Company has five distributors for overseas market. Overseas sales are conducted under an advance payment policy, whereby customers have to transfer in full payment before any product shipment.

For expanding distribution channels to overseas markets, the Company will consider market condition, competition, opportunities and threats in each market including the Company's capacity and strength. Currently, Cambodia is considered to be a strategic market of the Company since its size and population matches the Company's market expansion plan. Moreover, the competition in the beverage industry in Cambodia is relatively low and advertising expense is significantly lower than in Thailand.

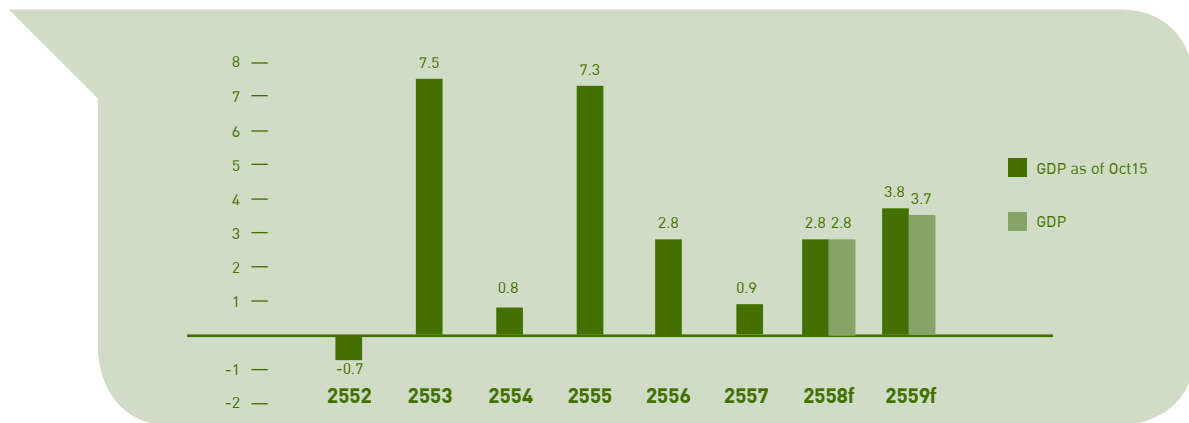
Products	Distribution Channel	
	Domestic	Overseas
1. Dispenser drink	✓	-
2. Ready to drink green tea under brand "Zenya"	✓	✓
3. Health and weight control coffee under brand "VSlm"	✓	✓
4. Instant powder drink under brand "Sha Sha"	✓	-
5. Instant powder drink under brand "Na Arun"	✓	✓
6. Instant powder drink under brand "Sawasdee"	✓	✓

INDUSTRY SITUATION

It was reported by the Fiscal Office, Ministry of Finance, that in 2015 Thai economy was expected to grow by 2.8 percent, 0.9 percent accelerating from the previous year, from constant increase of government expenditure towards economic stimulus policy implemented since the 4th quarter of 2015, and towards agricultural support and drought mitigation measures. Increasing number of tourists is also another factor supporting economic expansion. Private consumption had a tendency to gradually recover from that of the previous year, as having benefits from the government's economic recovery policy, and from low inflation rates and low oil prices. However, the global economic slowdown, especially of the countries that are Thai trade partners, will result in the lower number of products and service export values. Thai Economic stability was still desirable, with the headline inflation of -0.9 percent in 2015, decreasing from the previous year due to reduction of both oil price and global consumer product price.

The Fiscal Office, Ministry of Finance also foresees that in 2016 Thai economy has a tendency to grow at a fast pace, as having benefit from various government measures such as the project "Strengthening the Economic Foundation in Compliance with the Civil State Policy" in which the government plans to spend 35,000 million baht funding 79,556 village and urban funds. Each entity will receive no more than 500,000 baht funding which is expected to stimulate 3.7 percent of economic expansion (the expected range is between 3.2 and 4.2 percent). Moreover, economic growth can be expected as the result of increasing government investment, particularly in transportation infrastructure mega projects and from the increasing of government capital expenditure budget of the year 2016 towards internal stability. It is expected that the headline inflation of the year 2016 will be at 0.3 percent (the estimated range will be between -0.2 and 0.8 percent), increasing from that of the previous year due to higher demand pull factor; however, the inflation of the country is still low due to the trend of low energy price that pulls down cost. In estimating Thai economy, it is necessary to take into consideration the relating risk factors such as fluctuation of oil price in global market and weak global economic recovery.

GROWTH RATE OF GROSS DOMESTIC PRODUCT (GDP)

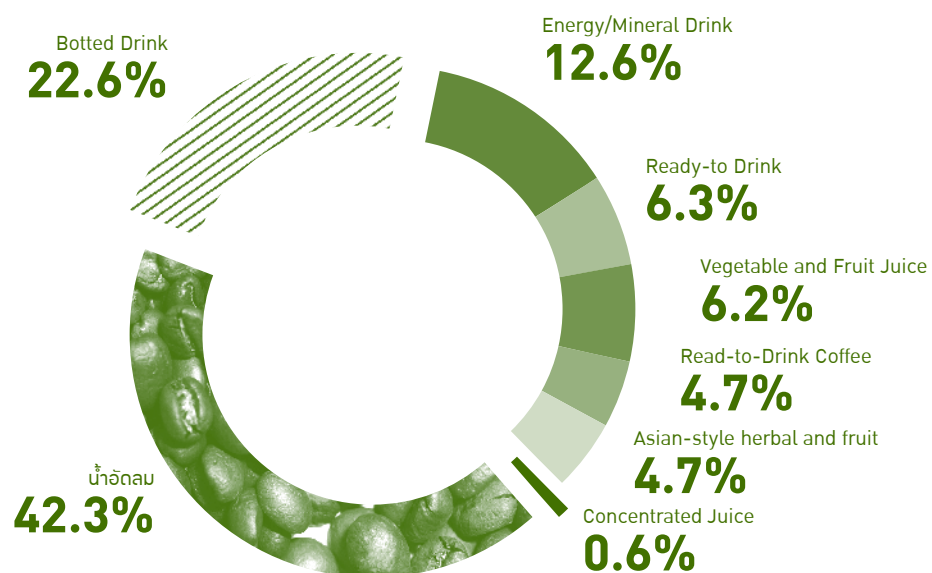


SOURCE : FISCAL POLICY OFFICE MINISTRY OF FINANCE

NON-ALCOHOLIC INDUSTRY

Non-alcoholic (or soft drink) industry can be segmented into carbonated drink, bottled drink, energy / mineral drink, ready-to-drink tea, vegetable and fruit juice, ready-to-drink coffee, Asian-style herbal and fruit drink, and concentrated juice. The market has its value of more than 200,000 million baht with a steady growth which is higher than that of private sector consumption. This was the consequence of sale promotion and marketing activity and promotion, introduction of new products to the market, and increasing of distribution channels as a result of modern trade expansion, in particular, the convenient stores throughout every region of Thailand.

MARKET SHARE OF NON-ALCOHOL DRINK IN THAILAND FOR THE YEAR 2015



Source : Food Intelligence Center Thailand National Food Institute Ministry of Industry Thailand

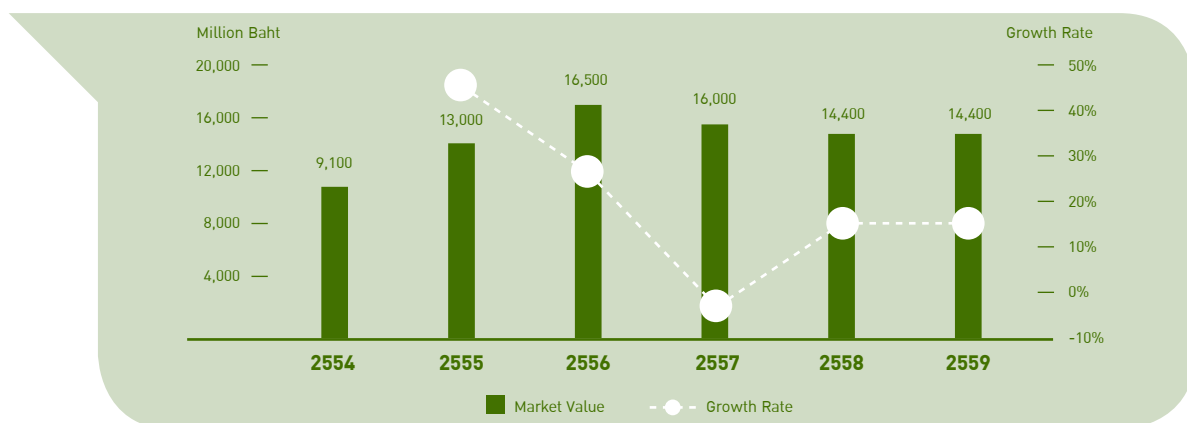
In overview, carbonated drink was the leading segment in non-alcoholic industry, followed by bottled drink, and energy / mineral drink segments, in which the consumption of the three categories accounted for 42.3, 22.6, and 12.6 percent of total market share respectively. For the Company's products in this segment, which include ready-to-drink tea and coffee with the market shares of 6.3 and 4.7 percent of market value, respectively.

READY-TO-DRINK TEA INDUSTRY

Tea has become widely popular nowadays due to its unique taste and scent, as well as its numerous health benefits such as lowering cancer and heart disease risks, reducing blood glucose level, and controlling blood lipid level. The tea market can be classified into ready-to-drink and leaf tea segments. As Thailand is located in tropical area, most consumers prefer cold drink for thirst-quenching and freshness, so the ready-to-drink tea products have become more popular than the leaf tea products which are usually hot drinks. Domestic tea market has witnessed a steady growth due to the consumers' awareness trend towards health and wellness, introduction of new products into the market, increasing of distribution channels, and arrangement of marketing activity to promote sales of industry's players. It is indicated in Thai food market report made by Food Intelligence Center that the country's tea markets still enjoy its high growth potential as the tea consumption rate for Thais is 0.09 kilogram per person per year; very low compared to that of British of 2.3 kilograms and that of Chinese of 0.4 kilogram.

When considering the market that is related to the Company's product which is the ready-to-drink market, it can be seen that the domestic ready-to-drink market has witnessed constant growth. The market values during 2012-2015 were 13,000, 16,500, 16,000, and 16,000 million baht respectively. Sharp market growth from 2011 to 2012 was caused by emerging of new players and their competitions in price, promotion, and introduction of new product. This ongoing competition resulted in an increasing value of green tea market in 2013. However, due to the slowdown of domestic economy as being affected by global economy and political instability at the end of the year 2013 and continued to the year 2014, consumers became more cautious in spending their money and thus resulting in the shrinking of green tea market value in 2014 compared to 2013.

MARKET VALUE OF READY-TO-DRINK GREEN TEA 2011 - 2015

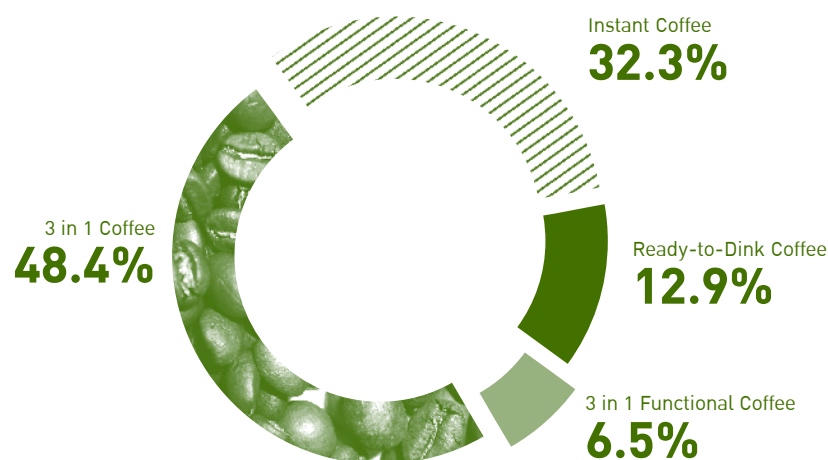


Source : Marketeer

COFFEE INDUSTRY

Coffee industry can be segmented to 3 in 1 coffee, instant coffee, ready-to-drink coffee, and functional 3 in 1 coffee. In 2015, the market value of coffee products was worth 31,000 million baht with a steady growth rate of 3.5 percent per year on average due to an increasing number of Thai consumers who drink coffee. The average coffee consumption among Thais is 0.5 kilogram per person per year. Although this figure has continued to increase, it is still below the average number of various countries such as 1 kilogram for Vietnamese, 2 kilograms for Japanese, 5.42 kilograms for French, and 4.09 kilograms for American, so additional growth in domestic market can be anticipated. Also, Opening of ASEAN Economic Community (AEC) will be another factor contributing to the growth of the coffee market as well.

MARKET VALUE OF READY-TO-DRINK COFFEE IN THE YEAR 2015



Source : Marketeer

In terms of coffee market share in Thailand in the year 2015, the 3 in 1 segment took the largest share of 48.4 percent, which was worth approximately 15,000 million baht. Segments with lesser market share include instant coffee, ready-to-drink coffee, and functional 3 in 1 coffee with their respective shares in 2014 of 32.3, 12.9, and 6.5 percent and segment values of 10,000 million baht, 4,000 million baht, and 2,000 million baht.

EXPORTING INDUSTRY

The Company aims to expand its business to overseas countries, particularly to the CLMV group countries which include Cambodia, Lao, Myanmar, and Vietnam, as they are countries with considerable business potential and has witnessed sharp economic growth. The total export values to the CLMV were 574,252.40 million baht in 2013, 664,683.70 million baht in 2014, and 751,962.44 million baht in 2015. The Compound Annual Growth Rate (CAGR) is 13.13 percent annually. The export values of drink products alone during 2014-2015 were 25,747.50 million baht, 31,591.20 million baht, and 36,374.20 million baht which accounted for 4.48 percent, 4.75 percent, and 4.84 percent of total export value during 2013-2015 respectively. The Compound Annual Growth Rate (CAGR) was 4.69 percent. For the year 2015, the export value to CLMV countries was 353,161.20 million baht which indicated the market growth of 8.98 percent based on that of the previous year. This includes the export value of drink products of 18,564.10 million baht representing the growth of 9.63 percent compared to that of the last year. Export value of drink products contributed for 5.26 percent of total export value. Growth of the said value was the result of increasing interests in consuming products as the consumers in this market had good perception towards Thai products and had good awareness of Thai brands.

TOTAL EXPORT VALUE IN 203-2015

Country	Year 2013		Year 2014		Year 2015		Growth Rate [%]	
	Million	%	Million	%	Million	%	56/57	57/58
Cambodia	128,643.30	22.40	145,486.70	21.89	167,048.28	22.22	13.09	14.82
Myanmar	114,520.70	19.94	136,270.10	20.50	140,789.55	18.73	18.99	3.32
Loas	113,542.10	19.77	129,666.30	19.51	142,909.28	19.00	14.20	10.21
Vietnamese	217,546.30	37.88	253,260.60	38.10	301,215.33	40.05	16.42	18.93
Total	574,252.40	100.00	664,683.70	100.00	751,962.44	100.00	15.75	13.13

Source : Information Technology and Communication Center and Office of the Permanent Secretary Ministry of Commerce

2558 EXPORT VALUE OF PRODUCTS IN DRINK CATEGORIES IN THE YEAR 2013

Country	Year 2013		Year 2014		Year 2015		Growth Rate [%]	
	Million	%	Million	%	Million	%	56/57	57/58
Cambodia	7,033.90	27.32	6,945.90	21.99	8680.07	23.86	(1.25)	17.77
Myanmar	9,548.60	37.09	12,771.90	40.43	12987.68	35.70	33.76	26.59
Loas	1,915.20	7.44	2,085.70	6.60	2351.30	6.47	8.90	4.81
Vietnamese	4,259.80	18.70	7,249.80	28.16	12,355.15	33.97	70.19	25.29
Total	22,781.50	100.00	25,747.50	100.00	36,374.20	100.00	13.02	22.70

Source : Information Technology and Communication Center and Office of the Permanent Secretary Ministry of Commerce

At present, the primary exporting target country to which the Company mostly export its products is Cambodia. Total export value of beverages to the country during 2013-2015 had its Compound Annual Growth Rate (CAGR) of 8.26 percent per annum. The growth rate of export value in 2015 was 17.77 percent based on that of the previous year. Such growth was the result of country's steady economic expansion. In 2015, Cambodia witnessed the economic growth of 7.5 percent, slightly increasing from that of the previous year of 7.2 percent. The Bank of Thailand, on its CLMV Report 2015, anticipated the growth of Cambodia's economy in 2016 at the rate of 7.7 percent as being supported by the higher degree of political stability and economic recovery of its trade partner economies. However, certain risk factors towards economic expansion of the country were identified as the impact from drought and low agricultural products price.

Moreover, the Company also aims to expand its business to China who is the world's 2nd largest economy and is one of the major driving forces towards regional and global economy. The export value of Thai products to China was 824,672.20 million baht in 2013 and 801,234.98 million baht in 2014. The export values of drink product alone during 2013-2015 were 587.40 million baht, 639.20 million baht, and 775.01 million baht which accounted for 0.07 percent, 0.08 percent, and 0.09 percent of total export value during the period respectively.

Export Value to China in the Year 2013-2015

	Year 2013		Year 2014		Year 2015		Year 2013	
	Million	%	Million	Million	%	Million	13/15	14/15
Export value of drink	587.40	0.07	639.20	0.08	775.01	0.09	8.82	21.26
Total Export Value	824,672.20	100.00	806,437.60	100.00	801,234.98	100.00	(2.21)	12.44

Source : Information Technology and Communication Center and Office of the Permanent Secretary Ministry of Commerce

Ready-to-drink Tea Market

Steady growth in domestic ready-to-drink green tea market has attracted new players into the business and they struggled against others in terms of price, promotional activities such as lucky draw, discount, and giveaway products under marketing campaigns, as well as introduction of new flavor products. This resulted in higher degree of competition in the market. The underlying reason behind such competition was that larger players need to increase their market share while maintaining leadership. Those corporates had several advantages arising from accessing funds, strong distribution channel, and cost advantage due to the economy of scale.

