

The background of the cover is a composite image. The top half shows a lush green tea plantation with rows of tea bushes. In the foreground, a woven basket is filled with freshly picked green tea leaves. The bottom half of the image is a close-up of a large pile of dark brown, roasted coffee beans. A white, curved banner with an orange border overlays the middle of the image, containing the title and subtitle.

JOURNEY TO THE TOP OF THE BEVERAGE INDUSTRY IN ASEAN

Annual Report 2016

T.A.C. Consumer PCL.

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



Vision

“To be a leading company in ASEAN offering beverages and Lifestyle products to promote everyone’s well-being”.

Mission

TACC is committed to become a leading company offering beverage and Lifestyle product especially tea and coffee with both in B2B and consumer markets domestically and in CMLC group of countries, Cambodia, Myanmar, Laos and China with make stability of 4 profit as follow:

- Customers, by creating customer satisfaction from making high quality product sold at reasonable price.
- Trading partners, by emphasizing on sustainable and long term trading relationships.
- The society, in taking part in improving quality of lives to community, social and environmental.
- The organization, by providing satisfactory return to shareholders and compensation to employees.

Core Value

- T-Team Work
- A-Achievement & Attitude
- C-Creativity
- C-Customer & Consumer Focus

Business to Business



Business to Customer

Business Goal

- 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.

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T : TEAMWORK C : CUSTOMER FOCUS



Financial Highlight

	Unit	2014	2015	2016
Statements of Comprehensive Income				
Total Revenues	Million Baht	1,004.71	1,006.36	1,183.94
Total Expenses	Million Baht	936.37	918.82	1,056.35
Profit Before Income Tax Expense	Million Baht	65.45	86.23	126.91
Profit for the Years	Million Baht	51.84	67.95	101.83
Statements of Financial Position				
Total Assets	Million Baht	283.04	806.71	934.23
Total Liabilities	Million Baht	196.61	191.67	278.16
Shareholders' Equity	Million Baht	86.43	615.04	656.07
Statements of Cash Flows				
Cash Flow from Operating Activities	Million Baht	47.09	81.32	133.40
Cash Flow from Investing Activities	Million Baht	-6.40	-28.28	-396.97
Cash Flow from Financing Activities	Million Baht	-39.78	430.27	-67.46
Increase in Cash and Cash Equivalents-Net	Million Baht	0.90	483.30	-331.02
Financial Ratio				
Current Ratio	X	1.14	4.05	3.06
Account Receivable Turnover	X	5.94	5.92	5.95
Average Collection Period	Day	60.62	60.76	60.52
Average Sale Period	Day	8.69	10.12	8.95
Account Payable Turnover	X	5.91	6.09	6.01
Average Payment Period	Day	60.93	59.14	59.87
Gross Profit Margi	%	28.20	30.66	30.35
Operating Profit Margin	%	6.36	8.52	10.25
Net Profit Margin	%	5.15	6.75	8.60
Return on Equity : ROE	%	93.39	19.37	16.02
Return on Assets : ROA	%	17.64	12.50	11.70
Asset Turnover	X	3.43	1.85	1.36
Debt to Equity Ration : D/E	X	2.27	0.31	0.42
Interest Coverage Ratio	X	18.70	75.64	221.82
Cash Basis	X	0.83	0.68	1.40
Dividend Payout	%	101.27	90.18	83.59



A: ACHIEVEMENT





The Change and Key Mile stone 2016

Mar.

- TACC was award Asia Pacific Entrepreneurship Awards 2016 Thailand (APEA)- MOST PROMISING ENTERPRENEURSHIP AWARD.



Apr.

- TACC received the The Silver Medal (Seventh Class) of the Direkgunabhorn in 2016 from contribution to public affairs Chulabhorn Research Institute posted "Dance Your Fat Off" This dancing changed life in 2014.



Jun.

- TACC was award "IPOP Award" from the Securities and Exchange Commission, Thailand. Due to shares offered within term limit.
- TACC was excellent score (97.25 of 100 Point) in AGM checklist program from Thai Investor Association and Securities and Exchange Commission, Thailand.



สมาคมส่งเสริมการลงทุน
THAI INVESTORS ASSOCIATION



Aug.

- TACC received the rights to manufacture and distribute products using the five cartoons character include Hello Kitty, My Melody, Kerokerokeroppi, Pompompurin and Bad badtzmaru by 7-Eleven convenience stores in Thailand. Product of the Company to receiving the rights mostly 5 major group such as 1) Stationary 2) Non-Food 3) Cosmetic 4) Beverage and 5) Processed Food.



Sep.

- TACC will proceed a collateral move into an adjacent category which complements our core business (tea and coffee beverage). The Company will be developing and offering Japanese style donut, original flavor, sold exclusively to 7-Eleven under the brand "A Smile".



Nov.

- TACC received Corporate Governance Report of Thai Listed Companies 2016 was a good score from institute of Director and support by Stock Exchange of Thailand.



กรรมการกำกับดูแล
National CG Committee

กรรมการกำกับดูแล
National CG Committee

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National CG Committee

Dec.

- TACC was set up Hot Beverage Dispenser 437 unit.





C: CREATIVITY





Message from the Chairman of the Board of Director

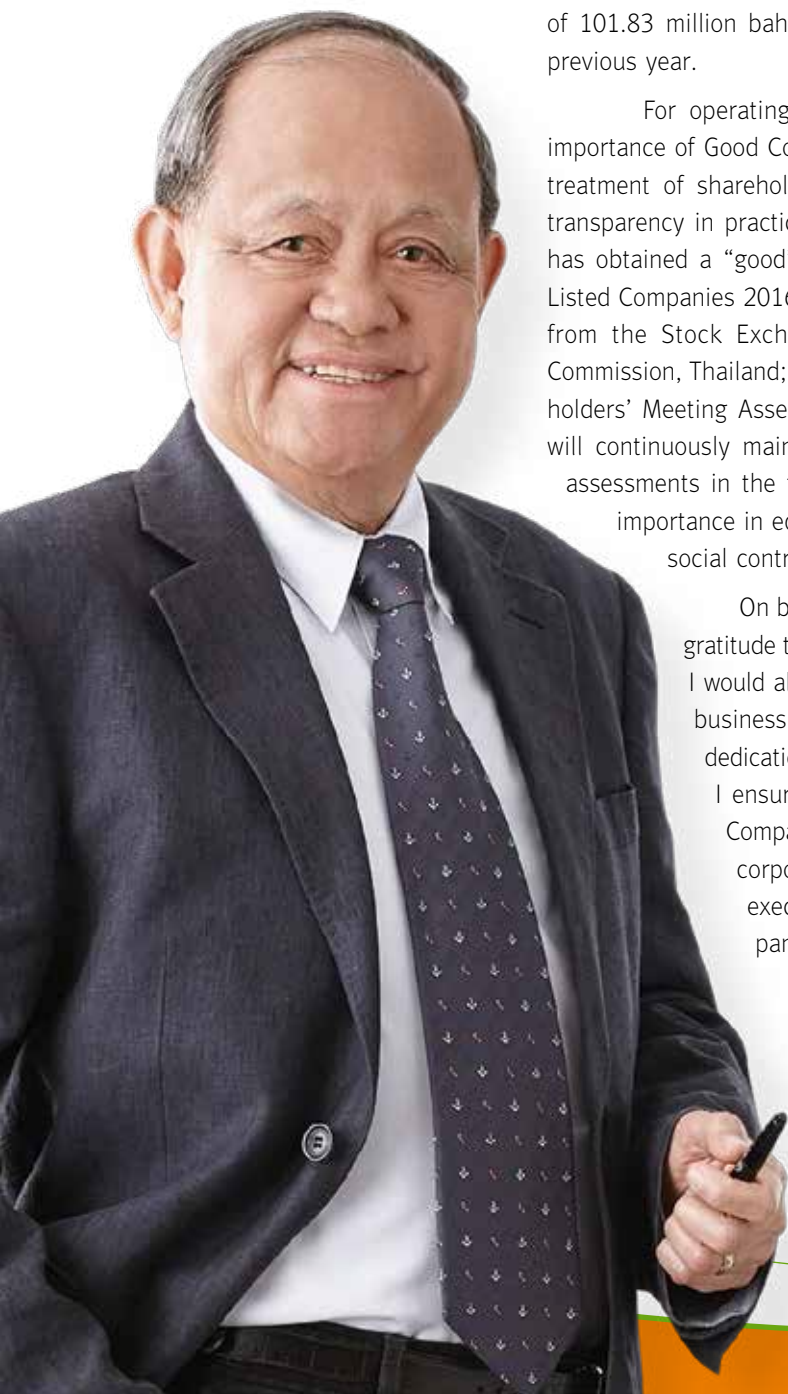
The world is transforming into digital economy or the age that uses digital system to support business operation, social and various technologies. Digital System has become the significant tools in reaching out to customers, meeting the demand and opening new business opportunities.