For the market share in 2015, there were 2 market leaders / large players, Ichitan Group Public Company Limited and Oishi Group Public Company Limited, with the market shares of 44 percent and 38 percent respectively (as of October 2015) and both companies accounted for the combined market share of 82 percent of ready-to-drink domestic green tea market. This was followed by the product “Puriku” of T.C. Pharmaceutical Industries Company Limited and the brand “Lipton” distributed by Unilever Thai Trading Limited with their respective market share of 8 percent and 4 percent. The primary target market for the Company’s ready-to-drink brand “Zenya” is overseas market, as the Company could earn less revenue from domestic market via specific distribution channels such as in golf courses, education institutes, and hospitals.

Functional Coffee Market

Although there are fewer players in the market, the functional coffee products such as diet coffee that contains white kidney bean extract and L-Carnitine and beauty collagen coffee have gained more popularity especially among working women who place their importance on health and beauty. This also attracts new companies into the market.

In terms of functional coffee market share in 2015, the brand “Nature Gift Coffee” of NatureGift 711 Limited Partnership was the market leader with its share of 29 percent, followed by “Preaw Coffee” of Sappe Public Company Limited who shared 22 percent, and “NESCAFÉ Protect Proslim” of Nestlé (Thailand) Limited who owned 11 percent of market share. The Company’s functional coffee brand “VSlm” is distributed as ready-to-drink canned coffee and 3 in 1 instant coffee mix products, which is the first healthy and diet canned coffee brand. The market share aforementioned includes only the share of functional 3 in 1 coffee mix segment, which accounted for 25-35 percent of Company’s total revenue.

Management Discussion and Analysis : MDA

T.A.C. Consumer Public Company Limited (“the company”) would like to clarify the operating results for the year ended December 31, 2015 as follows:

SALES

In 2015, the sales revenue of the company was 1,004.44 million baht, increased by 0.18% from 2014 when the sales was 1,002.65 million baht due to

1) The company had domestic sales valued 926.96 million baht, increased by 6.21% from the prior year when the amount was 872.72 million baht. This was because the company launched new products and expanded the market coverage.

2) The company had export sales valued 77.48 million baht, decreased by 40.37% from the prior year when the amount was 129.93 million baht. The result was derived from the change of distribution strategy in Cambodia in Q2/2015. However, this issue has already been resolved since August 2015.

COST OF SALES

In 2015, the company had the cost of sales valued 696.51 million baht (69.34% of sale) or 30.66% gross margin, while in 2014, the company had the cost of sales valued 717.45 million baht (71.56% of sale) or 28.44% gross margin.

The company had higher percent margin due to the higher sales from the products with higher gross margin. In addition, the company's own factory has run higher capacity compared to that in 2014.

Selling Expenses

In 2015, the selling expenses were 162.30 million baht, decreased by 0.77 % from the previous year being reported at 163.55 million baht.

The majority of selling expenses were advertising and promotion expenses, business travelling and exhibition expenses.

ADMINISTRATIVE EXPENSES

In 2015, the company had administrative expenses of 60.01 million baht increased by 8.37 % from the previous year when there were 55.37 million baht. The majority of admin expenses were salaries and wages and other employee benefits as well as expenditures for preparing the company listing in Market for Alternative Investment (MAI).

FINANCE COSTS

In 2015, the company had finance cost valued 1.32 million baht, decreased by 54.47 % from the previous year being recorded at 2.89 million baht. This was because the company had higher cash flow-in from normal operation. Consequently, at present, the company does not have bank overdrafts and also repays long term loan to financial institutes.

NET PROFIT

In 2015, the company's net profit was 67.95 million baht (6.75 % of sale) increased by 16.11 million baht (31.07%) from the previous year (51.84 million baht or 5.16% of sale). The increase in net profit was driven by the company's strategy “Sell more on the high margin products”.

Risk Factors

1. RISK FORM KEY CUSTOMER DEPENDENCY

The Company's total revenue in the year 2014 and 2015, 83.20% and 88.96% come from transactions with CP ALL Public Company Limited. Therefore, if the Company loses the said customer or the customer reduces its orders, it will significantly have an impact on the Company's revenue and financial performance.

Due to the fact that CP ALL Public Company Limited ("CPALL") operates a retail business under the brand "7-Eleven" convenience stores in Thailand which has many distribution channels all over the country and continues to expand its branch every year, and to the fact that there were 8,127 7-Eleven stores all over the country at the end of the year 2014 (data from CP All Public Company Limited Annual Registration Statement 2014), the Company has witnessed the high and steady growth of its product demand as well. CPALL is also a company with stable and strong financial position. As one of CPALL suppliers under a business alliance (Key Strategic Partner), the Company is given the opportunity to continuously develop its new products. Furthermore, as the Company's products have been with 7-Eleven customers for a long time, the customers have become fond of the taste of the drinks thus they are not likely to shift to other products. This creates a competitive advantage for the Company. By operating under the principle of business alliance between the Company and CPALL as aforementioned, both parties can gain mutual benefits, in which the Company also works closely with the its customer, apart from ordinary business transaction, in exchanging ideas, determining business plans, developing products as well as packaging in order to quickly and effectively satisfy the needs of customers and the changes in market situation. Moreover, the marketing department regularly shares new product ideas and updates both domestic and overseas beverage market trends with customers. It can be seen that the Company's revenue from CPALL does not only come from existing products, as the Company works together with its customers to develop new products to cover a wide range of consumer group. Additionally, the extensive relationship with CPALL for over 12 years has been an evidence of confidence and trust given by the customer and in the year 2013 the Company was given a Partnership Award under the category "Best of Business Growth" from CPALL, which is an award granted to the partner who is well-cooperated and has an outstanding growth performance. The majority of the award winning corporations are large enterprises which show that the Company is viewed by the customer as equal to the country's leading corporations. Hence, the management is certain that the relationship with the customer can be maintained firmly and sustainably.

The Company realizes the said risk and thus set its policy to reduce the risk of dependency towards the aforementioned customer by having developed dispenser beverages for Food Chain businesses with the customer. In addition, the Company also emphasizes on selling products under the Company's own brand in which the Company advertises the products in both domestic and overseas exhibitions every year. This creates product recognition as well as expanding its market to cover a wide range of customers.

2. RISK FORM DEPENDENCY ORIGINAL EQUIPMENT MANUFACTURER

The Company outsources most of its production to OEM. At present the Company utilizes 6 major OEMs which accounts for 84.22% and 78.63% of the Company's total finished product purchase volume of the year 2014 and 2015 respectively. The Company purchased from one of its OEMs 65.72% of the total value of finished products purchased in 2014 and 62.97% in 2015. The decrease is due to the fact that the Company is trying to reduce the risk of dependency by diversifying its purchase to other manufacturers in case the OEM is unable to deliver products of the specified quality

and standard or unable to supply products within the ordered quantity and in a timely manner, as well as in the case that the OEM can no longer produce for the Company which could adversely have an impact on the Company business.

The Company has placed its importance on the selection of OEM by preliminary taking into account OEM's expertise in manufacturing, production capacity, reputation and financial situation. If the OEM passes all of the stated preliminary quality, the related department will inspect the OEM's standard quality, manufacturing procedure and process as well as conducting a trial production followed by First Batch Production. Every OEM's manufacturing plant must be certified by manufacturing standard such as GMP and HACCP from a Certified Body. Up to now, the OEMs are able to produce according to the Company's qualities and standards as well as being able to deliver finished products on time. Furthermore, as the Company has maintained a good relationship with most of the OEMs for over 3-8 years, the management is certain that the Company can continue to maintain a long term relationship with the OEMs. However, in addition to the main OEMs stated, the Company also hires other OEMs from time to time in order to maintain relationship with them and reduce the risk of relying on a few major OEMs. The Company's products especially instant powder beverages do not require complicated process or advance technology; therefore, it is not difficult to find a manufacturer with the required standards. In addition to that, in 2013 the Company has invested in a manufacturing plant for the production of instant powder beverages which allows the Company to gain a better understanding of the production process and procedure, cost control as well as Yield Loss. This also allows the Company to have more bargaining power when negotiating with the OEMs.

On the contrary, the management's policy to hire those major OEMs, in which their plants are located in Ratchaburi, Ayutthaya, Rayong and Samut Prakarn, to produce most of the products, as opposed to having own processing plants is a way to reduce risk. In the event of natural disaster such as flooding and earthquakes, the Company can shift the production to other unaffected OEMs in order to continue delivering products to customers and it also allows the Company to utilize different OEMs' potentials and strengths for the utmost benefits of the Company.

3. RISK FORM DEPENDENCY LOGISTIC PROVIDER

At present, the risk of relying on a single logistic provider has been remediated and reduced by increasing to 3 logistic providers from previously only 1 provider. The Company does not have its own vehicle; therefore, it has to rely on logistic providers to deliver the products to customers' warehouses. Currently, the Company only has one main logistic provider, thus there is a risk of not delivering the products on time. In the case the logistic provider can no longer provide the service, the Company's business operation will be affected.

Since delivering the products on time is the Company's most important policy, the Company paid special attention when selecting the mentioned logistic provider. The contracted logistic company is reputable, has a stable financial background and experience as well as expertise in distributing goods to Modern Trade such as 7-Eleven, Big C Supercenter, Villa Market and Tops. The service provider has a team stationed at warehouses of Modern Trade to facilitate the delivery enabling the products to be delivered on time. There are procedures to be followed when dealing with Modern Trade, thus using an experienced logistic company who knows those procedures and standards well would result in effective delivery especially to Modern Trade customers who are the Company's main distributors. The mentioned logistic company has delivered the products to customers on time. Moreover, by using only one main logistic provider an Economy of Scale is achieved allowing the Company to gain more bargaining power. Nonetheless, the Company also uses other logistic providers when distributing smaller volume. This also helps reducing the risk of relying on one main logistic provider.

4. RISK FROM FLUCTUATING INGREDIENT PRICES AND SHORTAGE OF MAIN INGREDIENT

The key ingredient used in the production is granulated sugar. Since granulated sugar is an agricultural product, its price fluctuates according to the demand and supply. The quantity of sugar produced each year depends on many factors such as sugarcane cultivated area and weather. If the area of sugarcane cultivation decreases or the weather is too dry causing a reduction in the domestic cane production resulting in a decrease in sugar production, the price will increase. This could have an impact on the cost of production and the Company's performance. Additionally, if there is a shortage of main ingredients it could affect the taste of beverages and also increase the cost of production.

The Company recognizes the said risk and thus has a strategy to negotiate with the supplier in advance for an annual volume and the price of sugar to be used in the production by the Company and OEMs, by taking into account the forecasted sale and production plan and enters into a contractual agreement with the supplier. Nevertheless, the procurement department monitors supply quantities and prices of main ingredient closely in order to ensure that the Company can source sufficient ingredients with a competitive price. It is the procurement duty to search for new ingredients for the Research and Development department to analyze and evaluate the substituted ingredients that have similar qualities to the ingredients being used currently. The ingredients are sought from different regions in order to get new sources that provide the same quality ingredients which can be used as substitutes. This provides the Company with more options when procuring ingredients as well as enabling the Company to develop alternative recipe in case of a shortage of main ingredients. Thus, it can reduce the impact from materials shortage and ensure the taste and quality of product.

5. RISK FORM NEW PRODUCT DEVELOPMENT AND RISK OF RESEARCH AND DEVELOPMENT PERSONNEL DEPENDENCY

The Company places its importance on research and development of new products which is the key strategy used to differentiate products by means of diversified forms and tastes in order to meet the continuously changing consumers' life styles and increase Company's competitiveness. There are many processes involved in research and development of a new product. It is time consuming and requires high investment. It involves gathering of information for product development, conducting a research on consumers' needs, finding ingredients and packaging, production and all the way to putting together a marketing campaign through advertising and promotion to create consumers' brand awareness. For these reasons, the Company faces a risk of launching an unsuccessful product to the market which could have an impact on the Company's business operation and performance.

Nevertheless, the Company has a research and development team with knowledge, expertise and many years of experience in beverage industry as well as a good understanding of consumer's behaviors. They are able to constantly develop products that serve the needs of consumers. It takes cooperation among marketing department, sales department, business development department and research and development department in the development of a new product, beginning with a market research and identifying business opportunities, conducting a Project Feasibility study, product research and development, market testing, as well as conducting a consumer needs research. This is to ensure that the Company's new product will receive a positive response from the consumers. In addition, the Company has a policy to retain human resources in research and development field as they are the key workforce by, for instance, providing scholarships to increase employees' skill and knowledge. The majority of the personnel in research and development have been with the Company since its establishment; therefore, the management is confident that with the mentioned policy the Company can retain the key workforces for many years to come, and that the Company would be able to develop successful products that serve the needs of consumers.

6. RISK FROM LEAKAGE OF SECRET RECIPE

It is very crucial that the Company keeps its formula a secret. Leakage of recipes could have an impact to the Company's business; therefore, only restricted personnel have access to the recipes. As the Company relies on OEMs, the Company has set up codes for key ingredients and flavors used in the production for the purpose of keeping its recipes undisclosed. For some products, the Company delivers pre-mixed ingredient to OEMs. In addition, a confidentiality clause is clearly stated in all OEM contracts.

For personnel in research and development department who are involved in the formulation and development of products, the Company has arranged for a memorandum of understanding for keeping confidential information to be signed by all employees involved. This is to prevent the disclosure of information related to formulas, ingredients, product information and other relating information to external parties.

7. RISK FROM INCREASE IN TAX RATE

The Company main business is the distributing of tea and coffee beverages, which is subjected to tax scheme under Excise Tariff Act B.E. 2527 collected by the Excise department. However, the percentage of main ingredients per net weight contained in all of our products is in accordance with conditions specified by the excise department. Thereby, the Company receives tax exemption as per Excise department announcement on "Criteria for tax exemption for fruit and vegetable juices". The same criteria is also applied for green tea and coffee beverages. The government is currently in the process of reviewing tax scheme for beverages that do not contain agricultural products as main ingredients. This is to promote the domestic agricultural products, as well as non-health benefit beverages as measured by sugar and caffeine content. Nevertheless, the Company business operation and performance could be affected if there is a change in the policy regarding tax scheme for beverages and the Company is unable to adjust selling price to reflect the increase in cost.

The Company recognizes the said risk and has always complied with the criteria for tax exemption as well as developing new recipe in order to be ready for changes in the tax scheme. For the products that cannot be altered, the Company policies are to adjust the selling prices and introduce new sale and marketing plans to tackle the price increase. Moreover, the Company will analyze and reassess the impact of new tax scheme on business performance and manage cost and expenses more effectively. Hence, the Company is certain that future changes in the government policy will not have any significant consequences on the Company's performance and competitiveness. However, there are still many steps involved in obtaining approval for the said policies. The Company will monitor the restructuring of the tax scheme closely in order for the Company to mitigate the risk and impacts timely and effectively.

8. RISK FORM INDUSTRY COMPETITION

With the growth trend in the beverage industry, many entrepreneurs find it attractive to enter into the industry. This causes high competition among current and new players. Large enterprises may have more advantage on access to source of investment funds or opportunity of a joint venture with foreign companies. Besides, they have more advantage on cost of production as they benefit from the Economy of Scale and from the use of more advanced machinery, in addition to the ability to conduct research and development applying high technologies. Furthermore, large enterprises adopt various strategies to boost sales and to acquire more market share. This leads to intense competition in the industry.

As the Company's management has more than 20 years of experience in beverage industry, they have thorough understandings of the beverage industry especially non-alcoholic beverages. They also possess comprehensive understanding of consumers' behaviors allowing them to set effective marketing strategies and appropriate management policies of various aspects. The Company's key strategies are to focus on developing unique and different products as well as giving high importance to working closely and sincerely with Business Partnership in order to build strong

relationship and to grow together. Moreover, as an SME the Company faces limitations in terms of investment funds, thus the management must analyze the competitive situation thoroughly in order to find new opportunities and market that the Company is able to compete. For the said reasons, the Company is able to continuously expand its business and the management is certain that there will be no significant impact derived from the aforementioned competitiveness.

9. RISK FROM EMPLOYEES CORRUPTION

The Company also has Van Sales that cover most parts of the country. There are 4 Van Sales and each one has a salesperson stationed doing various duties from ordering products to be stored in warehouses located in different regions, selling products to customers, receive payment as well as managing inventories in their responsible area. Therefore, the Company is subjected to risk from corruption by Van Sales employees which could have an impact on the Company business operation and performance.

As the majority of sales through Van Sales are retail transactions and since the Company would like to expand its market to reach vast end consumers, it is necessary to have Van Sales to rapidly distribute products and to cover larger area as well as competing with other enterprises. However, the Company realizes the risk of corruption by Van Sales employees. In the past, the Company lost 1.52 million baht from the corruption by Van Sales employees because the Company did not have clear and concise rules and regulations in place. However, nowadays the Company already has the rules and regulations for Van Sales employees established by having strict mitigation measures preventing loss from corruption. This includes submission of a daily sales report together with a weekly submission of related original documents to Sales Administrative to reexamine the transactions. Money collected from sales must be transferred on the date specified or transferred to the Company's bank account immediately when the cash is over 10,000 baht. Accountants must review correctness of the documents and reconcile with deposited transaction. Inspection of Van Sales employees' use of receipt as well as inventory count at warehouses are also needed. Any abnormalities found must be reported to the superior immediately in order to investigate and penalize the employees involved. With the stated measures in place, the management is confident that corruption can be prevented as evidenced by the fact that there has been no incident since 2013. Besides, the Company has been receiving payment from the corrupted employee and as of 31 December 2015 the remaining account receivables is 0.88 million baht.

10. RISK FROM FAILING TO COMPLY WITH THE CONDITIONS SPECIFIED IN LOAN AGREEMENT WITH FINANCIAL INSTITUTE

As of today, the risk from failing to comply with the conditions specified in loan agreement with financial institute has been mitigated and reduced.