The Company operating performance was considered satisfying for the year 2016, as the Company had the opportunities to start new business. The total revenues was 1,183.94 million baht, increase by 17.64 % and net profit of 101.83 million baht, with the increase of 49.86 % when compare to the previous year.

For operating goals, the Company continues to emphasize on the importance of Good Corporate Governance, which are human rights, equitable treatment of shareholders, roles of stakeholders, disclosure of information, transparency in practice and Board of Director responsibilities. The Company has obtained a “good” score from the Corporate Governance Report of Thai Listed Companies 2016, Thai Institute of Directors, which is under the support from the Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand; where a “very good” score in the Annual General Shareholders’ Meeting Assessment 2016 has been obtained as well. The Company will continuously maintain and work its best to increase the level of these assessments in the future. Moreover, the Company focuses on placing the importance in equitable responsibilities of all related parties, along with social contribution and environmental care.

On behalf of the Board of Director, I would like to express my gratitude to our shareholders for having confidence in the Company. I would also like to express my gratitude to our business alliances, business partners, customers and all of our employees for their dedication and being part that help drive the Company to success. I ensure that the Board of director will adhere and oversee the Company operations to be in accordance with the principle of corporate governance. Moreover, I strongly believe that our executives’ determination and dedication will lead the Company to grow sustainably further in the future.

ADM Apichart Pengsritong
The Chairman of the Board of Director



Message from the Chairman of the Executive Committee

In 2016, was another satisfying year for T.A.C. Consumer Public Company Limited in accomplishing our operational goals which is in comply with the expansion of the economic conditions. This year the Company had the opportunities to start new businesses which are character business, where the Company received the rights to manufacture and distribute products using cartoon character in 7-Eleven convenience stores nationwide, and bakery business which is an expanding into adjacent category business from the core business of tea and coffee.

The operating performance for the year 2016, the Company's net profit was 101.83 million Baht, with net profit margin ratio of 8.60 %, increased by 33.88 million Baht or 49.86 % in comparison to the previous year, which had net profit of 67.95 million Baht, with net profit margin ratio of 6.75 %. This is mainly due to the increase in gross profit margin, which is a result from the continuous increase in revenue and that the Company has control the expenses to be within the proportion and the Company's budget.

In the Corporate Social Responsibility, the Company is well aware of being a good giver and receiver for the development as well as the stable and sustainable prosperity of Thailand, which is in accordance with H.M. King Bhumibol Adulyadej philosophy of sufficiency economy. This year, T.A.C.C. has cooperate with Environmental Education Center (EEC) in organizing a project called "Forest Water, the Source of Life" camp to reflect the responsibilities in caring and maintaining the environment as well as to join effort in developing the community and society. The project received strong support from the executives and employees as it is based on the core values of T.A.C.C., which are T-Team Work, A-Achievement, C-Customer & Consumer Focus, C-Creativity. From the successful of this project, we, TACC believe that raising awareness of maintaining water sustainably can lead to actual practice and to create quality personnel by using environmental education with children and youth in the area. The Company is committed to follow the H.M. King Bhumibol Adulyadej's footsteps.

On behalf of the Chairman of the Executive Committee, I would like to express my gratitude to our customers, partners, business alliances, shareholders, the Board of Directors, and our employees for the support and trust in T.A.C. Consumer Public Company Limited. I am confidence that we will commit to operate with transparency and efficiency under Good Corporate Governance Principles, to provide the best return for shareholders and all groups of stakeholders. We will lead the Company to grow sustainably further in the future.



Chatchawe Vattanasuk
Chairman of the Executive Committee





Board of Directors



▲ **ADM Apichat Pengsarithong**
Chairman and Independent Director



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



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



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



▲ **Mr. Komsak Wattanasriroj***
Audit Committee and Independent Director



▲ **Mr. Chatchawe Vatanasuk**
Director



▲ **Mr. Chanit Suwanparin**
Director



▲ **Mrs. Chirapan Khotcharit Choosang**
Director

Note: Miss Trithip Sivakrskul her resigned from the position of Independent Director and Member of Audit Committee on December 1, 2016. The resolve of the Board of Director appoint Mr.Komsak Wattanasriroj as a Director. This will be effective on December 16, 2016 onward.

Executive Committee



1. Mr. Chatchawe Vatanasuk
Chairman of the Executive Committee

2. Mr. Chanit Suwanparin
Vice Chairman of the Executive Committee

3. Mrs. Chirapan Khotcharit Choosang
Executive Committee

4. Mrs. Suveeraya Ansavananda
Executive Committee

5. Miss Pawanee Suwanmethanont*
Executive Committee

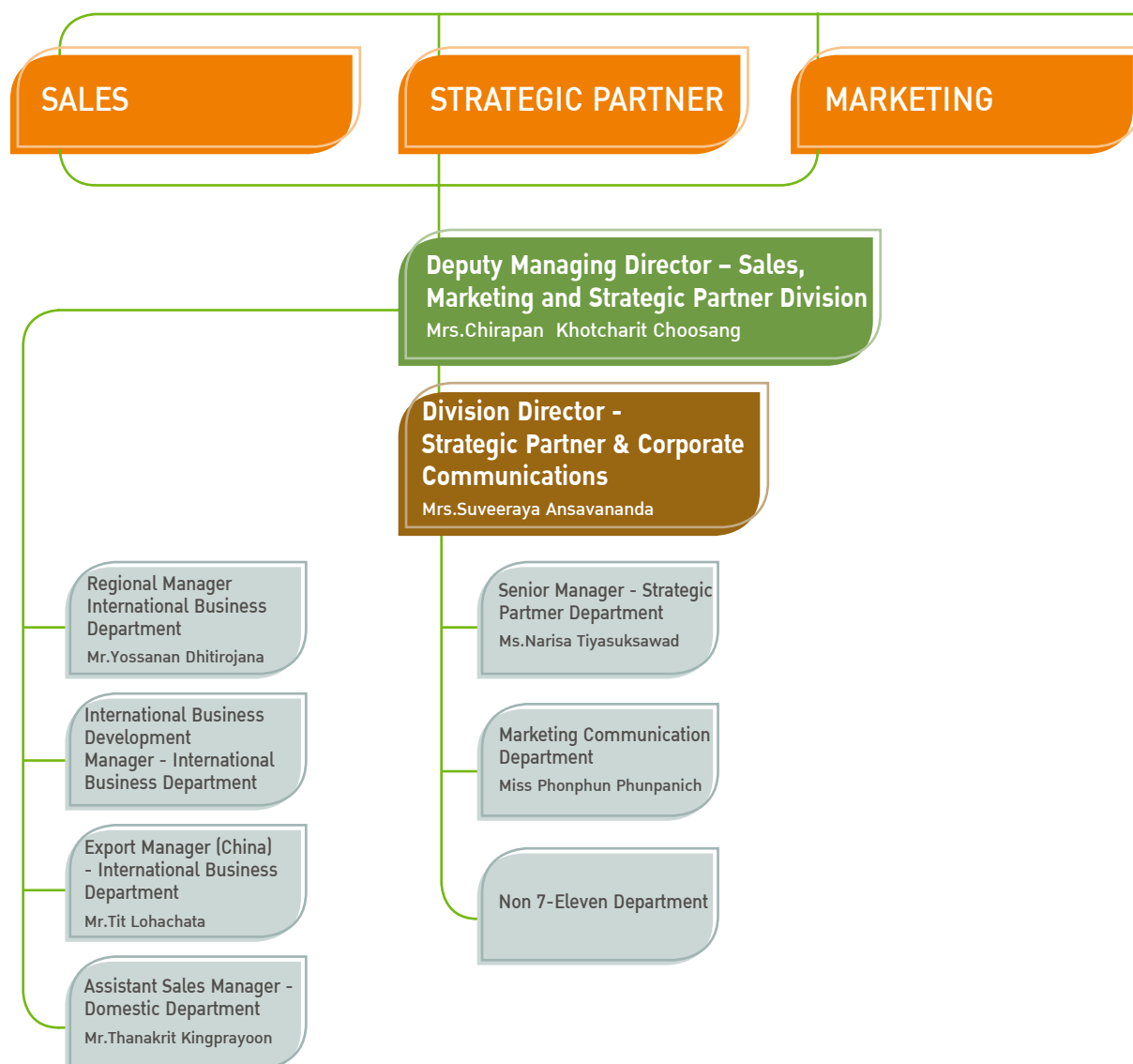
6. Miss Parichat Chotipumiwet*
Executive Committee

Note: Miss Pawanee Suwanmethanont her resigned from the position of Executive Committee on November 16, 2016. The resolve of the Board of Director appoint Miss Parichat Chotipumiwet as a Executive Committee. This will be effective on November 16, 2016 onward.





Organization Chart



BOARD OF DIRECTORS

AUDIT COMMITTEE

EXECUTIVE COMMITTEE

Mr.Chatchawe Vatanasuk
Chairman of the Executive Committee

MANAGING DIRECTOR

Mr.Chanit Suwanparin

BUSINESS DEVELOPMENT AND INNOVATION

Division Director - Business Development and Innovation Division

Miss Pawanee Suwanmethanont

Senior Manager - New
Business Development
Department

Miss Hasaya Jaruwittayanant

Senior Manager - Research
and Development
Department

Miss Pornsiri Pluemkiattichai

Manager - Quality
Assurance Department

Miss Preeyaporn Parisuthakul

BUSINESS AND OPERATION SUPPORT

Senior Manager - Supply
Chain Department

Miss Preawnapa Nimma

Manager - Production
Planning Department

Miss Nuntaphuk Pothisarn

Assistant Manager -
Transportation and
Warehouse Department

Mr.Wiroch Apinet

Procurement Department

ACCOUNTING AND FINANCE

Manager - Accounting
Department

Miss Parichat Chotipumiwet

Manager - Finance

Miss Parichat Chotipumiwet
(Acting)

Manager -
Human Resource and
Administration Department

Mr.Yodchai Pundee

Manager - Production
Department

Miss Preawnapa Nimma
(Acting)

Information Technology
Department





CORPORATE SOCIAL RESPONSIBILITIES







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 in 7-Eleven convenient store, which were jointly developed by the company and CP ALL Public Company Limited. The products were sold 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 VSlim, 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. VSlim 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.

The 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, and Thai milk tea, all of which are the flavors that illustrate innovation and contemporary Thai culture, as well as unique Thai taste.

The Company operates in partnership with CP ALL Public Company Limited (CPALL") in a business to business (B2B) due to core business of CPALL is the retail sector convenience stores under the trademark 7-Eleven, which sells a variety of products by consumers and consumer good major products include 1) Stationary 2) Non-Food 3) Cosmetic 4) Beverage and 5) Processed Food. The company wants to grow together with partners sustainable with strategy and opportunities for partners to participate in such groups. Is the origin of a Character Business. The Company's ability to meet the needs of a variety of products.

In August 2016, The Company started a new business is Character business, the Company receiving the rights to manufacture and distribute products using the five cartoons character include Hello Kitty, My Melody, Kerokerokeroppi, Pompompurin and Bad badtzmaru by 7-Eleven convenience stores in Thailand. Product of the Company to receiving the rights mostly 5 major group such as 1) Stationary 2) Non-Food 3) Cosmetic 4) Beverage and 5) Processed Food. The agreement has License Period on 1st August 2016 - 31th December 2016 sub-Licensee shall, negotiate with Sanrio Wave Hong Kong Co., Ltd. The receiving rights this time was emphasize the reliability that 7-Eleven to the Company as a Key Strategic Partner work with together for over a decade cause the Company has many various business that increasing business opportunities for the Company in the future.

In September 2016, the Company will proceed a collateral move into an adjacent category which complements our core business (tea and coffee beverage). The Company will be developing and offering Japanese style donut, original flavor, sold exclusively to 7-Eleven under the brand "A Smile". The donut will be retailed at 12 baht per piece and will be on shelve from September 26th, 2016 onwards with full promotion programs to ensure sales off take.

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.

The Company has reviewed the vision, mission and business goal annually with review of the management and presented for approval to the meeting of Board of Directors No. 5/2016 held on 10 November 2016, to the vision, mission and business goals of the company as the current economic situation and ensure compliance.





Nature of Business

Revenue Structure

Type of Revenue	Year 2014		Year 2015		Year 2016	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales of drink products						
- Business to Business : B2B	773.79	77.02	841.86	83.65	1,007.54	85.10
- Business to Customer : B2C	228.86	22.78	162.58	16.16	169.48	14.32
Total revenue from sales of drink products	1,002.65	99.79	1,004.44	99.81	1,177.02	99.42
Total revenue from sales	1,002.65	99.79	1,004.44	99.81	1,177.02	99.42
Other income ¹⁾	2.06	0.21	1.92	0.19	6.92	0.58
Total revenue	1,004.71	100.00	1,006.36	100.00	1,183.94	100.00

Note: ¹⁾ Other revenue include revenue from interest income and sales of raw material.

The Company engages in the business of sourcing, manufacturing, and distribution of beverages in tea and coffee categories and lifestyle products. 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. 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's brand as follows:

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

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

1) Cold Beverage Dispenser (Core Flavor)

This type of beverages generates the Company's main revenue in which a jointly research and development of this cold beverage dispenser since 13 years been conducted cooperatively with 7-Eleven convenience store under administration of the CPALL Public Company Limited. The product will be distribute to the 7-Eleven shop in the form of instant powder package of several size, i.e. 467 grams, 702 grams, etc., which the product will be merged in the dispenser and sold as cold drink to the customers.

In administering the cold beverage dispenser at the 7-Eleven convenience store, there will be both the core flavor, which is the main beverage that must be available in every 7-Eleven convenience store. 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 “Zenyā” trademark of the Company.

Moreover, the jointly developed of the Company with 7-Eleven team. The Company has work plan together for growth of cold beverage dispenser group. Now, CPALL is changed promotion media for clearly products such as coffee 7-select change to espresso coffee and change format promotion media for same products group.



2) Instant Powder Drink

The Company develops instant powder drink containing 35 grams and 40 grams for distributed to All Café stores located in 7-Eleven. The product has been launched since June 2014 including 3 flavors; milk tea, matcha green tea and lemon tea and developed additional new group for make colorful for All Café such as Durian milk, Yogurt melon for support healthy trend.

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

This product is a choice that each store can be selected as appropriate to the area around the stores. The Company has jointly developed this product group with CPALL which will be switching by a specific period of time.





4) Hot Beverage Dispenser

The Company jointly developed Hot beverage Dispenser group with CPALL for increase the convenience of consuming beverages with customers at 7-Eleven stores, which installed in late 2015.

The Hot drink is priced at 17 baht per glass. Currently, there are three main flavors: coffee, chocolate and matcha green tea with the drink is pressed out of the automatic press. This machine has a new innovation. The mixer head rotates at speeds of up to 13,000 cycles, making it quick to mix drinks. The water pressure is consistent to get a hot drink with good taste and a seductive odor with soft milk foam. Currently, the Company has been working a plan to continuous develop the Hot Beverage group and changed promotion media for attract more attention, such as media screen, Hanging mobile and poster media.

5) A Smile Donut

The Company will proceed a collateral move into an adjacent category which complements our core business (tea and coffee beverage). The Company will be developing and offering Japanese style donut, original flavor, sold exclusively to 7-Eleven under the brand “A Smile”.



โดนัทสไตล์ญี่ปุ่น



โดนัทเค้กช็อกโกแลต

The Company focus jointly product development by co-developing the donut cake with special formula from Japan's leading starch manufacturer with this special ingredient and production process, “A smile” is a Japanese style donut cake, Delicious no one. The Company has launched the Donut Japanese style, Original flavor on shelf from September 26th, 2016 onwards and retailed at 12 baht per piece. Moreover, the Company also develop products continuously for the taste is pleasant to the consumer and has launched new flavors of donuts is donut chocolate cake in Japanese style on shelf from January 16th, 2017 onwards In addition, the company has adjusted the packaging, outstanding and media ideas of the product more to the consumer.