In July 2013, the Company entered into a loan agreement with one of the commercial banks. The loan consists of a long term loan of 17.50 million baht and 90 million baht of short term loan in the form of overdraft. The loan was used to purchase a piece of land for the construction of the Company's instant powder beverage manufacturing plant and as a working capital for purchasing ingredient and packaging. Although, in 2013 and the first 6 monthly installments of 2014 the Company was unable to maintain the conditions by having the debt to equity ratios and Debt Service Coverage ratios as shown in the table below.

	Previous Condition	Revised Condition	2013	2014	2015
Debt to Equity Ratio ¹	Not exceeding 4 (2013)	-	11.39	2.27	0.31
	Not exceeding 3 (2014 onwards)	Not exceeding 4 (2014)			
	-	Not exceeding 3 (2015 onwards)			
Debt Service Coverage Ratio ²	Not less than 2	-	0.49	11.71	72.43

Remarks:

- ¹⁾ Debt to Equity ratio is calculated from total liabilities divided by shareholders' equity
- ²⁾ Debt Service Coverage Ratio (DSCR) is calculated from net profit (loss) before interest and tax plus depreciation and deferred debit divided by principle and interest payment due in the accounting year

However, in order to reduce the risk of failure to comply with the terms of loan agreement with the bank, the Company has submitted a letter requesting for a lenient to comply with the agreement for the maintenance of debt to equity ratio which has already been accepted by the bank. The revised condition is to maintain debt to equity ratio not exceeding 4 for year 2014 and not exceeding 3 for year 2015 onwards.

After the adjustment of debt to equity ratio, the management has full confidence that the Company will be able to maintain the revised ratios as set by the bank as can be seen that the debt to equity ratio calculated from 2014 and 2015 financial statements are 2.27 and 0.31 respectively.

11. RISK FROM HAVING MAJORITY SHAREHOLDERS HOLDING EQUAL TO 25 PERCENT OF SHARE OR MORE

After the offering of Ordinary Shares to the public market, Mr. Chatchawe Vatanasuk, the president, will hold 29.38% of the total number of shares sold. This provides him the right to object important shareholders resolutions which require at least 3 out of 4 rightful present shareholders according to the Company's Articles of Association; for instance, issues related to the acquisition of assets or disposal of assets, activities with conflict of interest, decreasing or increasing capital, merging with another company.

Nonetheless, the Company has formed an audit committee responsible for overseeing, examining and scrutinizing corporate activities for the purpose of preventing future conflict of interest and ensuring transparency. Furthermore, 4 out of 7 directors are independent directors (inclusive of Chairman of the Board) and 3 directors are the management. This structure enables check and balance system when considering matters as well as promoting proper and effective management.

Shareholders and Management Structure

STOCK AND SHAREHOLDERS INFORMATION

1. Registered Capital and Paid-up Capital

As at 31st December 2015, the Company has registered capital of Baht 152,000,000 and issued and paid-up share capital at Baht 152,000,000 separated into ordinary share at 608,000,000 shares at par value of Baht 0.25.

2. Shareholders Structure

The list and percentage of shareholding of the first 10 major shareholders that are listed on the latest shareholders' registration as at 29 February 2016

Name of Shareholders	No. of Share	%
1. Mr. Chatchawe Vatanasuk	178,645,143	29.38
2. Mr. Thanutum Kiatphaipool	91,273,143	15.01
3. Mr. Chanit Suwanparin	27,138,572	4.46
4. Mr. Chaiyachet Siwaleephan	26,595,429	4.37
5. Mr. Nuthajak Liengchayetz	22,808,571	3.75
6. Mr. Petch Phaewphraikul	19,108,771	3.14
7. Mr. Chanaphan Piriyaphan	18,608,000	3.06
8. Mr. Suksid Pechaumpai	10,400,000	1.71
9. Mr. Torsuk Vayakornvichitr	9,908,500	1.63
10. Mr. Srisuk Dechgitvigrom	8,100,000	1.33
Total	412,586,129	67.86

Note : Mr.Thanutum Kiatphaipool is the Company's co-founder shareholder and did not participate in the management

3. Issuance of Other Securities

-None-

4. Dividend Payment Policy

The Company has the policy to pay dividend at the rate of not less than 30 percent of net profit of the Company separate financial statement after corporate income tax and allotment of reserved fund as required by the law in each year. However, dividend may be paid at different rates from the specified policies by subjected to the Company's operating results, financial liquidity, the requirements for working capital for Company's management and future business expansion plan as well as the economy conditions.

MANAGEMENT

1. Board of Directors

As at 31 December 2015 The Board of Directors has a total of 7 Directors consisted of

Name- Lastname	Position
1. Admiral Apichart Pengsritong ¹⁾	Chairman of the Board and Independent Director
2. Mr. Chatchawe Vatanasuk	Director
3. Mr. Chanit Suwanparin	Director
4. Mrs. Chirapan Khotcharit Choosang ²⁾	Director
5. Mr. Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director
6. Ms. Trithip Sivakrskul ¹⁾	Audit Committee and Independent Director
7. Mrs. Paktra Suriyapee ¹⁾	Audit Committee and Independent Director

Note : 1) The director order 1 and 5-7 were appointed in accordance with the Board of Directors Meeting resolution No. 1/2015 on 19th January 2015 and the Extraordinary General shareholders Meeting Resolution No. 1/2015 on 29th January 2015

2) Director order 4 was appointed by the Extraordinary General Shareholders Meeting Resolution No. 2/2015 on 21st August 2015 with Ms. Panjaporn Roeksomboon, act as the Company Secretary, who was appointed by the Board of Directors Meeting No. 2/2015 on 17th February 2015

Auhorized Director Signatory Representing the Company

Mr. Chatchawe Vatanasuk signed together with Mr. Chanit Suwanparin or Mrs. Chirapan Khotcharit Choosang, a total of 2 persons and affix the corporate seal.

The Board of Directors Meeting

In the year 2014 and 2015, the Company has set up 9 and 6 Board of Directors Meetings respectively. The details of the attendance of each Director are as follow

Number of meeting and number of times each director attended the meeting in the past year.

Name-Lastname	Position	No. of times attended the Meeting/Total No. of Meeting	
		Year 2014	Year 2015
1. Admiral Apichart Pengsritong ¹⁾	Chairman of the Board and Independent Director	-	5/6
2. Mr. Chatchawe Vatanasuk	Director	9/9	5/6
3. Mr. Chanit Suwanparin	Director	9/9	5/6
4. Mr. Chanaphan Piriayaphan ²⁾	Director	9/9	4/5
5. Mr. Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director	-	5/6
6. Ms. Trithip Sivakrskul ¹⁾	Audit Committee and Independent Director	-	4/6

Name-Lastname	Position	No. of times attended the Meeting/Total No. of Meeting	
		Year 2014	Year 2015
7. Mrs. Paktra Suriyapee ¹⁾	Audit Committee and Independent Director	-	5/6
8. Mrs. Chirapan Khotcharit Choosang ²⁾	Director		1/6

Note : 1) The director order 1 and 5-7 were appointed in accordance with the Board of Directors Meeting resolution No. 1/2015 on 19th January 2015 and the Extraordinary General shareholders Meeting resolution No. 1/2015 on 29th January 2015

2) Director order 4 resigned from the position commencing from 21st August 2015, by which the Extraordinary General Shareholders Meeting resolution No. 2/2015 on 21st August 2015 has the resolution to appoint Ms. Chirapan Khotcharit Choosang as a Board of Directors.

Board of Director Scope of Duties and responsibilities

1. The Board of Directors has the authority, duty, and responsibility in managing and operating Company business to be in accordance with the law, objectives, Articles of Association, and resolution of the shareholders' meeting with integrity and prudence, in order to maintain the interest of the Company.
2. Manage the preparation of balance sheet and profit and loss statement as at the end date of the Company's accounting period, which the auditor shall audit and propose to the shareholders meeting for consideration and approval.
3. The Board of Directors will determine the goals, guidelines, policies, business operation plans, and budgets of the Company, and monitor and supervise the management and administration of the management division to ensure compliance with the specified policies, plans, and budgets with efficiency and effectiveness.
4. The Board of Directors will review, audit, and approve the Company vision, policy, direction, strategy, and business operation plan that is proposed by the management division.
5. The Board of Directors will continuously monitor the Company's operation to be in line with the operation plans and the budget.
6. The Board of Directors shall ensure that the Company implement appropriate and efficient accounting system as well as ensure the reliability of financial report and account auditing. Moreover, to ensure that the Company maintain adequate and appropriate internal control system and internal audit system.
7. The Board of Directors will determine a comprehensive risk management policy and monitor to ensure that the Company implements a system or procedure for managing risks with appropriate measures for dealing with and minimizing impact on the business of the Company
8. The Board of Directors will determine the management structure and have the authority to appoint the executive committee, managing director, and other subcommittees as seen appropriate and to determine the scope of authority of the executive committee, managing director, and subcommittees appointed.

Authorization given under the scope of authority and duty specified shall not constitute authorization or sub-authorization that causes the executive committee, the managing director, or the committees to have the authority to consider and approve a transaction which may have conflict, interest or conflict of interest with the Company (if any), except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the Board of Directors.

9. Prepare annual report of the board of directors and will be responsible for preparing and disclosing financial statements to reflect the financial status and operating results of the previous year, and present to the shareholders meeting for consideration and approval
10. Supervise and manage the company's operation to be in accordance with the policies that defined the law on securities and stock exchange, Notification of the Capital Market Supervisory Board and the terms of the Stock Exchange of Thailand such as conducting related transaction and acquisition or disposition of significant assets, as long as it does not goes against or contradict with other laws.
11. The Board of Directors may authorize one or more directors or any other person to take any action on behalf of the board of directors under the supervision of the board of directors, or may authorize such person to have the authority deemed appropriate by the board of directors for the period deemed appropriate by the board of directors. The board of directors may cancel, revoke, change, or amend such authorization as deemed appropriate.

Such authorization shall not constitute authorization or sub-authorization in a manner which causes the person to have the authority to consider and approve a transaction in which they have a conflict, interest, or a conflict of interest in any other manner to be made with the Company or a subsidiary (if any) as defined in the notifications of the Capital Market Supervisory Board or the SET, and/or any other notifications of relevant agencies, except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the Board of Directors.

Ms. Panjaporn Roeksomboon, the Company Secretary, who was appointed by the Board of Directors Meeting No. 2/2015 on 17th February 2015

2. Audit Committee

The Audit Committee consisted of 3 members, which are as follow

Name and Lastname	Position
1. Mr. Somboon Prasitjutrakul	Chairman of the Audit Committee and Independent Director
2. Ms. Trithip Sivakriskul	Audit Committee and Independent Director
3. Mrs. Paktra Suriyapee	Audit Committee and Independent Director

Ms. Trithip Sivakriskul is the audit committee, who posses adequate knowledge and experience to perform her duties in auditing the reliabilities of financial statement. Ms. Trithip Sivakriskul, graduated with master degree in business administration from Sasin Graduate Institute of Business Administration of Chulalongkorn University. Ms. Trithip Sivakriskul has experienced in working as a Corporate Chief Financial Officer for the Minor International Public Company Limited, served as Chief Financial Officer of Ratchaburi Electricity Generating Holding Public Company Limited and Executive Vice President of Corporate Finance of IRPC Public Company Limited

By which Ms. Panjaporn Roeksomboon is the Audit Committee Secretary, who was appointed by the Audit Committees Meeting No. 2/2015 on 14th May 2015

Scope of Duties and Responsibilities

1. To review the accuracy and sufficiency of the financial reports of the Company.
2. To review the Company to ensure that the internal control and internal audit systems are suitable, and effective, and to review the independence of internal audit section, including approving the appointment, transference, or termination of internal audit section supervisor (heads) or those of other workgroups responsible for internal audit.

3. To review the Company to ensure that its operation is in accordance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
4. To consider, propose, and appoint independent persons who shall be assigned as the Company's auditor, to propose auditor's remuneration, and to participate in a meeting with the auditors at least once a year without management team.
5. To review connected transactions or any other transaction that may cause potential conflicts of interest in accordance with SET laws and SET regulations in order to ensure that those items are reasonable and of utmost benefits to the Company.
6. To prepare the Report of the Audit Committee and disclose the report in the Company's Annual Registration Statements. The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and must at least contain the following information.
 - (a) Opinions on accuracy, completeness and credibility of the Company's financial reports;
 - (b) Opinions on sufficiency of the company's internal control system;
 - (c) Opinions on the Company's compliance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
 - (d) Opinions on suitability of auditors of the Company;
 - (e) Opinions on transactions of possible conflicts of interest
 - (f) The number of audit committee's meetings, and attendance of each audit committee member;
 - (g) Opinions or observation by the audit committee during their auditing practice according to charter; and
 - (h) Other transactions that shareholders and public investors should be informed under the scope of work and responsibilities assigned by the Company's board of directors.
7. To take care of any other action assigned by the board of directors with the consent of audit committee.

Independent Directors Qualification

Independent Director is an individual who posses a complete qualification imposed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows:

1. An Independent Director holds not more than 1% of all shares with voting rights of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority. This is inclusive of shares held by anyone who is affiliated with them.
2. An Independent Director is a Director, who is not involved in the management of work, Employees, staff, consultants with monthly salary or Entities with Controlling Authority over the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, either at the present time or within two years prior to his/her appointment as an Independent Director. Unless the foregoing status ended at least 2 years.
3. Has no blood relation or legal registration under the status of father, mother, spouse, sibling, son/daughter or spouse of son/daughter of other Director. Further, an Independent Director has no connection with an Executive, a Major Shareholder, an Entity with Controlling Authority or an individual who will be nominated as Director, Executive or Entity with Controlling Authority over the Company or the Subsidiary.
4. Have no or never had business relationship with the Company, its parent company, subsidiaries, a Joint/Associated Company, major shareholders, or entity with controlling with controlling authority in such a manner that may obstruct their exercise of independent discretion. Further, an Independent Director is not being or never been the significant shareholder or an Entity with Controlling Authority over a party of any person having business relationship with the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, unless the foregoing status ended at least 2 years.

5. Is not or has never been the auditor of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, and is not a Significant Shareholder, an Entity with Controlling Authority or a partner to the auditing firm which is the auditor of the Company, Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority are associated unless the foregoing status ended at least 2 years.
6. Is not or has never been a person rendering any professional service or a legal or financial consultant with received service fee of more than 2 million Baht per year from the Company, the Parent Company, a Subsidiary, a Joint Company, a Major Shareholder or an Entity with Controlling Authority, and is not the Significant Shareholder or an Entity with Controlling Authority over the Company or a partner to such professional service provider unless the foregoing status ended at least 2 years
7. Is not the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholder related to the major shareholders.
8. Does not engage in a business of the same nature and is significantly competitive to that of the Company or its subsidiaries, or is not a significant partner to a partnership or a Director with involvement in the management of work, Employees, staff, consultants with monthly salary, or, who holds more than 1% of the total shares with voting rights of any other company which is engaged in a business of the same nature and which is significantly competitive to that of the Company or a Subsidiary.
9. Does not have any other characteristic which prevents him or her from giving independent opinion regarding the business operation of the Company such as business partner, creditors and trading partner which may cause conflict of interest.

3. Executive Board

As at 31 December 2015, the Company Executive Committee consisted of 5 members which are

Name - Lastname	Position
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Board
2. Mr. Chanit suwanparin	Vice Chairman of the Executive Board
3. Mrs. Chirapan Khotcharit Choosang	Executive Director
4. Ms Suveeraya Ansavananda	Executive Director
5. Ms. Pawenee Suwanmethanont	Executive Director

Scope of Authority, Duties and Responsibilities of Executive Board

1. Consider and determine the proposal of management team and propose goals, policies and business plan, including the Company's annual budget to the Board of Directors for consideration and approval.
2. To supervise and monitor the Company's operating results to be in accordance with the policies, goals, business plan and specified budgets as well as supervise the operation to maintain quality and efficiency.
3. To consider approving tasks related to normal business transactions such as investing according to the investment budget or the budget as approved by the Board of Directors and etc. Financial limit of each transaction shall be in accordance with the table of authority of approval, which was approved by the Board of Directors.

4. Propose organization structure appropriate for the Company operation to the Board of Directors to consider and approve, including to consider the raise of salaries and bonuses of employees ranging from the Assistant managing Director down.
5. To consider profit and loss of the Company, proposal for payment of interim dividend or annual dividend for submission to the Board of Directors for approval.
6. Has the authority to appoint or hire consultants that are related to the internal management of the Organization to achieve maximum efficiency.
7. To have the authority to authorize any one or more persons to take any action under the supervision of the executive committee or to assign authority to such person as deemed appropriate by the executive committee, and for the period deemed appropriate by the executive committee. The executive committee may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.
8. To perform other actions or operations as assigned by Board of Directors from time to time. Authorization of duty and responsibility of the executive committee shall not constitute authorization or sub-authorization that enable the person authorized by the executive committee to approve a transaction in which they or other persons likely with a conflict (as defined by the notifications of the Capital Market Supervisory Board and/or the SET and/or relevant organizations) have an interest or any other conflict of interest with the Company, subsidiary, and/or related company. The executive committee does not have the authority to approve such matter but shall propose to the board of directors meeting and/or shareholders meeting (as the case may be) for approval, except for approval of transactions with respect to normal business, with normal commercial conditions in accordance with the notifications of the Capital Market Supervisory Board, and/or the SET, and/or relevant organizations.

4. Executives

As at 31 December 2015, The Company has 9 Executives, consisted of

Name-Lastname	Position
1. Mr. Chanit suwanparin	Managing Director
2. Mrs. Chirapan Khotcharit Choosang	Deputy Managing Director - Sales, Marketing and Strategic Partner Division
3. Ms Suveeraya Ansavananda	Division Director - Strategic Partner Division
4. Ms. Pawenee Suwanmethanont	Division Director - Business Development and Innovation Division
5. Ms. Narisa Tiyasuksawad	Senior Manager - Strategic Partner Division
6. Ms. Hatsaya Charuwitayanun	Senior Manager - New Business Development Department
7. Ms. Preawnapa Nimma	Senior Manager - Supply Chain
8. Ms. Parichat Chotipumiwet	Accounting Manager
9. Mr. Notthakorn Ruangrit	Financial Manager
10. Ms. Pornsiri Pleumkiattchai	Senior Manager - Research and Development Department

Note : "Executives" by the definition in the Declaration regarding the issuance and offering of the company's securities starting from the Managing Director, Vice President, Executive vice President by which the 4 Executives will be the Senior Manager level which is the same level as Senior Manager – Supply Chain. Moreover, this also include Accounting Manager and Financial Manager

Scope of Authorities, Duties and Responsibilities of Managing Director

1. Supervise daily business operation and/or management of the Company.
2. Compile policies, business plan, business strategies and Company annual budget to propose to the Executive Committee and the Board of Director for consideration and approval.
3. Supervise and monitor the Company operation and performance to be in accordance with the policies, work plans, and budget as approved by the Board of Directors including audit, monitor and evaluate the Company performance to be in line with the specified policies. The Managing Director shall report the operational performance management and operation progress to the Executive Committee, Audit Committee and the Board of Directors.
4. To consider approving tasks related to normal business transactions according to the investment budget or the budget as approved by the Board of Directors. Financial limit of each transaction shall be in accordance with the table of authority of approval, which was approved by the Board of Directors but shall not exceed the annual budget that was approved by the Board of Directors as well as entering into contracts related to such matter.
5. Has the authority to authorize expenditure incurring from normal business operation in accordance with the budget approved by the Board of Directors and in line with the approval authority that was approved by the Board of Directors.
6. Has the authority to approve manpower, employment and employee placement, determine rate of salary, appoint and transfer employee, determine duties and responsibilities of each department and employee with position lower than the Management division as approved by the Board of director.
7. Has the authority to order and determine regulations, notices and records in relation to business operation of the Company to be in accordance with Company's policies and for the Company's interest, including to maintain good order within the organization.
8. To have the authority to authorize any one or more persons to take any action under the supervision of the Managing Director or to assign authority to such person as deemed appropriate by the Managing Director, and for the period deemed appropriate. The Managing Director may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.
9. To perform other actions or operations as assigned by Board of Directors or the Executive Committee.

In performing any task that the Managing Director or person authorized by the Managing Director or person likely with conflict of interest (as defined by the notifications of the Capital Market Supervisory Board and/or the SET and/or relevant organizations) have an interest or any other conflict of interest with the Company and/or subsidiary, and/or related company. The Managing Director does not have the authority to approve the operation of such matter but shall propose to the board of directors meeting and/or shareholders meeting (as the case may be) for approval, except for approval of transactions with respect to normal business, with normal commercial conditions in accordance with the notifications of the Capital Market Supervisory Board, and/or the SET, and/or specified relevant organizations.

5. Company Secretary

At the Board of Directors Meeting No. 2/1015 on 17th February 2015, The Board of Director has resolution to appoint Ms. Pajapon Roeksomboon as the Company secretary in be in accordance with section 89/15 of the Securities and Exchange ACT B.E. 2535, revised by the Securities and Exchange Act (No. 4) BE 2551. In addition, the Board of Directors Meeting No. 5/2015 on 5th August 2015 has specified the Company Secretary duties and responsibilities, which are as follow:

- 1) Provide preliminary advice and recommendations to the directors and Executives on being compliance with Company laws, requirements, rules and regulations as well as monitor to ensure the accurate and regular implementations.
- 2) Responsible for organizing the Board of Directors Meeting and Shareholders Meeting as well as supervise and coordinate to ensure the implementation of the resolution of the aforementioned meetings.
- 3) Supervised the disclosure of information and information technology report in the are responsible to be in accordance with the regulations and the requirements of Stock Exchange of Thailand and The Capital Market Supervisory Board including relefant laws.
- 4) Compile and store the following documents
 - 4.1) Director Registration
 - 4.2) Notice of the Meeting of the Board of Director and Minutes of the Board of Directors meeting.
 - 4.3) Notice of meeting of Shareholders and the Minutes of the Shareholders Meeting.
 - 4.4) The Company Annual Report
 - 4.5) Report on conflict of interest of Executive Director
- 5) Performing other actions in line with the laws or the specified of the Notification of the Capital Market Supervisory Board.

DIRECTORS AND EXECUTIVES REMUNERATION

Financial Compensation

A) Directors Remuneration

The Annual General Shareholders Meeting for the year 2015 on 20th March 2015 and the Extraordinary General Shareholders Meeting No. 2/2015 on 21st August 2015 have the resolution to determined the Directors remuneration for the year 2015, which are as follow:

1. Meeting Fee

Unit : Baht

Position	Meeting Fee/person/times
Chairman of the Board of Directors	30,000
Directors	25,000
Chairman of the Audit Committee	25,000
Audit Committee	20,000

- Note
- 1) The remunerations will be paid only.
 - 2) Directors who receive monthly salary as the employee of the Company and/or Subsidiaries will not be receive remuneration as the Board of Director.

- 2 The Annual Incentive

The Company will pay The Annual Incentive to the Board of Directors at the amount not exceed 1,500,000 illion Baht. The Board of Director will consider and allocate as appropriate.

For the Year 2015, the Company Paid Meeting Fee to the Board of Directors According to the Details as Follow:

Order	Name of Director	Position	Year 2015				
			No. of Times attending the Meeting/ No. of times the Meetings are held.*		Directors' Pension (Baht)		Remuneration (Baht)
			Director	Audit Committee Member	Extraordinary Shareholders		
1	Admiral Apichart Pengsritong ¹⁾	Chairman of the Board of Directors	150,000	-	30,000	430,000	610,000
2	Mr. Chatchawe Vatanasuk	Director	-	-	-	-	-
3	Mr. Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director	125,000	100,000	-	370,000	595,000
4	Mrs. Paktra Suriyapee ¹⁾	Audit Committee Member and Independent Director	125,000	80,000	-	350,000	555,000
5	Ms. Trithip Sivakrskul ¹⁾	Audit Committee Member and Independent Director	100,000	60,000	-	350,000	510,000
6	Mr. Chanit Suwanparin	Director	-	-	-	-	-
7	Mr. Chanapun Priyapan	Director	-	-	-	-	-
8	Mrs. Chirapan Khotcharit Choosang ²⁾	Director	-	-	-	-	-
Total Directors Remuneration			500,000	240,000	30,000	1,500,000	2,270,000

¹⁾ Was appointed by the Board of Directors Resolution No. 1/2015 on 29 January 2015 to be the director.

²⁾ Was appointed by the Board of Directors Resolution No. 5/2015 on 5 August 2015 to be the director.

Note:

- Start to pay allowance on the Board of Directors Meeting No. 2/2015 on 3rd March 2015.

- Directors order 2,6-7 are the directors that received monthly salary as the Company employee, thus did not receive remuneration as a director.

B. Executives Remuneration

In 2014 and 2015, the Company paid remuneration to the Executives at the amount of Baht 29.48 million and Baht 32.42 million, respectively. Such remuneration includes salary, bonus and contribution to provident fund.

Year	No. of Executives (Person)	Remunerations (Baht)
2014	8	29,480,445.08
2015	12	32,429,167.37

- Note :
- Number of Executives in the Table included Mr. Chatchawe Vatanasuk, who hold the position of Chairman of the Executive Committee
 - During the year 2014, the Company has 1 more Executives, namely Ms. Chirapan Khotcharit Choosang, Assistant Managing Director - Marketing and Key Customer, has started working with the Company on 3rd March 2014.
 - During the year 2015, The Company has 1 Executives, namely Mr. Chanapun Piriyan holding the position of Assistant Managing Director - Sales, who resigned from the Executive position commencing from 1st September 2015, at the same time the Company has new 5 Executives, namely Nuttakorn Ruengrit the Financial manager start working with the Company on 16th July 2015. The Company also has 4 Executives at Senior Executives level as the Company's Executive, commencing from 1 September 2015.
 - In October 2015, Ms. Chirapan Khotcharit Choosang has been appointed with more authorities in 3 line of work, which are sales, marketing and key customer.

4.2 Other remuneration

The Extraordinary General Shareholders No. 2/2015 on 21 August 2015 has the resolution for the Company to issue capital increase new ordinary shares, which is to be offer to the Director, Executives and Company's employee, at 9,000,000 shares representing 1.48 percent of the total share sold after the public offering at the price of Baht 2.88 per share which is the same price as offered to the public and offer along with capital increase ordinary share public offering.

No employees have been allotted with more than 5 percent of the shares offered to Director and the Company's employee.

Details of Directors and Executives that were allocated and subscribed shares are as follow

Naem-Lastname	Position	No. of Share allocated	% of No. of share offered to the Directors, Executives and employee
1. Admiral Apichart Pengsritong	Chairman of the Board of Director	200,000	2.22
2. Mr. Chatchawe Vatanasuk	Director and Chairman of the Executive Board	80,000	0.89
3. Mr. Chanit Suwanparin	Director and Managing Director	250,000	2.78
4. Mrs. Chirapan Khotcharit Choosang	Director and Deputy Managing Director - Sales, Marketing and Strategic Partner Division	230,000	2.56
5. Mr. Somboon Prasitjutrakul	Chairman of the Audit Committee	100,000	1.11

Naem-Lastname	Position	No. of Share allocated	% of No. of share offered to the Directors, Executives and employee
6. Ms. Trithip Sivakrskul	Audit Committee	100,000	1.11
7. Mrs. Paktra Suriuapee	Audit Committee	100,000	1.11
8. Ms Suveeraya Ansvananda	Division Director - Strategic Partner Division	300,000	3.33
9. Ms. Pawenee Suwanmethanont	Division Director - Business Development and Innovation Division	350,000	3.89
10. Ms. Narisa Tiyasuksawad	Senior Manager - Strategic Partner Division	60,000	0.67
11. Ms. Hatsaya Charuwitayanun	Senior Manager - New Business Development Department	350,000	3.89
12. Atthachai Naivikul	Senior Manager - Research and Development Department	310,000	3.44
13. Preawnapa Nimma	Senior Manager - Supply Chain	350,000	3.89
14. Ms Parichat Chotipumiwet	Accounting Manager	130,000	1.44
15. Mr. Notthakorn Ruangrit	Finance Manager	30,000	0.33

6. Personnel

5.1 Number of Personnel

As at 31st December 2015, the Company has the total of 86 employee (exclude 12 Executives) by seperated into the main field of work, whic are as follow:

Line of Work	No. of Employee (person)		
	Full-Time Employee	Day Labourer	Total
1. Sales	13	-	13
2. Marketing	3	-	3
3. Strategic Partner Division	1	-	1
4. Business Development, Research and Development and Quality Assurance Department	9	-	9
5. Financial Accounting Department	7	-	7
6. Factory	17	18	35
8. Supply Chain	6	-	6
9. Human Resources and Administration Department	9	-	9
10. Information Techonology Department	1	-	1

Line of Work	No. of Employee (person)		
	Full-Time Employee	Day Labourer	Total
11. Company Secretary	1	-	1
12. Executive Secretary	1	-	1
Total	68	18	86

5.2 Significant Labour Dispute for the Past 3 Years

-None-

5.3 Employee Remuneration

Financial Compensation

In the year 2014 and 2015, the Company paid remuneration to the employee (exclude Executives) at Baht 33.21 million and Baht 28.54 million, respectively. The remunerations are in the form of salary, commission, bonus, allowance, contributions to social security fund, contributions to provident fund and other welfare.

Other Remuneration

The Extraordinary General Shareholders No. 2/2015 on 21 August 2015 has the resolution for the Company to issue capital increase new ordinary shares, which is to be offer to the Director, Executives and Company's employee, at 9,000,000 shares representing 1.48 percent of the total share sold after the public offering at the price of Baht 2.88 per share which is the same price as offered to the public and offer along with capital increase ordinary share public offering.

No employees have been allotted with more than 5 percent of the shares offered to Director and the Company's employee.

5.4 Personnel Development Policy

The Company recognized the importance of personnel within the organization therefore has established training and personnel development policy with the purpose to enhance knowledge, skills and expertise including the efficiency in performing task of all level of employee. Guest speakers from a well known institute were invited to lecture and share more knowledge to employee. The Company regularly revised and improve training course to be up to date and appropriate. Training and personnel development are directly considered as the supervisor responsibilities to plan and closely monitor the results of the employee development. The Company will thoroughly and fairly nurtures the employee career path by considering from the employee's level of knowledge, skills and competence. Moreover, the Company will consider sending employee and Executives in different field to participate in the trainings and seminars on subject related to job performance.

Corporate Governance

CORPORATE GOVERNANCE POLICY

The Company places great importance in good corporate governance as it is considered to be the significant mechanism that leads to effective management system, transparency and accountability. These factors will enhance the confidence among shareholders, investors, stakeholders and all related parties. Good corporate governance is a tool that helps increase value, create competitive advantages and boost the Company's sustainable growth, which would build long-term benefits. For these reasons, the Company has established good corporate governance principle, which is in accordance with the guideline set by the Stock Exchange of Thailand. The principles are in five categories, which are as follow:

The Rights of Shareholders

The Company recognizes and values all the fundamental rights of shareholders, namely the rights to sell, buy or transfer shares, the rights to receive shares of the company's profits, the rights to adequately access the Company's information, the rights to attend shareholders meetings wherein they can exercise the rights to vote for the resolution of the appointment or removal of directors, appointment of auditors, and significant matters affecting the Company such as allocation of dividends, specification or amendment of Articles of Association and Memorandum of Association, and reduction or increase of capital.

In addition to the above-mentioned fundamental rights, the Company supports and facilitates, in various matters, shareholders in exercising their rights.

- Invitation letters will be distributed to the shareholders at least 7 days prior to the meeting date. The letter shall contain clear details of the date, time, venue and agenda of the meeting as well as the Board of Directors' opinions. Related documents such as annual report, financial statements, support document for each agenda and proxy statement, will be attached with the invitation letter. The notice of the meeting shall be sent to all shareholders listed in the shareholders' registration book. The notice should be sent on the day the Company announced the closing date of share transfer registration, as well as publish the notice of the meeting along with the mentioned meeting agenda on the Company's website not less than 30 days prior to the meeting. This also includes continuously advertise the invitation notice on the Newspaper not less than 3 days before the meeting date to inform shareholders to prepare in advance before participating in the meeting, which is in accordance with the Public Limited Companies Act, B.E. 2535(1992).
- The Company offers shareholders the rights to propose agenda items for the Annual General Shareholders Meeting and nominations of directors candidates in advance. The company secretary will collect all the proposed agenda and present to the Board of Directors Meeting as well as collect all the nomination of Director candidates and present to the Executive Committee. The Executive Committee will consider the list and qualification of the candidates and present the results to the Board of Directors to consider. In the case where the proposed agenda is approve by the Board, the Company will include such agenda in the next General Shareholders' Meeting.
- In the event that shareholders are unable to attend the meetings in person, the Company shall provide the shareholder an opportunity to appoint an independent director of the Company or any other person to attend the meeting on their behalf. The Company shall enclose a proxy form together with the meeting invitation letter.

- The Company shall provide opportunities for shareholders to independently and fully make inquiries, suggestions or expression of opinions.
- The minutes of the shareholders meeting shall be prepared after the meeting date wherein complete and accurate information shall be presented. The shareholders meeting resolution shall be disclosed to the Stock Exchange of Thailand within 9:00 a.m. of the day after the end of the meeting, which also includes the resolution results of each agenda item; the number of votes that are in favor, against and abstentions. The minutes of the shareholders' meeting will be publicized on the Stock Exchange of Thailand website and the Company website within 14 days commencing from the meeting date.

Equitable Treatment for Shareholders

The Company holds the policy to equitably and fairly treat and protect the rights of all shareholders, whether they are executive or non-executive shareholders, Thai or non-Thai, major or minor. The Company also provide additional channels for shareholders who's unable to attend the meeting themselves to authorize independent directors or other persons as proxies who may attend the meeting and vote on behalf of the shareholders. Minor shareholders will also be given the opportunity to propose the General Annual Meeting agenda and nominate candidates for directors in advance at an appropriate time.

The shareholders meeting is properly conducted according to the scheduled agenda and is in comply with the Company's Articles of Association. In each agenda, related information is clearly and completely presented for the meeting's consideration. If unnecessary, no un-informed agenda shall be introduced to the meeting without prior notice to the shareholders, especially any important agenda, which requires considerable time for the shareholders to make a prudent study before making any decision. The Company has established invitation letter for the Annual General Shareholders Meeting and Annual Report both in Thai and English to facilitate foreign shareholders.

The Board of Directors has set up a measure to prevent the insider trading by related persons, which include directors, executives, staff and employees, as well as spouses and minor children of such persons working in the area related to the inside information. Disciplinary measures with regard to disclosure or use of information of the Company for personal interest have also been determined in accordance with the policy on prevention of exploitation of inside information. Directors, executives, their spouses and minor children are prohibited to trade the Company's securities one month before publicly disclosed the financial statements. Directors and executives of the Company have also been informed and acknowledge of their duties and responsibilities to report their holding of the Company's securities by them, their spouses, and their minor children, as well as the change in such holdings, to the Office of the SEC in accordance with Section 59 and the penalties under the Securities and Exchange Act of B.E.2535.