6) Character Product

The Company receiving the rights to manufacture and distribute products using the five cartoons character include Hello Kitty, My Melody, Kerokerokeroppi, Pompompurin and Bad badtzmaru by 7-Eleven convenience stores in Thailand. Product of the Company to receiving the rights mostly 5 major group such as 1) Stationary 2) Non-Food 3) Cosmetic 4) Beverage and 5) Processed Food. The Company receiving the rights Exclusive Distributor from CP ALL in distribute the rights products from Sanrio Wave Hong Kong Co., Ltd in Convenience Stores by available in shelves to keep the product in the same category.



Example Stationary products group



Example Cosmetic products group



Example Non-food products group





2. Product group distribute under the Company's brand (Business to Customer : B2C)

The Company also develops products under its own brands which this group of products can be summarized in 4 category as follows;

1) Ready-to-drink green tea under the brand “Zenya”

The kind of Zenya trademark product is the green tea 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 form 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 lever of body cholesterol, and (3) Ready-to-Drink Green tea mixed with green apple adds double antioxidants from green tea and apples. These ready-to-drink product are placed in the colorful plastic bottles of 500 milliliters, and are good for every consumer of all age and sexes, particularly the group of teenagers.



This kind of product is sold in the general market as well as imported to the oversea, mainly in some ASEAN countries, particularly Cambodia. The retail price in the country's general market is 20 baht per unit. As for the oversea market, it will be developed in terms of the product formula so as to be appropriate to the needs of customer as well as the requirement of each particular country. For example, the ready-to-drink green tea with less sugar is granted by the health promotion brand of the Singapore with guaranteed sign on the bottle containers as the “Heathier Choice” and this is to confirm that 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. 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.

Vslim is one the ice coffees comprising the outstanding ingredients such as fiber, white kidney bean extracted and L carnitine. This kind of ready-to-drink coffee is packed up in 240 milliliter can and it come in 2 flavor such as (1) Espresso concentrate coffee and (2) Latte is aroma taste coffee. The Vslim is regarded as first outstanding brand of healthy choice coffee for losing weight being packed in the form of canned coffee that help make easier for



the consumer 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, Cambodia etc. The company has concentrated on selling mainly through the convenience stores in which the retail selling price is only 20 baht per can.

3) Instant powder drink under the brand “Na-Arun”

A three-in-one drink mix containing 500 gram crates with 10 sachets per crated costing 1,000 baht. This kind of product is produced under the aim that the customers or consumer 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 3 mixed; 1) coffee latte produced in the from of sweet concentrate roasted instant with fresh aroma of Thai style instant coffee,



2) Thai milk tea instant with soft mellow flavor of Thai Style, and 3) green te sweet and concentrate ingredient of milk and green tea with jasmine smell flavor. The product is mainly sold in overseas market and also a great alternative for Thai restaurants and Asian grocery.

4) Instant powder drink under the brand “Sawasdee”

The kind of drink is regarded as the high quality product of ready-to-drink a premium 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 solution “Sawasdee”. This ready-to-drink brand produced in 3 flavors; 1) durian milk with natural chunks with “Sawasdee Bangkok Durian” trademark. It comes in the from 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 with natural chunks with “Sawasdee royal mango” trademark. It comes in the from hot drink with nice smell of mango which helps make relieve of tension to the consumer, and 3) Thai milk tea with “Sawasdee Thai Milk Tea” trademark is the concentrate taste of sweet 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 crat of 10 sachets in which they are to be exported to oversea market mainly the group Chinese consumers.



Marketing and Competition

Competitive Strategy

1. Establishing Business Partnership

The heart of Company's business is to build business partnership with all the business partner, including customers, original equipment manufacture (OEM), material, 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 partner and lead to sustainable long-term business relationship. The Company has been one of 7-Eleven key strategic partners which enable the Company to constantly develop and introduce new products to customer. This result in a steady growth of Company's revenue.

In 2013, the Company was granted the Partnership Award 2013 "Best of Business Growth" from CPALL. The award has been bestowed to the trade partners, mostly large corporations in recognition of continuous collaboration and excellent business growth. 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 different 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 example 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 chunk branded "Sawasdee". This allows the Company to react itself appropriately and promptly to business opportunities, gaps, and change that evolve all the time, while being able to focus itself more of specific target market in order to thoroughly meet diverse consumer's need and lifestyle. Such outcome stems from a cooperation among marketing team, business development team and research and development team. Initially, the marketing team will study and closely monitor beverage market trend both in domestic and oversea markets, as well as change in consumer's behaviors. The business development team will conduct 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 experience 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.

3. Maintaining Product Quality Standards

Apart from inventing and developing new unique products, the products the Company also gives its priority to the production of quality products to satisfy consumers need. 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. Although most of the Company's product 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 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 state of production, from the beginning to the end, before delivering to its customer. 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 manufactures, starting from the quality standard inspection of their plants. Every contracted manufacture must be certified with various standard such as GMP and HACCP. Moreover, the Company inspects its OEMs of their production procedures and processes, in manufacturing of sample products and of 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 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 innovate idea which allows the Company to timely evaluate and develop its product to satisfy customer's needs and lifestyles that evolve constantly.

In the part, 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 day 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 consumer, all gender and all age. The difference is the type of product which are as follow:

Products	Target Customers
• Cold and Hot Beverage Dispenser	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket
• Ready to drink Green Tea Brand "Zenya"	Target customers ranges from teenagers to middle aged persons age 15-30 years that are mainly in the low to moderate income bracket
• Health and weight control coffee Brand "VSlim"	Females with health and beauty consciousness age 20-39 years who are need of refreshment during work that are mainly in the low to moderate income bracket
• Instant powder drink Brand "Na Arun"	The working population aged 30-39 years that are mainly in the low to moderate income bracket
• Instant powder drink Brand "Sawasdee"	The working population across all occupational groups aged 21-39 years that are mainly in the moderate to high income bracket focusing on overseas market particularly in China
• Japanese Style Donut "A Smile"	Target customers ranges from teenagers to middle aged persons age 15-30 years that are mainly in the low to moderate income bracket
• Character Product	Target customers ranges from teenagers to middle aged persons age 15-30 years that are mainly in the low to moderate income bracket

Proportion of revenue from sales separated into categories of customer in the year 2014-2016

Sale	2014			2015			2015		
	Million Baht	mix (%)	Growth (%)	Million Baht	mix (%)	Growth (%)	Million Baht	mix (%)	Growth (%)
Domestic Sales	872.72	87.04	(8.94)	926.96	92.29	6.221,069.58	90.87	15.39	
International Sales	129.93	12.96	18.82	77.48	7.71	(40.37)	107.44	9.13	38.67
Total Sale	1,002.65	100.00	(6.10)	1,004.44	100.00	0.181,177.02	100.00	17.18	

Note: International Sales sum to amount is Indirect Export

Price Setting Policy

The Company has the policy to determine its product price using the Cost Plus Margin approach in which the price of each product differs depending on its market price and distribution channel. The Company will consider the competition within each market as well as the acceptance of each customer segment. Moreover, the Company, in collaboration with its business alliances, might arrange promotion based on the market condition and marketing strategy of the Company. This might include giving discount, product giveaway or other promotional campaigns.

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 channel, 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.

Policy and Practice toward Customers, Trading Partners, and Competitors

The Company has its policy and practice toward customers, trading partners, and competitors as follows:

- 1) To treat customers, trading partners, and competitors with good understanding and collaboration
- 2) To offer good quality service to customers with warm friendship and supportive manner
- 3) To reasonably and carefully advise or decide on behalf of customer in consideration of customer's appropriateness
- 4) To protect stakeholder's benefits
- 5) To support social activities as appropriate, as well as participating in public contribution, education, and activity that contributes toward national development

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 VSlm 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.