The Role of Stakeholders

The Company places importance on the rights of all Company's stakeholders both internal and external. The details are as follow:-

- Customers: The Company is attentive and shows responsibilities toward the customers by emphasizing on producing quality products that are up to the standard and are able to fully satisfy consumers demand as keeping customers information confidential. Moreover the Company also places great importance in setting appropriate conditions and selling price.
- Trading partners and Creditors: The Company has the policy to treat both the trading partner and the creditors fairly, equitably, and to maintain honesty in operating business, does not take advantages along with strictly practice in accordance with the trading condition and/or trading agreements. In order to enhance good business relationship that benefits both parties

- Competitors : The Company conducts its business within the good competition framework and within the specified law. The Company also supports and maintains an ethical code of competition, and refrains from acting in bad faith to the detriment of its competitors.
- Staff: The Company recognizes the importance of all the staff, as they help drive the Company to be able to endlessly improve the business operation further into the future. Therefore, the Company emphasized on continuously developing the staff's potential, knowledge, capability, and skills. Appropriate remuneration is appraised based on each individual knowledge, capability and skills, which can be compared with other companies in the same industry. Along with maintaining good working environment, taking into account the quality of life and occupational safety. The Company treats all staff equitably and fairly.
- Community and society: The Company consistently focuses on instilling awareness of responsibility toward community and society in the Company, supports activities beneficial to society as a whole, and avoids any illegal or unlawful action.

Disclosure and Transparency

The Board of Directors is committed to disclosing accurate, complete, and transparent information, both in terms of financial reports and general information, in accordance with the rules of the SEC and the SET, as well as essential information that impacts the price of the Company's shares, which affects the decision-making process of investors and stakeholders of the Company so that all relevant persons equally acknowledge such information. The Company will disclose information to shareholders and the public through the channels and information sharing media of the SET and the Company's website.

The Board of Directors recognizes its responsibility in providing accurate, complete, true, and reasonable financial statements, which are prepared in accordance with generally accepted accounting standards. The Board of Directors applies appropriate accounting policies and regularly put into practice as well as carefully exercises its discretion. Adequate information is provided in the notes to the financial statements. Furthermore, the Board of Directors arranges maintenance of effective internal control to reasonably ensure that accounting data is accurately, completely, and adequately recorded to maintain assets, and to determine weaknesses in order to prevent misconduct or significantly irregular practices. The Board of Directors will also appoint an audit committee consisting of directors not holding managerial positions, whose duty is to examine the financial reports, related party transactions, and internal control system. The audit committee will report directly to the board of directors.

INVESTOR RELATIONS

The Company has established an investor relations unit responsible for disclosing information to shareholders, investors, and stock analysts through its website www.tacconsumer.com under the tab entitled Investor Relations. Which contain the information sent to the Stock Exchange of Thailand and the Securities and Exchange Commission, information on the Company's shareholders, quarterly performance and stock price movement. The information is regularly updated. The objective is to enable investors and interested persons to have efficient and equitable access to the information.

Contact Investor Relations

Contact: Ms. Panjaporn Roeksomboon
 Tel: 0-2717-2898 # 77
 Fax: 0-2717-2899
 E-mail: ir@tacconsumer.com

Responsibilities of the Board of Directors

1. Board of Directors structures

The Company's board of directors comprised of directors who possess management-level knowledge, ability, and experience from a various organizations. The Directors can then apply the experience, knowledge, and ability to efficiently develop and determine the direction of the Company's business operation for the best interests of the Company and its shareholders. The board of directors holds an important role in determining the policies and overview of the organization along with governing, inspecting, and monitoring the performance of the management, and evaluating the Company's operation based on the plan set.

The Board of Directors structure consisted of more than one-third of independent directors of the total board member. At present the Company has 7 directors, consisting of 3 executive directors, 4 non-executive directors (including the Chairman) and 3 audit committee directors. Such Board of Directors structure allows check and balance in voting to contemplate in various issues.

The Board of Directors term of office shall be in accordance with the Public Limited Companies Act BE 2535 and the Company's Articles of Association, According to the Company's Articles of Association, at every Annual General Meeting, one-third (or similar ratio) of the directors shall retire. As it is the Company first year of being listed company, the directors to retire from office in the first and second years after the registration of the Company shall be determined by drawing lots. In every subsequent year, the directors who have been longest in office shall retire.

Moreover, the roles, duties and responsibilities of the Board of Directors and the management have been clearly separated in order to create check and balance together with examining business administrative. Various set of committees have been appointed to support good corporate governance, which are as follows:

1.1 The Executive Committee consisted of 5 members. The executive committee determines the business operation policies and strategies to be in accordance with the goal set by the Board of Directors to ensure the flexibility of management.

1.2 The Audit Committee comprised of 3 members who are assigned to perform specific tasks and propose to the Board of Directors for consideration and acknowledgement. The audit committee's rights and duties are specified in the audit committee charter. At least one audit committee member shall possess sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements.

Moreover, the Executive Committee has appointed risk management subcommittee, which consisted of 8 risk management committee members. Their duties is to examine the problems or risk factors that may occurs while operating business as well as find a solution to decrease risk or manage risk to the lowest. The risk management subcommittee shall regularly report to the Executive Committee, Audit committee and the Board of Directors.

The Company established the policy that separated the position of Chairman, the Board of Director and managing director to be different individual. This is to prevent any individual from holding unlimited power in any circumstances. The Board of Directors is responsible for determining the authority, duties and elects the candidate to fill in these positions.

The Board of Directors has appointed Company's secretary to perform their duties and responsibilities in accordance with the Securities and Stock Exchange Act, which are as follows:

1) Supervise and give advice to the committee and the Executive on practicing in accordance with the Company's law, regulation and criteria as well as to supervise and ensure that they correctly and regularly put into practices.

2) Responsible for the Board of Directors meeting and Shareholders meeting as well as supervise and coordinate to ensure that such resolutions are put into practices.

3) Ensure that the disclosed information and reports, in the responsible area, are in accordance with the related laws, rules and regulation of Stock Exchange of Thailand and Securities and Exchange Commission.

4) Prepare and maintain documents such as director registration, Board of Directors' meeting invitation letter, minutes of the Board of Directors meeting, shareholders' meeting invitation letter, minutes of the shareholders meeting, annual report, conflict of interest of executives committee report and other tasks as specified by the law or the notification of the Capital Market Supervisory Board.

2. Roles and Responsibility of the Board of Directors

The Company requires the Board of Directors to comply with the Code of Best Practices in accordance with the guidelines of the Stock Exchange of Thailand. The directors must understand and recognize their roles, duties, and responsibilities, and perform their duties in accordance with the law, the Company's objectives and the Articles of Association, and shareholders resolutions with integrity and honesty, with priority given to the best interests of the Company and its shareholders. Furthermore, The board of directors also responsible for determining the policies, business goals, business plans, and the budget of the Company, along with governing the management division to efficiently and effectively perform in accordance with the policies, plans, and budget specified, for the best interests of the Company and its shareholders.

Policy on conflicts of interest

The company has determined measures to prevent conflict of interest that may occur during the process of the Company related transactions and any person who may have conflicts. The measures prohibited stakeholders on any circumstance from participating in authorizing such transaction. The Board of Directors shall supervise the Company to practice in accordance with the related laws, regulations, orders and notification of the Securities and Exchange of Thailand or the related regulations of the Capital Market Supervisory Board and Exchange of Thailand. The Board of Directors is responsible for supervising to ensure that the Company practice in accordance with the regulations concerning the disclosure of related party transactions as well as the sale and acquisition of the Company significant assets, which also includes to strictly practice in accordance with the accounting standards set by the Association of Accountants.

In addition, the company may assign the Audit Committee, auditor or independents experts to audit and comment on the appropriateness of the price and the reasonability of the transactions. Such related transaction shall be audited or reviewed by the auditors of the company and will be disclosed in the financial statement notes in Annual Report Form (Form 56-1) and annual reports (Form 56-2).

Internal Control System

The company is highly attentive to the internal control system, for both executive and operational levels, and has clearly specified scope of duties and authorities in writing. The Company also conducts the control of assets usage for the highest benefits and set apart the responsibilities in approving the record of transaction and data information, storing and ministering the assets; in order to create appropriate check and balance between one and another. Moreover, the Company also established internal controls that are related to financial system by established financial report that propose to the Executives in the responsible field of work. Even though at present the Company has not established Internal Auditing division of its own yet, never the less the outsourced independent internal auditor has been hired to audit the Company's internal control system, according to the details shown in number 13. Internal Control and Risk Management. The auditor shall report the results directly to the Audit Committee.

The Company sets clear and measurable goal for the business operation where the management and administration team will monthly compare the real operational performance with the set goal. Both internal and external risk factors that occurred during the operation will be evaluated. Factors that caused risks are analyzed measure for monitoring the cause of risk factors and measure for reducing risk is established. The Company assigned any related division to continuously monitor such risk and report the progress to the Board of Directors.

3. The Board of Directors Meeting

Based on the Company's policy, the Board of Directors must hold a meeting at least once every three months. However, some additional or special meetings may be necessary. The Company's secretary has scheduled the Board of Directors meeting for the year 2016 in advance and had informed all the directors to acknowledge of such meeting schedule. Each meeting contains a very clear meeting agenda, and the invitation letter with details of the meeting shall be sent 7 days in advance for the Board of Directors to have sufficient time to study the information before the meeting. Minutes of meeting are taken and the certified minutes from the Board of Directors are stored for any further review or audit by the boards of director and any related parties.

4. Directors and Executives' Remuneration

The directors and executives' remunerations are set and are paid at an appropriate level and at a sufficient rate that can motivate and maintain qualified directors and executive without having to pay excessive remuneration. The remuneration rate can be compare with other companies that are in the same group of industry.

The Company has determined remuneration for the directors and executives at an appropriate level, which is sufficient to maintain competent directors and executives. While the Company avoids paying excessive remuneration, it remains the rate at the level comparable to companies in the same group of industry. Factors to be considered include experience, duties, and scope of roles and responsibilities. The directors' remuneration payment must be approved by the company's shareholders. Furthermore, the executives' remunerations will be in accordance with the principles and policies as determined by the Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each executive and Company's operational performance.

5. Development of directors and executives

The Board of Directors has a policy to facilitate and support all parties related to corporate governance by providing knowledge and training. This policy also applied to directors, audit committee, executive and company secretary in order to maintain continuous improvement of their performance. The training includes courses provided by the Thai Institute of Directors (IOD).

DIVIDEND POLICY

The Company has a policy to pay dividend at least 30% of its net profit after deduction of corporate income tax and legal reserve. However, the dividend payment may differ from the mentioned rate subject to result of the operation, financial position, liquidity of the Company and necessary of working capital usage to manage and expand the Company's business including economic condition.

Internal Control and Risk Management

At the Company's Board of Directors Meeting No. 5/2015 on 5th August 2015, with three members of audit committee attending the meeting, the Board of Directors has evaluate the sufficient of Company's internal control system by making inquiries from the executive division and summarized the evaluation of the Company's internal control system into 5 different aspects, which are:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Board of Directors is of the opinion that the Company has adequate and appropriate internal control system. The Company has provided adequate personnel to implement the aforementioned systems effectively, allowing the Company to operate its business in accordance with Good Corporate Governance and to maintain transparency. Moreover, the Company established monitoring activities to monitor the Company operation in order to ensure the capability in protecting the Company's assets from wrongful action of the directors and executives including sufficient monitoring activities in conducting transactions with persons who may have a conflict of interest or related persons.

The Company's audit committee is responsible for reviewing to ensure that the Company has appropriate and effective internal control system and internal audit, along with reviewing the Company's performance to be in line with the laws on Securities and Stock Exchange and laws related to the Company's business operation. The audit committee shall set a meeting at least every quarter to consider and implement accurate financial report. Furthermore, to disclose adequate and complete information, as well as considered related transactions or transactions that migh have conflict of interest, in accordance with the laws and regulation of the Capital Market Supervisory Board and the Stock Exchange. The auditors will join the meeting to provide audit observations.

EY Office Company Limited, is the Company auditor, who audit annual and quarterly financial statement for the year 2015 which was reported to the audit committee to acknowledge that there is no observation and suggestion from the audit for the year 2015.

P&L Internal Audit Company Limited was hired to audit internal control system since 2014 up to present, in order for the Company's internal control system to be efficient. P&L Internal Audit Company Limited has appointed Mr. Thanapat Vongwit, with the position of Internal Audit supervisor, to act as an internal audit supervisor and was approved (or received consent) from the Audit Committee Meeting No. 3/2015 on 5th August 2015.

The aforementioned internal auditor continuously and quarterly compiled report on Company's assessment results and audit the internal control system then directly presents the report to the audit committee to acknowledge. The Company has invariably adjusted and improved performance system of different departments in accordance with the internal auditors suggestions.

Moreover, after the public offering to increase capital and after becoming a listed company on the MAI Stock Exchange, the Company aims to continuously hire an outsource internal auditors to ensure the efficiency of the Company's internal control system.



Corporate Social Responsibilities : CSR



62

CORPORATE SOCIAL RESPONSIBILITIES : CSR

The Company operates its business by adhering to and placing emphasis on duties and responsibilities towards societies and stakeholders, which include shareholders, customers, business partners, employees, communities and surrounding societies in order to create sustainability and to establish constant growth of the business that is well accepted by societies. This value has been fostered in all levels of employees, namely the Board of Directors, management, department managers, employees and other stakeholders to adhere to being the same standard. To that end, the Company employs 7 policies emphasizing on social responsibilities including the following.

1. Fair Business Practice

The Company aims to grow its business sustainably and securely, by operating with caution, honesty, professionalism, and transparency according to rules and regulations and abides to the Principles of Good Corporate Governance set by the Stock Exchange of Thailand.

The Company treats its business partners and lenders with fairness and equality without exploitation, by strictly abiding to commercial terms and / or business arrangements in order to develop business relationships that are beneficial to both parties. The Company also treats its business competitors fairly without commencing any act that would offence, disgrace, or discredit its competitors.

2. Anti-corruption

The Company realizes the importance of good corporate governance by adhering to business transparency. The 5/2015 Board of Director Meeting, which was conducted on 5 August 2015, has approved the Anti-corruption policy. This aims to let all the management and employees be aware of the impact of corruption, to cultivate rightful values and attitudes of employees to work with honesty while avoiding seeking benefits from one's position or providing such benefits to others for both directly and indirectly. This also prohibits employees from seeking personal or family interests using Company's position while aiming to increase the confidentiality of all stakeholders. Moreover, the meeting has agreed to disclose such Anti-corruption policy towards employees to comply.



3. Respect for Human Rights

The Company places its importance on and respects human rights by treating employees with fairness and equality, regardless of their race, religion, gender, or physical condition. The Company adheres to this policy and utilizes it as a guideline to let its employees work together under happy environment with mutual recognition and also encourages employees to participate in social contribution activities both directly and indirectly.

4. Fair Treatment of Employees

The Company aims to manage its human resources by recruiting, developing, promoting, and retaining of capable employees so that the Company can effectively achieve its target. The Company appropriately compensates its employees according to their knowledge and capabilities and this is comparable to those being paid by companies of the same business. In addition, the Company continuously develops its own employees' skills via training and offers an opportunity to advance their careers, and also improves working efficiency by promoting its employees to speak their opinions in both direct and indirect manners which will encourage employees to find solution together.

5. Responsibilities towards Consumers

The Company immerses itself in developing unique products that improve consumers' quality of life and is also aware of diversity of individual's role in each day and in each stage of life and delivers prosperity to everyone, in order to establish a strengthened society under fair business condition in which the Company also provides its consumers the accurate and sufficient product information without exaggeration.

By emphasizing on consumer responsibility, the Company has been certified by the following standards.

- GMP (Good Manufacturing Practice): this quality assurance system is implemented in manufacturing food to ensure food safety and it is a fundamental standard that will lead to other quality assurance systems. The Company's manufacturing plant at Ban Bueng District, Chonburi Province has been certified by this standard.

- HACCP (Hazard Analysis Critical Control Point): this food manufacturing system ensures that the products are safe from chemical and biological hazards, and contamination. HACCP certification has been awarded to Ban Bueng plant at Chonburi Province.
- Healthier Choice: this license from Singapore certifies that the Company gives priority to consumer's health by controlling amount of sugar in its products in an appropriate level.
- Thailand Trust Mark: this product quality symbol is set to promote product and service quality in Thailand. It is awarded by the Department of International Trade Promotion, Ministry of Commerce.

6. Environmental Preservation

The Company sees all aspects of social responsibility as importance, especially for the environmental impact that might occur from Company's business operation and cultivates its employees to place importance on and to take good care of the environment internally and externally.

7. Community and Social Development

The Company is well aware that strengthened community and society with sustainable development are crucial factors supporting business, so the Company aims to continuously participate in community and social development. The activities that were participated include:

- The Company made the donation to Chulabhorn Foundation for poor cancer patients in the TV program "Dance Your Fat Off", so the Company's management who supported, drove, or approved such public donation has been nominated to beg for His Majesty's grant of The Most Admirable Order of the Direkgunabhorn of the year 2015.
- The Company made the donation for Princess Mother's Medical Volunteer (PMMV) in order to carry on medical works for the poor in remote areas.



- The Company contributed Zenya green tea to the disabled, via TACC Happiness Sharing to Disable Kids project, in which Pakkret Home for Children with Disabilities was an agent to distribute the products to various recipients such as Pakkret Home for Children with Disabilities, Pakkret Reception Home for Boys, Pakkret Home for Boys, Kredtrakarn Protection and Occupational Development Center, and Pakkret Home for Mentally Disabled Children.
- The Company bestowed water purifiers via a community charity campaign, by which the managerial team and employees of T.A.C. Consumer Public Company Limited granted and installed water purifiers to Ban Nong Pla Lai school and Wat Nong Ka Nam school which is in surrounding areas of Company manufacturing plant at Ban Bueng District, Chonburi Province. Students could, afterward, drink water directly from tap. The main purpose for this campaign is to encourage and promote social contribution principle and to pursue activities that are valuable towards surrounding societies.
- In the past September 2015, the management as well as employees of T.A.C. Consumer Public Company Limited with public mind made a contribution to the society by donating blood to Thai Red Cross Society, letting the organization offer it to patients or those who have accidents.
- The Company contributed VSlim coffee to Wat Arun Ratchawaramahawihan for “Praying Through New Year 2016” campaign. This has been an ongoing activity since 2013.

8. Being Innovative

The Company encourages studying and researching of new innovations to increase working capabilities, with social and stakeholder responsibilities. The Company will not violate any intellectual properties or copyrights.



Related Transactions

TAC CONSUMER PUBLIC COMPANY LIMITED
2558 RELATED TRANSACTION FOR FISCAL YEAR ENDING 31 DECEMBER 2015

PERSON WHO MAY HAVE CONFLICT OF INTEREST	NATURE OF RELATION	TYPES OF TRANSACTION	VALUES OF TRANSACTION Jan.-Dec.58 (Unit: Baht)	NECESSITY AND APPROPRIATENESS OF TRANSACTIONS
Chatchawe Vatanasuk	Holding the position of Chairman of the Executive Board and the Company major shareholders as at 31 December 2015	1. Credit facilities guarantee 1.1 Thai Military Bank (TMB) Long Term Loan Contract Limit Outstanding debt as at 31 Dec. 2015	17,500,000.00	The Company has long term loan from TMB to purchase land with factory buildings, by which Mr. Chatchawe Vatanasuk gave a personal guarantee which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees.
		QD Contract Limit Outstanding debt as at 31 Dec. 2015	-	The Company made loan from TMB to use as working capital in operating business, where Mr. Chatchawe Vatanasuk gave a personal guarantee, which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees.
		1.2 Kasikorn Bank QD Contract Limit Outstanding debt as at 31 Dec. 2015	14,800,000.00	The Company made loan from Kasikorn Bank to use as working capital in operating business. Personal title deeds was used as the collateral, which is in accordance with the condition set by Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees. ** The Request for the release of collateral director is still in process. Released of guarantor and released of collateral director on 18 February 2016.

PERSON WHO MAY HAVE CONFLICT OF INTEREST	NATURE OF RELATION	TYPES OF TRANSACTION	VALUES OF TRANSACTION Jan.-Dec.58 (Unit: Baht)	NECESSITY AND APPROPRIATENESS OF TRANSACTIONS
		<p><u>PN</u> Contract Limit Outstanding debt as at 31 Dec. 2015</p> <p>2. Machinery hire purchase guarantee Contract Limit Outstanding debt as at 31 Dec. 2015 (11 installments left)</p> <p>3. Automobile hire purchase guarantee BMW model 640I Contract Limit Outstanding debt 22 installments</p> <p>4. Sales of goods</p>	<p>15,000,000.00 -</p> <p>2,333,916.00 713,141.00</p> <p>5,311,800.14 1,947,660.00</p> <p>19,900.02</p>	<p>The Company made loan from Kasikorn Bank to use as working capital in operating business. The personal deposit account was used as the collateral, which is in accordance with the Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees. ** Released of guarantor and released of collaters director.</p> <p>The Company entered into a rental leasing agreement to purchase machinery to be use in manufacturing Company's goods, at the factory located in Banbueng, Chonburi. Mr. Chatchawe Vatanasuk gave a personal guarantee, which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the financial lease guarantee fees.</p> <p>The Company had made financial lease with the leasing company to purchase automobile to be used in Company business operation. Mr. Chatchawe Vatanasuk gave a personal guarantee, which is in accordance with the conditions specified by the leasing company. The Company was not charge with financial lease guarantee fees.</p> <p>It is the Welfare that the Company offers to all employees. All the conditions that the Executives received are the same as what all the employees received. Moreover, the Company has clearly established employees' welfare regulations in writing.</p>
		<p>1. Credit facilities guarantee 1.1 Thai Military Bank (TMB) <u>Long term Loan</u> Contract Limit Outstanding debt as at 31 Dec. 2015</p> <p><u>QD</u> Contract Limit Outstanding debt as at 31 Dec. 2015</p>	<p>17,500,000.00 -</p> <p>80,000,000.00 -</p>	<p>The Company has long term loan from TMB to purchase land with factory buildings, by which Mr. Chanit Suwanparin Vatanasuk gave a personal guarantee which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees. ** In the process of requesting for the release of collateral directors and guarantors.</p> <p>The Company made loan from TMB to use as working capital in operating business, where Mr. Chanit Suwanparin gave a personal guarantee, which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees.</p>
Mr. Chanit Suwanparin	<p>Holding the position of managing director and shareholders</p> <p>As at 31 Dember 2015</p>			

PERSON WHO MAY HAVE CONFLICT OF INTEREST	NATURE OF RELATION	TYPES OF TRANSACTION	VALUES OF TRANSACTION Jan.-Dec.58 (Unit: Baht)	NECESSITY AND APPROPRIATENESS OF TRANSACTIONS
Mr. Thanutham Kiatpalboon	Major Shareholders As at 31 December 2015	2. Machinery hire purchase guarantee Contract Limit Outstanding debt as at 31 Dec. 2015	2,333,916.00 713,141.00	The Company entered into a rental leasing agreement to purchase machinery to be use in manufacturing Company's goods, at the factory located in Banbueng, Chonburi. Mr. Chanit Suwanparin gave a personal guarantee, which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the financial lease guarantee fees.
		3. Automobile hire purchase guarantee Contract Limit Outstanding debt as at 31 Dec. 2015	3,829,080.01 2,679,176.01	The Company had made financial lease with the leasing company to purchase automobile to be used in Company business operation. Mr. Chanit Suwanparin gave a personal guarantee, which is in accordance with the conditions specified by the leasing company. The Company was not charge with financial lease guarantee fees.
		33 installments left 4. Sales of goods	6,514.94	It is the Welfare that the Company offers to all employees. All the conditions that the Executives received are the same as what all the employees received.
		1. Credit facilities guarantee 1.1 Thai Military Bank (TMB) Long Term Loan Contract Limit Outstanding debt as at 31 Dec. 2015	17,500,000.00 -	The Company has long term loan from TMB to purchase land with factory buildings, by which Mr. Thanutham Kiatpalboon gave a personal guarantee which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees.
		QD Contract Limit Outstanding debt as at 31 Dec. 2015	80,000,000.00 -	The Company made loan from TMB to use as working capital in operating business, where Mr. Thanutham Kiatpalboon gave a personal guarantee, which is in accordance with the conditions specified by Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees. ** In the process of requesting for the release of collateral directors and guarantors.
		1.2 Kasikorn Bank QD Contract Limit Outstanding debt as at 31 Dec. 2015	14,800,000.00 -	The Company made loan from Kasikorn Bank to use as working capital in operating business. The personal deposit account was used as the collateral, which is in accordance with the Siam Commercial Bank. The Company was not charge with the aforementioned loan guarantee fees. ** Released of guarantor and released of collateral director on 18 February 2016.

PERSON WHO MAY HAVE CONFLICT OF INTEREST	NATURE OF RELATION	TYPES OF TRANSACTION	VALUES OF TRANSACTION Jan.-Dec.58 (Unit: Baht)	NECESSITY AND APPROPRIATENESS OF TRANSACTIONS
		2. Consultant Fees	- (163,800baht/month)	The Company employed Mr. Thanutham Kiatpaiboon as a marketing consultant due to the fact that Mr. Thanutham Kiatpaiboon is a person with great marketing experienced and expertise and that he is in good relationship withvarious industrial entrepreneurs both domestic and international. The consultant are the benefit in operating Company's business. The Company has specified the consultant rate by comparing with the remuneration that is paid to the marketing executive of other companies. Although, the Company had terminated the aforementioned consultant employment contract, which is effective on 1 March, 2015.
Mr. Chanapun Priyapun	Holding the position of Executive President and shareholders As at 31 December 2015 However, Mr Chanapun Priyapun had resigned form the position, effective on 1 September 2015	Sales of goods	16,042.07	It is the Welfare that the Company offers to all employees. All the conditions that the Executives received are the same as what all the employees received. Moreover, the Company has clearly established employees' welfare regulations in writing.
Ms. Preawnapa Nimma	Senior supply chain manager	Sales of goods	10,114.96	It is the Welfare that the Company offers to all employees. All the conditions that the Executives received are the same as what all the employees received. Moreover, the Company has clearly established employees' welfare regulations in writing.
MS. Hatsawa Charuwitawan	Senior new business development manager	Sales of goods	1,411.22	
Ms. Panchat Cholipoomvate	Accounting Manager	Sales of goods	1,700.93	
Mr. Nottakorn Reungrit	Financial Manager	Sales of goods	658.88	

Board of Directors

Admiral Apichat Pengsritthong

Age 66 Years

Position	<ul style="list-style-type: none"> Chairman and Independent Director
Education	<ul style="list-style-type: none"> Master 's Degree, National Defence College, The Joint State. Bachelor of Science Royal Thai Naval Academy.
Credential of Thai Institute of Directors	
	<ul style="list-style-type: none"> Directors Accreditation Program (DAP) Class 82/2010.

Experiences

Positions in Listed Companies	<ul style="list-style-type: none"> 2015-Present Chairman and Independent Director, T.A.C. Consumer Public Company Limited. 2012-Present Chairman, Muangthai Leasing Public Company Limited. 2010-Present Independent Director, S&J International Enterprise Public Company Limited.
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Other Current Position (Non-Listed Companies) • None

Shareholding in the Company (%) as of December 31, 2015 • 0.032% (200,000 shares)

Relationship between Director & Executive family • None

Mr.Somboon Prasitjutakul

Age 57 Years

Position	<ul style="list-style-type: none"> Chairman of Audit Committee and Independent Director
Education	<ul style="list-style-type: none"> Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University. Bachelor of Marketing, San Jose State University, USA. Certificate of Senior Executive Management, Stanford University, USA. Certificate of Marketing Management, Thammasart University.

Credential of Thai Institute of Directors

- Directors Certification Program (DCP) Class 54/2005.

Experiences

Positions in Listed Companies	<ul style="list-style-type: none"> 2015-Present Chairman of Audit Committee and Independent Director, T.A.C. Consumer Public Company Limited. 2013-Present Director Taokaenoi Food&Marketing Public Company Limited.
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Other Current Position (Non-Listed Companies)

- 2014-Present Director, Riverpro Pulp and Paper Co., Ltd.
- 2014-Present Director, Thanatarn Paper Co., Ltd.
- 2014-Present Director, Ippudo (Thailand) Co., Ltd.
- 1993-2013 Chief executive officer, DKSH (Thailand) Limited

Shareholding in the Company (%) as of December 31, 2015 • 0.016% (100,000 shares)

Relationship between Director & Executive family • None

Miss Trithip Sivakriskul		Age 50 Years
Position	<ul style="list-style-type: none">Audit Committee and Independent Directors	
Education	<ul style="list-style-type: none">Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn UniversityBachelor of Finance and Banking, Chulalongkorn University Credential of Thai Institute of Directors <ul style="list-style-type: none">Directors Certification Program (DCP) Class 158/2012Directors Accreditation Program (DAP) Class 31/2005Successful Formulation and Executive the Strategy (SFE) Class 3/2009	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2015-Present Audit Committee and Independent Director, T.A.C. Public Company Limited.2011-Present Corporate Chief Financial Officer, Minor International Public Company Limited.2011 Executive Vice President Finance, Ratchaburi Electricity Generating Holding Public.Company Limited.2009-2011 Executive Vice President Finance, IRPC Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">2015-Present Audit Committee and Independent, Director of SISB Company Limited.2015-Present Audit Committee and Independent Director of King Telecom Co., Ltd.2012-Present Director, Minor International Public Company Limited’s subsidiaries.	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">0.016% (100,000 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	
Mrs.Paktra Suriyapee		Age 57 Years
Position	<ul style="list-style-type: none">Audit Committee and Independent Director	
Education	<ul style="list-style-type: none">Bachelor of Arts / Humanities, Ramkhamhaeng University.Micro Master of Business Administration Program Chulalongkorn University. Credential of Thai Institute of Directors <ul style="list-style-type: none">Directors Accreditation Program (DAP) Class 116/2015.	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2015-Present Audit Committee and Independent Director, T.A.C. Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">2009-Present Deputy Managing Director Management division, Chokpana Co., Ltd.	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">0.016% (100,000 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	

Mr.Chatchawe Vatanasuk		Age 42 Years
Position	<ul style="list-style-type: none">Director and Chairman of the Executive Board (Authorized Director)	
Education	<ul style="list-style-type: none">Master of Business Administration, University of San Diego, USA.Bachelor of Business Administration, Assumption University. Credential of Thai Institute of Directors <ul style="list-style-type: none">Directors Accreditation Program (DAP) Class 112/2014.	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2005-Present Director and Chief executive officer, T.A.C. Consumer Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">2010-Present Director, C.A.General Co., Ltd2010-Present Director, SP Intermach Co., Ltd.	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">29.38% (178,645,143 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">Spouse’s Miss Pawenee Suwanmethanont	
Mr.Chanit Suwanparin		Age 52 Years
Position	<ul style="list-style-type: none">Director and Managing Director (Authorized Director)	
Education	<ul style="list-style-type: none">Master of Business Administration, Chulalongkorn University.Bachelor of Business Administration (Marketing), Assumption University. Credential of Thai Institute of Directors <ul style="list-style-type: none">Directors Accreditation Program (DAP) Class 112/2014.	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2011-Present Director and Managing Director, T.A.C. consumer Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">1993-Present Director, Nol Co., Ltd2005-2011 General Marketing Manager Green Spot (Thailand) Ltd.	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">4.46% (27,138,572 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	

Mrs.Chiraphan Khotcharit Chosang

Age 46 Years

Position	<ul style="list-style-type: none"> Director and Deputy Managing Director Sales, Marketing and Strategic Partner Division (Authorized Director)
Education	<ul style="list-style-type: none"> Master of Business Administration, University of South Alabama, USA Bachelor of Arts (Political Science), Chulalongkorn University. <p>Credential of Thai Institute of Directors</p> <ul style="list-style-type: none"> Directors Accreditation Program (DAP) Class 124/2016
Experiences	
Positions in Listed Companies	<ul style="list-style-type: none"> Sep 2015 –Present Director and Deputy Managing Director Sales, Marketing and Strategic Partner Division, T.A.C. consumer Public Company Limited. 2014-Aug 2015 Assistant Managing Director Marketing Division, T.A.C. consumer Public Company Limited.
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none"> 2010-2012 Commercial Executive Director, Coca-Cola (Thailand) Co., Ltd.
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none"> 0.69% (4,190,000 shares)
Relationship between Director & Executive family	<ul style="list-style-type: none"> None

Executive Committee

Mrs.Suveeraya Ansavananda Age 45 Years	
Position	<ul style="list-style-type: none"> Division Director – Strategic Partner Division
Education	<ul style="list-style-type: none"> Master of Marketing Communication & Advertising, Emerson College, USA Bachelor of Advertising, University of Hartford, USA Certificate of Business Administration, Harvard Extension School, USA
Credential of Thai Institute of Directors	
<ul style="list-style-type: none"> None 	
Experiences	
Positions in Listed Companies	<ul style="list-style-type: none"> 2003-Present Division Director – Strategic Partner Division, T.A.C. Consumer Public Company Limited 2019-2013 Deputy Director- Strategic Partner Division T.A.C. Consumer Public Company Limited
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none"> None
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none"> 0.71% (4,345,000 shares)
Relationship between Director & Executive family	<ul style="list-style-type: none"> None
Miss Paweenee Suwanmethanont Age 42 years	
Position	<ul style="list-style-type: none"> Division Director – Business Development
Education	<ul style="list-style-type: none"> Master of Business Administration, Assumption University. Bachelor of Business Administration, Assumption University.
Credential of Thai Institute of Directors	
<ul style="list-style-type: none"> None 	
Experiences	
Positions in Listed Companies	<ul style="list-style-type: none"> 2010-Present Division Director – Business Development, T.A.C. Consumer Public Company Limited 2008-2010 Division Director –Marketing, T.A.C. Consumer Public Company Limited
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none"> None
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none"> 0.05% (350,000 Shares)
Relationship between Director & Executive family	<ul style="list-style-type: none"> Spouse's Mr.Chatchawe Vatanasuk

Miss Narisa Tiyasuksawad		Age 38 Years
Position	<ul style="list-style-type: none">Senior Manager Strategic Partner Department	
Education	<ul style="list-style-type: none">Master of Management, Mahidol University.Bachelor of Business Administration (Marketing), Assumption University. Credential of Thai Institute of Directors <ul style="list-style-type: none">None	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">March 2015-Present Senior Manager Strategic Partner Department, T.A.C. Consumer Public Company Limited.2011-February 2015 Manager Strategic Partner Department, T.A.C. Consumer Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">2548-2553 Assistant Brand Manager Calbee Tanawat Co., Ltd.	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">0.01% (65,000 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	
Miss Hasaya Jaruwittayanant		Age 34 years
Position	<ul style="list-style-type: none">Senior Manager Business Development	
Education	<ul style="list-style-type: none">Master of Management Agro-Industry, Kasetsart UniversityBachelor of Agro-Industry, Kasetsart University Credential of Thai Institute of Directors <ul style="list-style-type: none">None	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2010-Present Senior Manager Business Development, T.A.C. Consumer Public Company Limited.2551-2553 Innovation and Supply chain Manager, T.A.C. Consumer Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">None	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">0.05% (350,000 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	

Mrs.Preawnapa Nimma		Age 50 Years
Position	<ul style="list-style-type: none">Senior Manager Supply Chain	
Education	<ul style="list-style-type: none">Bachelor of Management, Suan Dusit Rajabhat University Credential of Thai Institute of Directors <ul style="list-style-type: none">None	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2013-Present Senior Manager Supply Chain, T.A.C. Consumer Public Company Limited.2552-2556 Procurement Manager, T.A.C. Consumer Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">None	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">0.05% (350,000 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	
Miss Parichat Chotipumiwet		Age 33 Years
Position	<ul style="list-style-type: none">Accounting Manager	
Education	<ul style="list-style-type: none">Bachelor of Accounting, Thammasat University.Certified Public Accountant, Federation of Accounting Professions. Credential of Thai Institute of Directors <ul style="list-style-type: none">Company Secretary Program (CSP Class 60/2014)	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2014-Present Accounting Manager, T.A.C. Consumer Public Company Limited.2556-2557 Financial Analysis Manager, T.A.C. Consumer Public Company Limited.2554-2556 Senior Internal Audit, T.A.C. Consumer Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">None	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">0.02% (140,000 shares)	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	

Mr.Notthakorn Ruangrit		Age 34 Years
Position	<ul style="list-style-type: none">Finance Manager	
Education	<ul style="list-style-type: none">Master of Business Administration (Finance), Ramkhamhaeng UniversityBachelor of Business Adminstration (Accounting), Rajamangala University of Technology Isan Credential of Thai Institute of Directors <ul style="list-style-type: none">None	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">July 2015-Present Finance Manager, T.A.C. Consumer Public Company Limited.s.n.2556-n.w.2558 Senior Accounting Manager, TV Direct Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">February-July 2015 Finance Manager, IMPACT Exhibition Management Co., Ltd.January 2011-October 2012 Accountant, Global Food Products Co., Ltd.	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">None	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	
Miss Pornsiri Pluemkiattichai		Age 34 Years
Position	<ul style="list-style-type: none">Senior Manager Research and Development	
Education	<ul style="list-style-type: none">Master of Business Administration, National Institute of Development Administration (NIDA) Credential of Thai Institute of Directors <ul style="list-style-type: none">None	
Experiences		
Positions in Listed Companies	<ul style="list-style-type: none">2016-Present Senior Manager Research and Development, T.A.C. Consumer Public Company Limited.	
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none">August 2015-Present Managing Director S.F.M International Trading Co., Ltd.July 2003-February 2015 Research and Development Manager , Berli Jucker Food Co. Ltd.	
Shareholding in the Company (%) as of December 31, 2015	<ul style="list-style-type: none">None	
Relationship between Director & Executive family	<ul style="list-style-type: none">None	

General Information and Other Significant Information

Core Business

T.A.C. Consumer Public Company Limited (“the Company”) engages in the business of sourcing, manufacturing, and distribution of beverages in tea and coffee categories. The Company focuses on managing and executing marketing and sales strategies along with beverage product development. The developed products possess distinctive unique selling points and varieties in both formats and flavors.