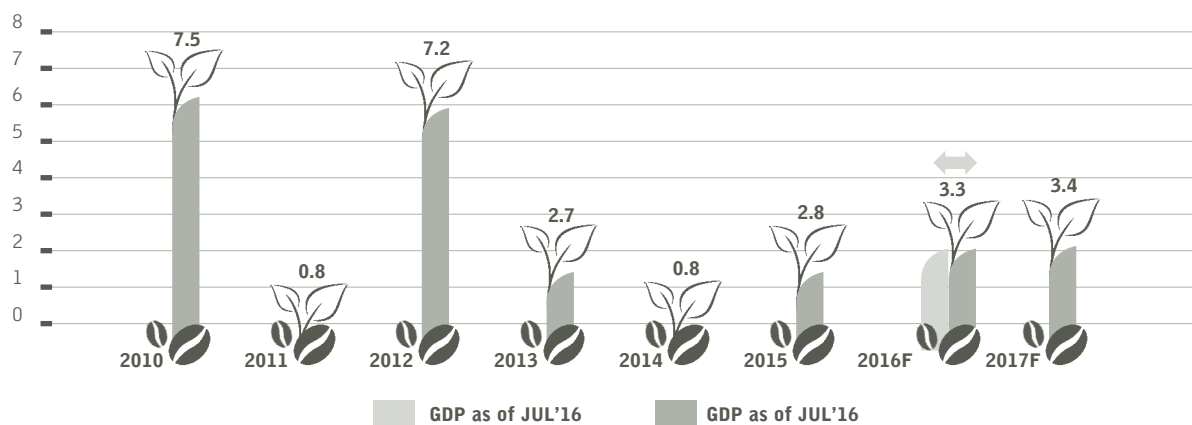
Products	Distribution Channel	
	Domestic	Oversea
1. Cold & Hot Beverage Dispenser	✓	-
2. Ready to drink Green tea "Zenya"	✓	✓
3. Health and weight control coffee "VSlm"	✓	✓
4. Instant powder drink "Na Arun"	✓	✓
5. Instant powder drink "Sawasdee"	✓	✓
6. Japanese Style Donut "A Smile"	✓	-
7. Character Products	✓	-

Industry Situation

It was reported by the Fiscal Office, Ministry of Finance, that in 2016 Thai economy was expected to grow by 3.2 percent, accelerating from the previous year of 2.8 percent, from constant increase of government expenditure. This was mainly due to the acceleration of government's disbursement and the constant investments from infrastructure project under the Emergency Action Plan on Transportation 2016. Private consumption had a tendency to gradually recover from that of the previous year as well from low inflation rate and from the government's investment in various important projects that were in good progress. The export volume of products and services was expected to increase from the previous year resulting from the recovery of export in the second half of the year. The economic stability was rather promising with the inflation rate of 0.2 percent, increasing from the previous year due to an increase in food and beverage prices.

The Fiscal Office, Ministry of Finance also foresees that in 2017 Thai economy has a tendency to grow at 3.6 percent (the estimate ranged between 3.1 and 4.1 percent), as driven by the continuous government's expense, especially from the additional budget of fiscal year 2017 of 19 billion baht and from new investment on transportation infrastructures which were anticipated in 2017 such as the dual-track rail project and electric train in the city, motor way project, and airport development project, as well as from the increase of farmer's income according to increasing global commodity price. These were factors that were expected to drive the expansion of private consumption. Moreover, the economy of trading partner countries had a tendency to expand over time which will lead to more purchasing orders of exporting goods and those of services due to an increasing number of tourists. In terms of stability, the inflation rate of 2017 was expected at 1.8 percent (the estimate figure ranged between 1.3 and 2.3 percent), increasing from the year 2016 due to higher energy price.

Gross Domestic Product CVM (%YOY)



Source : Office of the National Economics and Social Development Board

Beverage Industry

Kasikorn Research Center provided an estimated figure of ready-to-drink market value 2016 between 225,000 and 230,000 million baht or between 8,500 and 8,600 litres. Comparing to 2015, the figure shrinks by 3.2 - 5.3 percent in terms of value but increases by 1.0 - 2.2 percent in terms of volume. This resulted from promotion campaigns done by retailers to boost sales of ready-to-drink products in a slow economy.

However, in many countries that collect excise tax of food and beverage, it is revealed that tax measure will take part in changing consumer's behavior whenever the tax burden is passed through the consumer in the form of higher food and beverage retail prices and when the consumer has higher incremental cost in buying food and beverage from other sources that are non-taxable than incremental retail price from excise tax collected. In case of Thailand, it is found that the excise tax collection practice against drink with sugar content is set in place to increase the retail price after tax by at least 20 percent which lead to higher price for consumer. In addition, the cross-border purchasing of products from nearby countries will not be the case in Thailand, as the cost is high. Therefore, implementing tax measure against drink with sugar content may change Thai consumer's behavior as intended. However, there are two observations from the collection of such tax which are the change of consumer's behavior towards substitute non-taxable drink and the timeframe in collecting such tax which should allow the producers to adapt themselves and suit business environment.

Competition in ready-to-drink tea market

The decline of green tea market by 2.6 percent in 2015, the lowest in ten years, forced the market leaders, Ichitan and Oishi, to continuously unleash countless promotion campaigns to stimulate sales. Such competition between the two giants still went on in 2016 to compete in green tea market which worth 15.7 billion baht. Ichitan spent 130 million baht giving out 15 million baht condominium locating in the city center and free 28 Mercedes Benz cars in its campaign "Ruay Prieng 6" and was confident to boost its sales by 10 percent, while Oishi spent 200 million baht launching its summer promotion "Oishi Code and Golden Neko Army" giving out 300 free gold and expected to boost the sales by 15 percent.



READY-TO-DRINK TEA MARKET YEAR 2016 VALUE 15,000 MILLION BATH NO-GROWTH



OISHI 43%

ICHITAN 40%

OTHERS 17%

Source: Ichitan Group Public Company Limited

For the first 5 months of this year (January - May 2016), the green tea ready-to-drink market value decreased by 3.9 percent and consumption volume reduced by 1.7 percent. Oishi witnessed the growth in value by 10.1 percent and consumption volume by 12.7 percent. This boosted Oishi's share in tea market from 38 percent to 43.6 percent, while Ichitan's market share shrank from 46.3 percent to 41.4 percent (information taken from Nielsen Retail Audit). When considering only the green tea ready-to-drink market alone, the shares of both Oishi and Ichitan were 36.1 and 27.7 percent respectively.

The Company focuses its green tea ready-to-drink brand "Zenya" mainly on export market with little revenue from domestic sales mostly via specific channels such as golf courses, schools, and hospitals.

Retail Industry

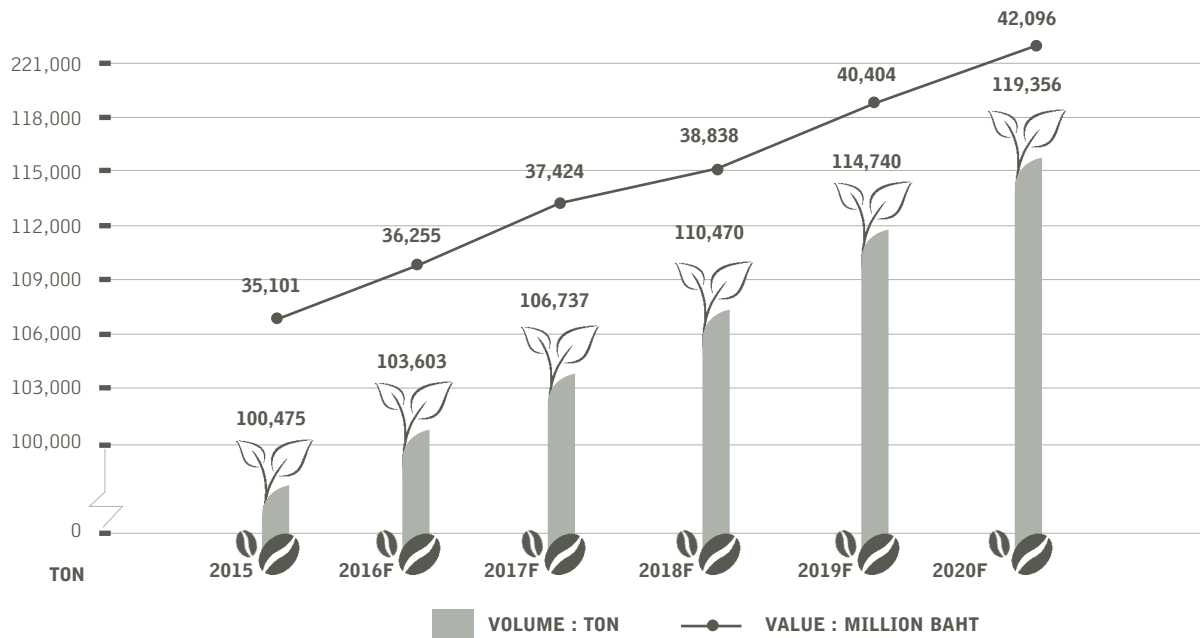
Although consumer's behavior nowadays has changed significantly and there are more variety of channels to purchase which lead to higher degree of competition, retail business has witnessed constant growth all along. Market at present has been replaced by e-commerce and online markets which are now growing and have increasing popularity, so it is interesting to observe the movement of retail market this year.