Head Office

9/231-233, UM Tower, 23rd Floor, Ramkhamhaeng Road, Suanluang, Bangkok 10250

Tel: +66 2717 2898

Fax: +66 2717 2899

Website: www.tacconsumer.com

E-mail: contact_info@tacconsumer.com

TAX ID: 0107558000369

Factory

99/112 Moo 1, Nongbondaeng Sub District, Banbung District, Chonburi, 20170

Tel: 038-110812-4

Registered Capital

Common Shares Baht 152 million (608 million shares)

Paid-up Capital

Common Shares Baht 152 million (608 million shares)

Company Secretary

Tel: +66 2717 2898 Ext. 77

Fax: +66 2717 2899

E-mail: panjaporn@tacconsumer.com

Investor Relations

Tel: +66 2717 2898 Ext. 77

Fax: +66 2717 2899

E-mail: ir@tacconsumer.com

Reference

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng,

Bangkok 10400, Thailand

Tel: +66 2009 9000

Fax: +66 2009 9991

SET Contact Center : +66 2009 9999

Website: <http://www.set.or.th/tsd>

E-mail: SETContactCenter@set.or.th

Auditor

- | | |
|------------------------------|-------------------------------------|
| 1. Ms.Kamontip Letwitworatep | Auditor's License No.4377 and / or |
| 2. Mr.Wichart Lokatetekrawee | Auditor's License No. 4451 and / or |
| 3. Ms.Siriwan Suratepin | Auditor's License No.4604 |

EY Office Limited

33rd Floor, Lake Rajada Office Complex

193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110,Bangkok 10501,Thailand

Tel : +66 2264 9090

Fax : +66 2264 0789-90

Legal Consultant

Pow & Associates Law Office

19th Floor, ITF Building 140/40A, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Thailand.

Tel: +66 2634 4995-7

Fax: +66 2238 2574, +66 2634 4998

Audit Committee's Report

Dear Shareholders of T.A.C. Consumer Public Company Limited

The Audit Committee of T.A.C. Consumer Public Company Limited consists of three following independent directors with qualification and expertise in accounting, finance, marketing and management.

- | | |
|------------------------------|----------------------------------|
| 1. Mr.Somboon Prasitjutrakul | Chairman of the Audit Committee. |
| 2. Mrs.Paktra Suriyapee | Member of the Audit Committee. |
| 3. Miss Trithip Sivakriskul | Member of the Audit Committee. |

The Audit Committee has performed its duties within the scope of responsibilities assigned and in accordance with the charter of the Audit Committee, which is in compliance with the regulation of the Stock Exchange of Thailand. In the accounting period Audit Committee had convened a total of meetings, each of which was attended with the management, internal audit and auditors to discuss relevant issue and report the meeting outcome to the Board of Directors. The essence of the work performed can be summarized as follows:

FINANCIAL STATEMENT REPORT

The Audit committee, the auditors and internal audit had reviewed the Company's quarterly and yearly financial statements as well as the financial statements of the Company. By considering from important aspect and consultation is free to ensure that the internal control process of the Company financial budget is accurate and reliable, as well as to ensure that the disclosure of important information is sufficient and timeliness for the financial statement users. Which is also in accordance with the laws and related notice as well as in accordance with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission and in comply with Financial Reporting Standards.

RELATED TRANSACTION OR CONFLICT OF INTEREST TRANSACTION

The Audit Committee had considered and given opinions about connected transactions or transactions that may give rise to a conflict of interest with the Company. The purpose is caution, rationality and taking into account the interest of the stakeholders and also includes adequate information in line with the conditions imposed by the Stock Exchange of Thailand.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The Audit Committee reviewed the adequacy of the Company's Internal Control System and Risk Management by making inquiries and considering based on the report of the Internal Audit and Auditors, along with the implementation of solutions and streamline to significant issues. The purpose is to assess the appropriateness and the efficiency of the Company's Internal Control System, risk management and business operations of the management that are in line with the established policies and the delegation of the authority.

OVERSIGHT AND EVALUATION OF THE INTERNAL AUDIT

The Audit Committee had reviewed oversight and evaluation of the internal audit performance view of the annual internal audit plan and manpower to promote the independence of the internal audit function.

REGULATORY COMPLIANCE AND REGULATIONS

The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws relation to the business of the Company and acknowledge the changing of regulations which have an effect on the Company's business operation.

Considering The Appointed Auditors and Compensation

The Audit Committee had selected and considered the remuneration of the Auditors of EY Office Company Limited by considering auditors qualifications, knowledge, capabilities, experiences, the audit quality of the period year, and the independence of the auditors which are in accordance with the regulations of The Stock Exchange of Thailand or any other related department. The Board of Directors proposed to the Annual General Meeting of Shareholders of the year 2015 to appoint EY Office Company Limited as the Company's auditors. The appoint auditor are:

- | | |
|------------------------------|-----------------------------------|
| 1. Ms.Kamontip Letwitworatep | Auditor's License No.4377 and/or |
| 2. Mr.Wichart Lokatetekrawee | Auditor's License No. 4451 and/or |
| 3. Ms.Siriwan Suratepin | Auditor's License No.4604 |

The Audit Committee deemed that during the accounting period ended on 31st December 2015, the Company had put in place the transparent, adequate and appropriate Internal Control Systems covering risky management and the Company had established procedures that helped build confidence in Company's operation in accordance with the related laws by having good corporate governance along with the compilation and disclosure of adequate and reliable Company's financial report information.



(Mr.Somboon Prasitjutrakul)

Chairman of the Audit Committee.

Financial Statements



Independent Auditor's Report

To the Shareholders of T.A.C. Consumer Public Company Limited (Formerly known as "T.A.C. Consumer Company Limited")

I have audited the accompanying financial statements of T.A.C. Consumer Public Company Limited, which comprise the statement of financial position as at 31 December 2015, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.A.C. Consumer Public Company Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.



Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 25 February 2016

Statement of Financial Position

T.A.C. Consumer Public Company Limited
(Formerly known as “T.A.C. Consumer Company Limited”)
 As at 31 December 2015

(Unit: Baht)

	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	7	484,471,297	1,173,266
Current investments	8	21,060,688	-
Trade and other receivables	9	180,061,027	163,563,759
Inventories	10	27,789,425	31,803,039
Other current assets		5,584,270	2,659,452
Total current assets		718,966,707	199,199,516
Non-current assets			
Restricted bank deposits	7	27,000,000	27,139,897
Property, plant and equipment	11	52,640,451	51,565,582
Intangible assets	12	4,341,314	1,038,596
Deferred tax assets	21	1,786,946	1,750,579
Other non-current assets		1,970,518	2,342,698
Total non-current assets		87,739,229	83,837,352
Total assets		806,705,936	283,036,868

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

Statement of Financial Position (con't)

T.A.C. Consumer Public Company Limited
(Formerly known as "T.A.C. Consumer Company Limited")
As at 31 December 2015

(Unit: Baht)

	Note	2015	2014
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts	13	-	8,992,991
Trade and other payables	14	163,244,459	147,887,405
Current portion of liabilities under financial lease agreements	15	2,912,629	2,047,015
Current portion of long-term loan	16	-	3,504,000
Income tax payable		6,853,035	8,915,619
Other current liabilities		4,690,221	3,144,269
Total current liabilities		177,700,344	174,491,299
Non-current liabilities			
Liabilities under financial lease agreements - net of current portion	15	5,103,044	5,036,195
Long-term loan - net of current portion	16	-	9,032,000
Provision for long-term employee benefits	17	8,867,116	8,043,007
Total non-current liabilities		13,970,160	22,111,202
Total liabilities		191,670,504	196,602,501

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

Statement of Financial Position (con't)

T.A.C. Consumer Public Company Limited
(Formerly known as "T.A.C. Consumer Company Limited")
 As at 31 December 2015

(Unit: Baht)

	Note	2015	2014
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital	18		
Registered			
608,000,000 ordinary shares of Baht 0.25 each			
(31 December 2014: 300,000 ordinary shares of			
Baht 100 each)		152,000,000	30,000,000
Issued and fully paid up			
608,000,000 ordinary shares of Baht 0.25 each			
(31 December 2014: 300,000 ordinary shares of			
Baht 100 each)		152,000,000	30,000,000
Share premium		426,988,701	-
Retained earnings			
Appropriated - statutory reserve	19	8,345,204	1,000,000
Unappropriated		27,701,527	55,434,367
Total shareholders' equity		615,035,432	86,434,367
Total liabilities and shareholders' equity		806,705,936	283,036,868

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

Statement of comprehensive income

T.A.C. Consumer Public Company Limited
(Formerly known as "T.A.C. Consumer Company Limited")
For the year ended 31 December 2015

(Unit: Baht)

	Note	2015	2014
Profit or loss:			
Revenues			
Sales		1,004,440,321	1,002,653,331
Other income		1,920,759	2,062,345
Total revenues		1,006,361,080	1,004,715,676
Expenses	20		
Cost of sales		696,510,665	717,449,010
Selling expenses		162,299,339	163,554,107
Administrative expenses		60,006,065	55,373,525
Total expenses		918,816,069	936,376,642
Profit before finance cost and income tax expenses		87,545,011	68,339,034
Finance cost		(1,316,474)	(2,891,647)
Profit before income tax expenses		86,228,537	65,447,387
Income tax expenses	21	(18,276,549)	(13,603,831)
Profit for the year		67,951,988	51,843,556
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Actuarial gain	17	1,400,470	-
Less: Income tax effect	21	(280,094)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,120,376	-
Other comprehensive income for the year		1,120,376	-
Total comprehensive income for the year		69,072,364	51,843,556
Basic earnings per share	22		
Profit		0.21	0.54
Weighted average number of ordinary shares (shares)		321,939,726	95,232,877

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

Statement of Changes in Shareholders' Equity

T.A.C. Consumer Public Company Limited
(Formerly known as "T.A.C. Consumer Company Limited")
For the year ended 31 December 2015

	Note	Issued and paid up share capital	Share premium	Retained earnings			(Unit: Baht)
				Appropriated - statutory reserve	Unappropriated	Total	
Balance as at 1 January 2014		20,000,000	-	1,000,000	3,590,811	24,590,811	
Profit for the year		-	-	-	51,843,556	51,843,556	
Other comprehensive income for the year		-	-	-	-	-	
Total comprehensive income for the year		-	-	-	51,843,556	51,843,556	
Share capital issued	18	10,000,000	-	-	-	10,000,000	
Balance as at 31 December 2014		30,000,000	-	1,000,000	55,434,367	86,434,367	
Balance as at 1 January 2015		30,000,000	-	1,000,000	55,434,367	86,434,367	
Profit for the year		-	-	-	67,951,988	67,951,988	
Other comprehensive income for the year		-	-	-	1,120,376	1,120,376	
Total comprehensive income for the year		-	-	-	69,072,364	69,072,364	
Share capital issued	18	122,000,000	426,988,701	-	-	548,988,701	
Appropriation of statutory reserve	19	-	-	7,345,204	(7,345,204)	-	
Dividend paid	25	-	-	-	(89,460,000)	(89,460,000)	
Balance as at 31 December 2015		152,000,000	426,988,701	8,345,204	27,701,527	615,035,432	

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

Cash Flow Statement

T.A.C. Consumer Public Company Limited
(Formerly known as "T.A.C. Consumer Company Limited")
For the year ended 31 December 2015

(Unit: Baht)

	2015	2014
Cash flows from operating activities		
Profit before tax	86,228,537	65,447,387
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	7,809,529	6,546,474
Allowance for doubtful accounts	11,205	276,765
Reversal of reduction of inventories to net realisable value	(137,334)	(4,108,007)
Gain on sales and change in value of investments in trading securities	(497,106)	-
Loss on disposals of plant and equipment	47,639	-
Loss on write-off of plant, equipment and intangible assets	11,436	120,280
Provision for long-term employee benefits	2,224,579	1,366,645
Interest income	(568,403)	(610,777)
Interest expenses	1,316,474	2,891,647
Profit from operating activities before changes in operating assets and liabilities	96,446,556	71,930,414
Operating assets (increase) decrease:		
Trade and other receivables	(16,446,561)	20,143,021
Inventories	4,150,948	(5,159,178)
Other current assets	(2,924,818)	11,001,025
Other non-current assets	372,180	35,219
Operating liabilities increase (decrease):		
Trade and other payables	15,354,554	(45,926,185)
Other current liabilities	1,545,952	1,466,180
Cash from operating activities	98,498,811	53,490,496
Cash received from interest income	506,491	596,915
Cash paid for interest expenses	(740,652)	(2,891,647)
Cash paid for income tax	(16,942,769)	(4,104,447)
Net cash from operating activities	81,321,881	47,091,317

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

Cash Flow Statement (con't)

T.A.C. Consumer Public Company Limited
(Formerly known as "T.A.C. Consumer Company Limited")
For the year ended 31 December 2015

(Unit: Baht)

	2015	2014
Cash flows from investing activities		
Decrease in restricted bank deposits	139,897	362,270
Increase in current investment	(20,563,582)	-
Purchases of plant and equipment	(5,285,951)	(6,766,011)
Purchases of intangible assets	(3,730,200)	-
Proceeds from disposals of equipment	1,150,953	-
Net cash used in investing activities	(28,288,883)	(6,403,741)
Cash flows from financing activities		
Decrease in bank overdrafts	(8,992,991)	(44,506,011)
Repayments of liabilities under finance lease agreements	(4,021,852)	(1,774,604)
Repayments of long-term loan	(12,536,000)	(3,504,000)
Cash received from issuance of ordinary shares	545,275,876	10,000,000
Dividend paid	(89,460,000)	-
Net cash from (used in) financing activities	430,265,033	(39,784,615)
Net increase in cash and cash equivalents	483,298,031	902,961
Cash and cash equivalents at beginning of year	1,173,266	270,305
Cash and cash equivalents at end of year (Note 7)	484,471,297	1,173,266
Supplemental cash flows information		
Non-cash transactions		
Acquisitions of assets under financial lease agreements	4,378,493	431,150
Transfer of equipment to intangible assets	-	1,010,000
Acquisitions of equipment that have not been paid	2,500	-

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

Notes to financial statements

T.A.C. Consumer Public Company Limited
(Formerly known as “T.A.C. Consumer Company Limited”)
 For the year ended 31 December 2015

1. General information

T.A.C. Consumer Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws and registered the change of its status to a public limited company under the Public Limited Companies Act on 26 August 2015. The Company operates in Thailand and its principal activity is the manufacture and distribution of beverage, with the registered office address at 9/231-233, 23rd Floor, UM Tower, Ramkhamhaeng Road, Suanluang, Bangkok, and its factory address is at 99/112 Moo 1, Nongmairdaeng, Banbueng, Chonburi.

On 21 August 2015, the Extraordinary General Meeting of the Company’s shareholders passed a resolution to approve the change of the Company’s name from “T.A.C. Consumer Company Limited” to “T.A.C. Consumer Public Company Limited” according to the transformation to a public limited company. The Company registered the change of its name with the Ministry of Commerce on 26 August 2015.

2. Basis of preparation

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.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. 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’s financial statements. However, some of these standards involve changes to key principles, which are summarised below.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognises actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is 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. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 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 discounts and allowances.

Interest income

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

4.2 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.

4.3 Trade accounts receivable

Trade 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.

4.4 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw materials and packing materials are charged to production costs whenever consumed.

The net realisable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.5 Investments

Investments in securities held for trading are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss.

The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

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 are 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.

4.6 Property, plant and equipment and depreciation

Land is stated at cost. Plant 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:

Building	-	20 years
Building improvement	-	3 - 5 years
Machinery and plant equipment	-	5 - 10 years
Furniture and office equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

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.

4.7 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.

4.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and 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 of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 and 5 years

4.9 Related party transactions

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

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

4.10 Long-term leases

Leases of property, plant or 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 useful life of the assets.

Leases of property, plant or 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.

4.11 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

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 included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. 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 and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 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

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is 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.

For the first-time adoption of TAS 19 Employee Benefits in 2013, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, immediately as an expense in profit or loss for the year.