It is revealed from the research on the movement of global retail lessee issue#7 made by CBRE, world's leading real estate consultant, that the growth of online sales did not change expansion plan of retail lessee in 2016. Compared to the previous year, most of Asia-Pacific markets such as Japan, Singapore, and Australia were increasingly popular in 2016 but not for China and South Korea which were slightly less popular. Meanwhile, Southeast Asian countries, especially Malaysia (10%), Indonesia (9%), Thailand (8%), Vietnam (8%), and Philippines (8%) gained twice the popularity compared to last year. In overview, the market gained 1-3 % popularity on average.

Coffee Industry

Coffee is popular among Thai consumers. People often hold a cup of coffee in their hands in every period of a day. This reflects coffee consumption behavior of modern consumers that varies which does not limited only to stay awake. Many types of coffee shops, including traditional coffee, small and large size fresh coffee, and premium domestic and international coffee brands can be found everywhere and the number of the shops continuously increase in the past 5-6 years.

Trend of Coffee Market Value during 2015-2020



NOTE : F IS AN ESTIMATE NUMBER

Source: Marketeer

Export Industry 2016

Thai export of the year 2016 increased by 0.45% which is desirable. The products that contributed to the surplus were golds, automotive and components, air conditioners, processed fruits, and solar cells. Most of the export markets from Thailand were well expanded even in slow global economy. This reflects that exporters could adapt themselves very well and that Thai products were in need by global market. Thai export level was higher than that of global average of minus 3.1%, as reported by Miss Pimchanok. The import and export figures have also been reported to the Prime Minister and the Deputy Prime Minister and both of them are satisfied. The import figure was positive from capital goods and materials which indicated a good sign towards the export of this year.

Export Industry 2016

Thai export situation of the year 2017 still full of risk factors, especially from trade barriers. Recently, there are 12 countries in the midst of considering to implement Anti-dumping / safeguard measures against 17 Thai products.

The Ministry of Commerce has preliminarily set the export target of the year 2017 at 3% of expansion, although there are certain risk factors that will affect Thai export. This includes global slow economy, currency fluctuation of trading partner countries after the Federal Reserve System has its tendency to raise interest rates, as well as trade barriers implemented by certain countries.

Mr. Ath Pisalvanich, Director of the International Trade Studies Centre at the University of the Thai Chamber of Commerce, revealed that there is a tendency that Thai trading partner countries will erect more trade barriers in 2017. Mr. Donald Trump, acting President of the United States, has signaled that USA will implement



such restrictions. It was stated during his election campaign that he will raise the import tax of Chinese goods to 45% and will renegotiate the North American Free Trade Agreement (NAFTA) to lift the import tax of Mexican goods to 35%. Trump will also withdraw USA from the Trans-Pacific Partnership (TPP) which has been ratified by 12 member countries. These positions must be observed again whether they will be changed after his official appointment as the President in January 2017.

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 continuous economic growth. The total export values to the CLMV were 664,683.70 million baht in 2014, 751,962.44 million baht in 2015, and 779,972.20 million baht in 2016. When considering only the export value of drink products during 2014-2016, it can be seen that the value of the year 2014 was 31,591.20 million baht, that of the year 2015 was 35,374.20 million baht, and that of the year 2016 was 40,068.00 million baht which contributed 4.75%, 4.70%, and 5.14% of total export value during 2014-2016 respectively. 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.

Table showing total export value during 2014 - 2016

Country	2014		2015		2016		Growth (in percentage)	
	Million Baht	%	Million Baht	%	Million Baht	%	57/58	58/59
Cambodia	145,486.70	21.89	167,048.30	21.89	163,324.40	21.89	14.82	-2.23
Myanmar	136,270.10	20.50	140,789.50	20.50	146,457.00	20.50	3.32	4.03
Lao	129,666.30	19.51	142,909.30	19.51	140,071.40	19.51	10.22	-1.99
Vietnam	253,260.60	38.10	301,215.30	38.10	330,119.40	38.10	18.94	9.60
Total	664,683.70	100.00	751,962.40	100.00	779,972.20	100	13.13	3.73

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

Table presenting export value of beverage products during the year 2014-2016

Country	2014		2015		2016		Growth Rate (%)	
	Million Baht	%	Million Baht	%	Million Baht	%	14/15	15/16
Cambodia	6,945.90	21.99	8,680.10	21.99	10,871.6	21.99	24.97	25.24
Myanmar	12,771.90	40.43	12,987.70	40.43	12,673.0	40.43	1.69	-2.41
Loas	2,085.70	6.60	2,351.30	6.60	2,842.8	6.60	12.74	20.91
Vietnamese	9,787.70	28.16	12,355.10	28.16	13,680.6	28.16	26.23	10.73
Total	31,591.20	100.00	35,374.20	100.00	40,068.00	100	11.98	13.27

Source: Information Technology and Communication Center, 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. The growth rate of export value in 2016 was 26 percent based on that of the previous year. Such growth was the result of country's steady economic expansion. In 2016, 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 2016, anticipated the growth of Cambodia's economy in 2017 at the rate of 7.8 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 806,437.60 million baht in 2014, 801,235.60 million baht in 2015, and 833,857.70 in 2016 with the Compound Annual Growth Rate (CAGR) of 4.08 percent per annum.

Table showing wxport value during year 2014-2015

Country	2014		2015		2016		Growth Rate [%]	
	Million Baht	%	Million Baht	%	Million Baht	%	14/15	15/16
Total Export Value	806,437.60	100.00	801,235.60	100.00	833,857.70	100.00	-0.65	4.08

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





Management Discussion and Analysis : MD&A

T.A.C. Consumer Public Company Limited (“the company”) would like to clarify the operating results for the year ended December 31, 2016 as follows:

Sales

In 2016, the sales revenue of the Company was 1,177.02 million baht, increased by 17.18% from 2015 when the sales was 1,004.44 million baht due to

- 1) The Company had domestic sales valued 1,069.58 million baht, increased by 15.39% from the prior year when the amount was 926.96 million baht. This growth was due to the market coverage expansion of (A) cold dispenser, (B) non-coffee products in All Café (a fresh coffee corner within the 7-Eleven store) and (C) Hot drink products in Vending Machine (D) a new product “Japanese Style Donut Original Flavor” under “A Smile” brand being launched in October 2016. In addition, (E) the licensed products in a Cosmetic group using Sanrio’s cartoon characters have also been launched exclusively in 7-Eleven in September 2016.
- 2) The company had export sales valued 107.44 million baht, increased by 38.66% from the prior year when the amount was 77.48 million baht. This was because the company has widened its distribution of RTD green tea “Zenya” in schools and universities in Cambodia besides dissolving a distribution problem since August 2015.

Other income

In 2016, the other income were 6.92 million baht, increased by 260.33% from the previous year being reported at 1.92 million baht. This was due to the company received income from interest income and gain on investment.

Cost of Sales

In 2016, the Company had the cost of sales increase 17.69% in the same way of sale, that have valued 819.75 million baht (69.65% of sale) or 30.35% gross margin, while in 2015, the Company had the cost of sales valued 696.51 million baht (69.34% of sale) or 30.66% gross margin. The gross margin slightly decreased due to in quarter 4th, the Company sold the new product Japanese style donut, which its average of gross margin was lower than other products.

Selling Expenses

In 2016, the selling expenses were 166.08 million baht, increased by 2.33% from the previous year being reported at 162.30 million baht. This increase derived from the additional head counts of employees as business expansion. However, the Company have controlled selling expenses, advertising and promotion expense in budget.

Administrative Expenses

In 2016, the Company had administrative expenses of 70.52 million baht increased by 17.52% from the previous year when there were 60.00 million baht. This increase derived from the additional head counts of employees and investment in an online corporate system to improve and support the future business expansion.

Finance Costs

In 2016, the Company had finance cost valued 0.68 million baht, decreased by 48.10% from the previous year being recorded at 1.32 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 2016, the Company's net profit was 101.83 million baht (8.60% of sale) increased by 33.88 million baht (49.86%) from the previous year (67.95 million baht or 6.75% of sale). The increase in net profit was driven by (a) the increasing of gross margin from higher sale and (b) the controlling expense in budget.

Business Plan 2017

The Company expects the target of sales in 2017 grow between 10-15% and more from the previous year. Both revenue growth are Product group which the Company jointly developed with its business partner (Business to Business : B2B) and Product Group Distribute Under the Company Brand (Business to Customer : B2C). Furthermore the revenue growth from existing products and the new products of the company.





Risk Factor

1. RISK FORM KEY CUSTOMER DEPENDENCY

The Company's total revenue in the year 2015 and 2016, 90% and 88% come from transactions with CPALL 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 CPALL 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 9,542 7-Eleven stores all over the country at the end of the year 2015 (data from www.cpall.co.th). 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. 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. 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 customer group. The Company has expanded its business to other product of CPALL such as 1) stationary, 2) Non-food, and 3) Cosmetic with Cartoon Character will be increased business opportunities for the Company in the future.

The extensive relationship with CPALL for over 13 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. The Company was received Exclusive Contact three years and renew a contract. 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. The Company has goal

% Mix of sales revenue 2015 compare with 2016 and goal 2020



The Company has goal in 2020 by increase of Sale revenue for B2B and B2C is 65:35. The part of B2B is product group under the Company's brand by focus on increase of oversea and additional the base of original country group, expand to more other countries for decrease risk from B2C business. B2C is expand without to original product for diversify of risk from Key customer dependency. The Company set a goal in 2020 will decrease this risk medium level.

2. RISK FORM DEPENDENCY ORIGINAL EQUIPMENT MANUFACTURER

The Company outsources most of its production to OEM. At present the Company utilizes 8 major OEMs compare with 6 major OEMs from the prior year, which accounts for 78.63% and 94.39% of the Company's total finish product purchase volume of the year 2015 and 2016 respectively. The Company has launch new product by purchase finish product from OEMs. As result, the proportion of purchased finish products from OEMs increased in 2016. In case the OEM is unable to deliver products of the specified quality and standard or unable to supply produce 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 OEMs and assigns practice for the selection and evaluation of OEM clearly by preliminary taking into account OEM's expertise in manufacturing, production capacity, reputation and financial situation. It 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 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 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 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 Samut Prakarn, and Nakhon Pathom, 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 OEM's 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 customer's 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 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 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 2016, the Company joined the government project "Food Annapolis" is will bring science technology and innovation for develop economy and society of Thailand. Therefore, the Company has more knowledge.

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; therefor, The Company has policies and practice for preparation of raw material, packing and finish goods and 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 the 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 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 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 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 Chelf Executive, will hold 29.46% 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.

Shareholder and Management structure

Stock and Shareholders Information

1. Registered Capital and Paid-up Capital

As at 31th December 2016, the Company has registered capital of Baht 152,000,000 and issued and paid-upshare capital at Baht 152,000,000 separated into ordinary share at 608,000,000 shares at par value of 0.25 Baht.

2. Shareholders Structure

The list and percentage of shareholding of the first 10 major shareholders that are listed on the latest shareholder's registration as at 30 December 2016.

Name of Shareholders	No. of Share	%
1. Mr. Chatchawe Vatanasuk	179,145,143	29.465
2. Mr. Thanutum Kiatphaipool	83,526,843	13.738
3. Mr. Chanit Suwanparin	23,888,572	3.929
4. Muang Thai Life Assurance Public Company Limited	18,879,100	3.105
5. Mr. Nuthajak Liengchayetz	16,962,072	2.790
6. Mr. Chanaphan Piriyaphan	15,528,000	2.554
7. Mr. Petch Phaewphraikul	14,008,771	2.304
8. Mr. Chaichachet Sriwaleephan	13,600,710	2.237
9. Thai NVDR Company Limited	11,621,366	1.911
10. Mr. Peerajet Suwanpasri	8,000,000	1.316
Total	385,160,577	63.349

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 and 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 2016, The Board of Directors has a total of 7 Directors consisted, which are as follow:

Name and Lastname	Position
1. ADM Apichart Pengsritong ¹⁾	Chairman of the Board of Directors 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. Mrs. Paktra Suriyapee ¹⁾	Audit Committee and Independent Director
7. Mr. Komsak Wattanasriroj ³⁾	Audit Committee and Independent Director

Note: ¹⁾ The Director No. 1 and 5-6 were appointed in accordance with the Board of Directors Meeting resolution No.1/2015 on 19th January 2015 and the Extraordinary General Meeting of Shareholders Resolution No. 1/2015 on 29th January 2015.

²⁾ Director No. 4 was appointed by the Extraordinary General Meeting of Shareholders Resolution No. 2/2015 on 21th August 2015.

³⁾ Director No. 7 were appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16th December 2016.

Former Directors resigned during the year 2016 as follow:

Name and Lastname	Position
1. Miss Trithip Sivakrskul ¹⁾	Audit Committee and Independent Director

Note: ¹⁾ The Director No. 1 resigned from the position of Director and Audit Committee on 1th December 2016.

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

Authorized 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 2015 and 2016, the Company has set up Board of Directors Meetings 6 time equal prior year. 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-Last name	Position	No. of times attended the Meeting/Total No. of Meeting	
		Year 2015	Year 2016
1. ADM Apichart Pengsritong ¹⁾	Chairman of the Board of Directors and Independent Director	5/6	6/6
2. Mr. Chatchawe Vatanasuk	Director	5/6	4/6
3. Mr. Chanit Suwanparin	Director	5/6	6/6
4. Mr. Chanaphan Piriaphan ²⁾	Director	4/5	-
5. Mr. Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director	5/6	6/6
6. Mrs. Paktra Suriyapee ¹⁾	Audit Committee and Independent Director	4/6	6/6
7. Miss Trithip Sivakrskul ¹⁾	Audit Committee and Independent Director	5/6	6/6
8. Mrs. Chirapan Khotcharit Choosang ²⁾	Director	1/6	6/6
9. Mr. Komsak Wattanasriroj ³⁾	Audit Committee and Independent Director	-	-

Note: ¹⁾ Director No. 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 Meeting of shareholder resolution No. 1/2015 on 29th January 2015 and the Director No. 6 resigned from the position of Director and Audit Committee on 1th December 2016.

²⁾ Director No. 4 resigned from the position by Extraordinary General Meeting of Shareholder resolution No. 2/2015 on 21th August 2015 has the resolution to appoint Mrs. Chirapan Khotcharit Choosang as a Board of Directors.

³⁾ Director No. 9 were appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16th December 2016.

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.

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

2. Audit Committee

As at 31 December 2016, 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. Mrs. Paktra Suriyapee	Audit Committee and Independent Director
3. Mr. Komsak Wattanasriroj ¹⁾	Audit Committee and Independent Director

Note: ¹⁾ The Director No. 3 were appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16th December 2016.

Former Audit Committee resigned during the year 2016 as follow:

Name and Lastname	Position
1. Miss Trithip Sivakrskul ¹⁾	Audit Committee and Independent Director

Note: ¹⁾ The Director No.1 resigned from the position of Director and Audit Committee on 1th December 2016. Miss Trithip Sivakrskul and Mr. Komsak Watanasriroj are the Audit Committee, who posse adequate knowledge and experience to perform duties in auditing the reliabilities of financial Statement.

Miss Trithip Sivakrskul graduated with master is the audit committee, who posse adequate knowledge and experience to perform her duties in auditing the reliabilities of financial statement. Ms. Trithip Sivakrskul, graduated with master degree in business administration from Sasin Graduate Institute of Business Administration of Chulalongkorn University. Ms. Trithip Sivakrskul 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 and resigned from position Director and Audit Committee on 1th December 2016

Mr. Komsak Watanasriroj graduated with master degree in business administration from Srinakharin Wirot University and Bachelor of Accounting from Ramkhamhaeng University. He has experienced in working as a chief Financial officer, Mono Technology Public Company Limited. Mr. Komsak Watanasriroj were appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16th December 2016.

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

The Meeting of Audit Committee

In the year 2015 and 2016, the Company has set the meeting of Audit Committee 4 time equal prior year. The details of the attendance of each Directors are as follow.

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

Name-Last name	Position	No. of times attended the Meeting/Total No.of Meeting	
		Year 2015	Year 2016
1. Mr. Somboon Prasitjutrakul	Chairman of the Audit Committee and Independent Director	4/4	4/4
2. Miss Trithip Sivakrskul ¹⁾	Audit Committee and Independent Director	3/4	4/4
3. Mrs. Paktra Suriyapee	Audit Committee and Independent Director	4/4	4/4
4. Mr. Komsak Wattanasriroj ²⁾	Audit Committee and Independent Director	-	-

Note: ¹⁾ Director No.2 resigned from the position of Director and Audit Committee on 1th December 2016.