4.14 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.

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable 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 recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 reviews and reduces 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Forward exchange contracts

At each reporting date, the Company recognises the changes in fair value of forward exchange rate for the undue forward exchange contracts as revenue or expense in profit or loss.

4.17 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 applies a quoted market price in an active market to measure its 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 measures fair value using valuation techniques that are appropriate in the circumstances and maximises 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 determines 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.

5. 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:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, debt collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Reduction of inventories to net realisable value

In determining the net realisable value of inventories, the management needs to make judgement and estimates of loss that may be incurred from substandard or deteriorated inventories, and the effect from the reduction of the selling price of inventories.

Property, plant and equipment and depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, 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.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	2015	2014
Short-term employee benefits	34.8	30.1
Post-employment benefits	2.1	2.2
Total	36.9	32.3

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2015	2014
Cash	30	30
Bank deposits	511,441	28,283
Total	511,471	28,313
Less: Restricted bank deposits	(27,000)	(27,140)
Total cash and cash equivalents	484,471	1,173

As at 31 December 2015, bank deposits in savings accounts carried interests between 0.13 and 0.38 percent per annum (2014: between 0.13 and 0.50 percent per annum).

Restricted bank deposits are deposits pledged with the bank to secure bank overdrafts as discussed in Note 13.

8. Current investments

During the current year, the Company invested in unit trusts of an open-ended fund, which are classified as investments in securities held for trading. As at 31 December 2015, the cost of investments in securities held for trading was Baht 21.04 million and their fair value was Baht 21.06 million.

Movements in the investments in securities held for trading for the year ended 31 December 2015 are summarised below.

(Unit: Thousand Baht)

	2015
Balance at beginning of year	-
Purchases during the year	453,000
Sales during the year	(432,436)
Gain on sales and change in value of investments	497
Balance at end of year	21,061

98

9. Trade and other receivables

(Unit: Thousand Baht)

	2015	2014
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	169,984	146,120
Past due		
Up to 3 months	6,946	15,220
3 - 6 months	373	-
6 - 12 months	66	227
Over 12 months	32	92
Total	177,401	161,659
Less: Allowance for doubtful accounts	(57)	(92)
Total trade accounts receivable - unrelated parties - net	177,344	161,567
<u>Other receivables</u>		
Other receivables - unrelated parties	1,377	984
Less: Allowance for doubtful accounts	(231)	(185)
Total other receivables - unrelated parties - net	1,146	799
Prepaid expenses	1,495	1,198
Interest receivable	76	-
Total other receivables - net	2,717	1,997
Total trade and other receivables - net	180,061	163,564

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	17,603	21,548	(584)	(657)	17,019	20,891
Work in process	36	672	-	-	36	672
Raw and packing materials	10,901	10,471	(167)	(231)	10,734	10,240
Total inventories	28,540	32,691	(751)	(888)	27,789	31,803

During the current year, the Company reduced cost of inventories by Baht 2.2 million (2014: Baht 1.1 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 2.4 million (2014: Baht 5.2 million), and reduced the amount of inventories recognised as expenses during the year.

11. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Machinery and plant equipment	Furniture and office equipment	Motor vehicles	Assets under installation	Total
Cost							
1 January 2014	10,704	24,153	6,041	5,186	11,965	190	58,239
Additions	-	304	993	1,295	-	4,605	7,197
Transfer in							
(transfer out)	-	-	-	20	-	(1,030)	(1,010)
Disposals/write-off	-	-	-	(68)	-	-	(68)
31 December 2014	10,704	24,457	7,034	6,433	11,965	3,765	64,358
Additions	-	140	787	1,865	4,908	1,967	9,667
Transfer in							
(transfer out)	-	5,700	-	15	-	(5,715)	-
Disposals/write-off	-	-	-	(216)	(1,360)	-	(1,576)
31 December 2015	10,704	30,297	7,821	8,097	15,513	17	72,449
Accumulated depreciation							
1 January 2014	-	1,526	151	2,432	2,368	-	6,477
Depreciation for the year	-	2,058	950	1,011	2,360	-	6,379
Depreciation on							
disposals/write-off	-	-	-	(63)	-	-	(63)
31 December 2014	-	3,584	1,101	3,380	4,728	-	12,793
Depreciation for the year	-	2,318	1,006	1,362	2,697	-	7,383
Depreciation on							
disposals/write-off	-	-	-	(203)	(164)	-	(367)
31 December 2015	-	5,902	2,107	4,539	7,261	-	19,809

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Machinery and plant equipment	Furniture and office equipment	Motor vehicles	Assets under installation	Total
Net book value							
31 December 2014	10,704	20,873	5,933	3,053	7,237	3,765	51,565
31 December 2015	10,704	24,395	5,714	3,558	8,252	17	52,640
Depreciation for the year							
2014 (Baht 2.3 million included in cost of sales, and the balance in administrative expenses)							6,379
2015 (Baht 2.7 million included in cost of sales, and the balance in selling and administrative expenses)							7,383

As at 31 December 2015, the Company had machinery, motor vehicles and office equipment acquired under finance lease agreements with net book value amounting to Baht 11.3 million (2014: Baht 9.5 million).

As at 31 December 2015, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2.2 million (2014: Baht 1.9 million).

The Company has mortgaged land with structures thereon with net book value as at 31 December 2015 amounting to approximately Baht 18.2 million (2014: Baht 18.6 million) as collateral for bank overdrafts, short-term and long-term loans and credit facilities granted by a commercial bank as discussed in Note 13 and 16.

12. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	2015	2014
Cost	5,368	1,646
Less: Accumulated amortisation	(1,027)	(607)
Net book value	4,341	1,039

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 is presented below.

(Unit: Thousand Baht)

	2015	2014
Net book value at beginning of year	1,039	311
Acquisitions - at cost	3,730	-
Transfer from property, plant and equipment	-	1,010
Disposals - net book value	(1)	(115)
Amortisation for the year	(427)	(167)
Net book value at end of year	4,341	1,039

13. Bank overdrafts

The bank overdrafts bear interest at the minimum overdraft rate (MOR) and minimum overdraft rate (MOR) minus 1.5% per annum and are secured by the pledge of the Company's bank deposits and the mortgage of land with structures thereon and are guaranteed by the Company's director.

14. Trade and other payables

(Unit: Thousand Baht)

	2015	2014
Trade payables - unrelated parties	119,739	109,104
Other payables - unrelated parties	18,227	857
Accrued expenses	25,278	37,926
Total trade and other payables	163,244	147,887

15. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	2015	2014
Liabilities under finance lease agreements	9,092	8,160
Less: Deferred interest expenses	(1,076)	(1,077)
Total	8,016	7,083
Less: Current portion	(2,913)	(2,047)
Liabilities under finance lease agreements - net of current portion	5,103	5,036

The Company has entered into the finance lease agreements with leasing companies for rental of machinery, motor vehicles and office equipment for use in its operations, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

As at 31 December 2015

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	3,399	5,693	9,092
Deferred interest expenses	(486)	(590)	(1,076)
Present value of future minimum lease payments	2,913	5,103	8,016

(Unit: Thousand Baht)
As at 31 December 2014

	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	2,509	5,651	8,160
Deferred interest expenses	(462)	(615)	(1,077)
Present value of future minimum lease payments	2,047	5,036	7,083

16. Long-term loan

(Unit: Thousand Baht)

	2015	2014
Long-term loan	-	12,536
Less: Current portion	-	(3,504)
Long-term loan - net of current portion	-	9,032

On 31 July 2013, the Company entered into a loan agreement with a local commercial bank, obtaining loan facilities of Baht 17.5 million for payment of land and factory building. The loan bears interest at the minimum loan rate (MLR) minus 1% per annum. The loan is repayable in monthly installments within 30 September 2018, with the first installment in August 2013. The loan is jointly secured with bank overdrafts as discussed in Note 13.

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios according to the agreement such as debt to equity and debt service coverage ratios at the rate prescribed in the agreement.

On 25 November 2015, the Company had already fully repaid the loan before the due date under the agreement.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

(Unit: Thousand Baht)

	2015	2014
Provision for long-term employee benefits at beginning of year	8,043	6,676
Included in profit or loss:		
Current service cost	1,862	1,067
Interest cost	362	300
Included in other comprehensive income:		
Actuarial gain (loss) arising from		
Demographic assumptions changes	(3,165)	-
Financial assumptions changes	1,696	-
Experience adjustments	69	-
Provision for long-term employee benefits at end of year	8,867	8,043

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	2015	2014
Cost of sales	39	107
Selling and administrative expenses	2,185	1,260
Total expenses recognised in profit or loss	2,224	1,367

The Company does not expect to pay long-term employee benefits during the next year.

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefits is 15 years (2014: 18 years).

Significant actuarial assumptions are summarised below.

	2015	2014
	(% per annum)	(% per annum)
Discount rate	3.39	4.50
Salary increase rate	7.00	7.00
Staff turnover rate (depending on age of employees)	0 - 56	0 - 11

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below.

(Unit: Million Baht)

	Increase 1%	Decrease 1%
Discount rate	(1.2)	1.4
Salary increase rate	1.3	(1.1)
Staff turnover rate	(1.3)	0.6

18. Share capital

18.1 On 14 June 2014, the Extraordinary General Meeting of the Company's shareholders passed a resolution to increase the Company's registered share capital from Baht 20 million (200,000 ordinary shares of Baht 100 each) to Baht 30 million (300,000 ordinary shares of Baht 100 each), through the issuance of 100,000 new ordinary shares at a par value of Baht 100 each. The Company registered the share capital increase with the Ministry of Commerce on 15 August 2014.

18.2 On 20 March 2015, the Annual General Meeting of the Company's shareholders passed a resolution to increase the Company's registered share capital from Baht 30 million (300,000 ordinary shares of Baht 100 each) to Baht 77 million (770,000 ordinary shares of Baht 100 each), through the issuance of 470,000 new ordinary shares at a par value of Baht 100 each. The Company registered the share capital increase with the Ministry of Commerce on 1 April 2015.

18.3 On 21 August 2015, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions.

18.3.1 Approved the change of the par value of the Company's ordinary shares from Baht 100 per share to Baht 0.25 per share, resulting in an increase in the number of ordinary shares from 0.77 million shares to 308 million shares. The Company registered the change in the par value of the Company's ordinary shares with the Ministry of Commerce on 26 August 2015.

18.3.2 Approved an increase of the Company's registered share capital of Baht 75 million from Baht 77 million (308 million ordinary shares of Baht 0.25 each) to Baht 152 million (608 million ordinary shares of Baht 0.25 each) through an issuance of 300 million new ordinary shares of Baht 0.25 each in which 132 million ordinary shares to be offered to the existing shareholders of the Company, 159 million ordinary shares for the initial public offering and 9 million ordinary shares to be offered to the directors, management and employees of the Company. On 21 August 2015, the Company issued 132 million new ordinary shares to the existing shareholders of the Company totaling Baht 33 million. The Company registered the increase in the registered and paid up share capital with the Ministry of Commerce on 28 August 2015.

18.4 During 25 - 27 November 2015, the Company offered 168 million ordinary shares, with a par value of Baht 0.25 each, at a price of Baht 2.88 each through the Initial Public Offering, and to the directors, management and employees of the Company. The Company received share subscription amounting to Baht 483.84 million which included share premium amounting to Baht 441.84 million. As a result, the issued and paid-up share capital increased from Baht 110 million (440 million ordinary shares with a par value of Baht 0.25 each) to Baht 152 million (608 million ordinary shares with a par value of Baht 0.25 each). The Company registered the increase in its paid up share capital with the Ministry of Commerce on 30 November 2015 and the Stock Exchange of Thailand approved the 168 million ordinary shares with a par value of Baht 0.25 each as listed securities for trading, effective from 2 December 2015. The Company incurred expenses relating to the share offering totaling Baht 14.85 million (net of income tax of Baht 3.71 million) which were presented as a deduction from the share premium.

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2015, the Company set aside Baht 7.35 million as statutory reserve.

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2015	2014
Raw materials and consumables used	149,650	119,256
Changes in inventories of finished goods and work in process	517,732	566,498
Advertising and promotion expenses	108,459	121,209
Salaries and wages and other employee benefits	73,966	64,279
Transportation expenses	27,460	26,891
Depreciation and amortisation	7,810	6,546
Consulting fees	2,960	6,841

21. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	2015	2014
Current income tax:		
Current income tax charge	18,594	13,020
Deferred tax:		
Relating to origination and reversal of temporary differences	(317)	584
Income tax expenses reported in the statement of comprehensive income	18,277	13,604

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	2015	2014
Deferred tax relating to actuarial gain	(280)	-
Income tax charged directly to other comprehensive income	(280)	-

The reconciliation between accounting profit and income tax expenses for the years ended 31 December 2015 and 2014 is shown below.

(Unit: Thousand Baht)

	2015	2014
Accounting profit before tax	86,229	65,447
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	17,246	13,089
Effects of:		
Non-deductible expenses	1,098	583
Additional expense deductions allowed	(67)	(68)
Total	1,031	515
Income tax expenses reported in the statement of comprehensive income	18,277	13,604

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

Statements of financial position

	As at 31 December 2015	As at 31 December 2014
Deferred tax assets		
Allowance for doubtful accounts	58	55
Allowance for diminution in inventory value	150	178
Provision for long-term employee benefits	1,773	1,609
Total	1,981	1,842
Deferred tax liabilities		
Financial leases	(194)	(91)
Total	(194)	(91)
Net deferred tax assets	1,787	1,751

22. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in the par value from Baht 100 per share to Baht 0.25 per share as discussed in Note 18. The number of ordinary shares is adjusted as if the change in the number of shares and par value had occurred at the beginning of the earliest year reported.

23. 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. The chief operating decision maker has been identified as Managing Director.

The Company is principally engaged in one reportable segment in the distribution of beverage. Its operations are carried on only in Thailand, through the distribution channel both in domestic and overseas markets. For the year 2015, domestic sales represented 92 percent of total sales (2014: 95 percent). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Major customers

For the year 2015, the Company has revenue from one major customer, with revenue of 90 percent of the Company's revenues (2014: 83 percent).

24. 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 contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by AIA Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 2.6 million (2014: Baht 2.3 million) were recognised as expenses.

25. Dividend

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
2015			
Dividends for 2014	Annual General Meeting of the shareholders on 20 March 2015	52.5	175
First interim dividends for 2015	Board of Directors' meeting on 5 August 2015	37.0	48
Total for 2015		89.5	223

26. Operating lease and service commitments

The Company has entered into several operating lease and service contracts in respect of the lease of office building and equipment and other services. The terms of the agreements are generally between 1 and 4 years.

Future minimum payments required under these non-cancellable operating lease and service contracts were as follows:

(Unit: Million Baht)		
As at 31 December		
	2015	2014
Payable		
In up to 1 year	6.8	9.4
In over 1 and up to 4 years	2.0	9.7

27. Fair value hierarchy

As at 31 December 2015, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held for trade investments				
Debt instruments	-	21	-	21

28. Financial instruments

28.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, trade and other payables, bank overdrafts and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivables in the normal course of business. 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 majority of sales are made with the credit worthy customers. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables as stated in the statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, and long-term loans. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates, the interest rate risk is expected to be low.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

As at 31 December 2015

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years				
	(Million Baht)				(% per annum)	
Financial assets						
Cash and cash equivalents	-	-	478.2	6.3	484.5	0.13 - 0.38
Current investments	-	-	-	21.1	21.1	-
Trade and other receivables	-	-	-	180.1	180.1	-
Restricted bank deposits	-	-	27.0	-	27.0	1.00 - 1.50
	-	-	505.2	207.5	712.7	
Financial liabilities						
Trade and other payables	-	-	-	163.2	163.2	-
Liabilities under financial lease agreements	2.9	5.1	-	-	8.0	2.70 - 7.82
	2.9	5.1	-	163.2	171.2	

As at 31 December 2014

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years				
	(Million Baht)					(% per annum)
Financial assets						
Cash and cash equivalents	-	-	0.4	0.8	1.2	0.13 - 0.50
Trade and other receivables	-	-	-	163.6	163.6	-
Restricted bank deposits	-	-	27.1	-	27.1	1.50 - 2.00
	-	-	27.5	164.4	191.9	
Financial liabilities						
Bank overdrafts	-	-	9.0	-	9.0	MOR, MOR-1.5
Trade and other payables	-	-	-	147.9	147.9	-
Liabilities under financial lease agreements	2.1	5.0	-	-	7.1	2.70 - 7.82
Long-term loans	-	-	12.5	-	12.5	MLR-1
	2.1	5.0	21.5	147.9	176.5	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. However, the Company's foreign currency transactions are insignificant. The foreign currency risk is expected to be minimal.

The balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Average exchange rate as at 31 December	
	2015	2014	2015	2014
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	-	289	-	32.8128

As at 31 December 2014, forward exchange contract outstanding is summarised below.

Foreign currency	Sold amount	Contractual exchange rate for amount sold	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	32.78	12 May 2015

28.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature and loans bear interest rates which are close to the market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Company's debt-to-equity ratio was 0.3:1 (2014: 2.3:1)

30. Events after the reporting period

On 25 February 2016, the meeting of the Board of Directors of the Company No. 1/2016 passed the following significant resolutions:

- 1) Approved the payment of dividend for 2015 to the Company's shareholders at Baht 0.04 per share or a total dividend of Baht 24.32 million;
- 2) Approved to set aside Baht 3.39 million of its net profit as statutory reserve.

The dividend payment and the appropriation of statutory reserve will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

31. Reclassification

The Company has reclassified the following amounts in the statement of comprehensive income for the year ended 31 December 2014 in order to conform to the current year's classification.

(Unit: Thousand Baht)

	As reclassified	As previously reported
Profit or loss:		
Other income	2,062	4,552
Cost of sales	717,449	719,939

The reclassifications had no effect to previously reported profit or shareholders' equity.

32. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 25 February 2016.

T.A.C. Consumer PCL.

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