²⁾ Director No. 4 were appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16th December 2016.





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 possess 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.
10. Knowledge and understanding in Nature of Business and also has ability to business benefit of the Company.
11. Independent Directors has report to the Board of Director Directly, If any events that may Be lacking qualification of independence as an Independent Director.
12. Independent Director has year of directorship not more than 9 years.
13. Independent Director has not as a Director in listed Company more than 5 Companies.

After the appoint as a Independent Director is according to the above characteristics. The Independent Director may be assign from Board of Director to decide for operation of the Company, Subsidiary, Associated Company, Affiliate, Major shareholder or controlling Authority and the decision can be made in a faculty.





3. Nomination and Compensation Committee

Due to the meeting Board of Director No. 4/2016 on 7th September 2016 appoint Nomination and Compensation Committee Consisted of 3 members, which are as follow:

Name-Last name	Position
1. Mrs. Paktra Suriyapee	Chairman Nomination and Compensation Committee
2. Mr. Somboon Prasitjutrakul	Nomination and Compensation Committee
3. Mr. Chanit Suwanparin	Nomination and Compensation Committee

Miss Panjaporn Roeksomboon is the Secretary of Nomination and Compensation Committee. Who was appointed by the Board of Directors Meeting No. 4/2016 on 7th September 2016.

Duties and Responsibilities of the Nomination and Remuneration Committee

1. Review the structure, composition and the qualifications of the Board of Director.
2. Select and recruit individuals with knowledge and capabilities, suitable with Company's business; then propose to the Board of Director or Annual General Shareholders Meeting to consider and appoint. In case where the position is vacant such individuals should also be suitable to be nominated as the Directors.
3. Review development plan for the Board of Director and Cheif Executive succession plan.
4. Review and propose the structure of remuneration for the Board such as remuneration, pension, bonus, welfare, meeting allowance and other benefits both financial and others as agreed.
5. Assess the performance of the Board of Director and submitted the report to the board of director annually.
6. Consider and propose the chairman of the Executive board remuneration structures such as salary, bonus, provident fund, and social security.
7. Responsible for any other tasks related to the nomination and remuneration as assigned by the Board of Directors.

Guidelines for Nomination of Director

Guidelines have been set for determining and screening of candidates who will be nominated as Director of Nomination and Remuneration Committee. The following compositions are to be considered:

- 1) Required characteristic in each director
The Nomination and Remuneration Committee has considered and specified characteristic of the individuals to be selected and nominated as a director in various field, such as
 - Integrity and responsibility
 - Making decision with information and reason
 - Being a prudent and mature person and a good listener who is able to advance constructive debates and independent opinions
 - Adhere to practice professionally with principle and standard
 - Other significant characteristics
- 2) Knowledge and expertise required to have on the Board
The Nomination and Compensation Committee should consider and formulate specific elements of competencies that the Board of Directors need, for the board to excel in formulating the business strategies and policies and implementing the devised strategies effectively.
- 3) Board Diversities
In addition to the formulating of Directors' characteristics and Board's competencies, the Nomination Committee may consider and formulate guidelines related to the diversity of other

characteristics of the Board of Directors. For example, the Board of Directors may consist of representatives from a variety of stakeholders, education backgrounds, age, gender and etc.

Criteria for Selecting New Director

In recruiting Director, the Company will consider the diversity of the Board of Directors' characteristics. This is to support the operation to be in accordance with the business strategy and sustainable development of the Company. The Selection of the Board of Directors will base on the capability of the applicants. The criteria for determining are as follow:

- The applicants will be considered on the diversity of the Board characteristic which includes gender, age, qualification, experience, knowledge and expertise.
- Consider the leadership role, vision, ethics and integrity by upholding the highest principles of Good Corporate Governance.
- The applicant must not be blacklisted by any organization (Including The Securities and Exchange Commission) or have been convicted of a criminal offense.
- Applicant applying for independent directors must meet the criterion of independent directors.
- Consider from other qualifications that may be related, as appropriate.

Methods in Appointing New Director

When appointing new Director (vacant in the director position or to increase the number of director in the Board of Director) the Board of Director will follow the procedure in selecting and appointing new director. The procedures are as follow:

- The Nomination and Compensation Committee will evaluate the skills, experience, expertise and the diversity of each member of the Board of Directors; as well as specified other qualification as they see appropriate. This is to be in comply with the organization's business operation strategy and to fulfill other necessary qualifications that is still lacking. This is done by considering the appropriate number of independent directors in the board of director as well as considering the Corporate Governance principle specified by Stock Exchange of Thailand
- Nomination and Compensation Committee may select appropriate individuals to sit in the position of Director through the Board of Director members' and the Chief executive officers' personal channel. The Company may hire outsources in recruiting or uses committee database from IDO.
- When Nomination and Compensation Committee has screen the applicant, each eligible candidate will be selected.
- Nomination and Compensation Committee propose the name of new directors to the Board of Director to propose to the shareholders' meeting to approve and appoint. In the case where the position is vacant due to other reasons apart from retirement by rotation, propose to the Board of Director for consideration, approval and temporary appointment.

4. Executive Committee

As at 31 December 2016, the Company Executive Committee consisted of 5 members which are follow:

Name-Last name	Position
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Committee
2. Mr. Chanit Suwanparin	Vice Chairman of the Executive Committee
3. Mrs. Chirapan Khotcharit Choosang	Executive Committee
4. Mrs. Suveeraya Ansavananda	Executive Committee
5. Miss Parichat Chotipumiwet ¹⁾	Executive Committee

Note: ¹⁾ Director No. 5 were appointed in accordance with the Board of Directors Meeting resolution No. 5/2016 on 10th November 2016.





Former Executive Committee resigned during the year 2016 as follow:

Name and Lastname	Position
1. Miss Pawanee Suwanmethanont ¹⁾	Executive Committee

Note: ¹⁾ Director order 1 resigned from the position of Executive Committee on 16th November 2016.

Scope of Authority, Duties and Responsibilities of Executive Committee

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.

5. Risk Management Sub Committee

As at 31 December 2016, the Company has Risk Management Sub Committee Consisted of 8 member, which are as follow:

Name and Lastname	Position
1. Mr. Chanit Suwanparin	Chairman of Risk Management Sub Committee
2. Mrs. Chirapan Khotcharit Choosang	Vice Chairman of Risk Management Sub Committee
3. Mrs. Suveeraya Ansavananda	Risk Management Sub Committee
4. Miss Hasaya Jaruwittayanant	Risk Management Sub Committee
5. Mrs. Preawnapa Nimma	Risk Management Sub Committee
6. Mr. yodchai pundee	Risk Management Sub Committee
7. Miss Parichat Chotipumiwet	Risk Management Sub Committee
8. Mr. Yossanan Dhitirojana	Risk Management Sub Committee

Former Risk Management Sub Committee

Name and Lastname	Position
1. Miss Pawenee Suwanmethanont ¹⁾	Risk Management Sub Committee

Note: ¹⁾ Directors No.1 resigned Risk Management Committee on 16th November 2016.

Miss Panjaporn Roeksomboon is the Secretary of Risk Management Sub Committee. Who was appointed by the Risk Management Sub Committee No. 1/2016 held on 8th July 2016.

Duties and Responsibilities of the Risk Management

1. Support the company to maintain Good Corporate Governance procedure, to perform transparently and to have sufficient, appropriate and effective internal control system.
2. Formulate policies for risk appetite level and risk tolerance level as well as propose risk management policies to the Board of Directors to be approved. Which cover all aspect of significant risk such as strategic risk, credit risk, market risk, liquidity risk, operational risk, concentration risk, compliance risk, emerging risk and corporate reputation risk.
3. Plan risk management strategy to be in conform with risk management policy. The committee should be able to assess, monitor and control risk at the appropriate level, especially significant risk
4. Control, monitor, measure and evaluate risk management as well as ensure that the company operates in accordance with the specified risk management policies; along with performing in accordance with the formulated regulatory.
5. Review risk management report and perform to ensure that the organization has appropriately manage the risk as well as review the adequacy of risk policy and risk management system; including the system's effectiveness and the implementation of the formulated policies.
6. Consider adjust and revise as well as give opinion on the policies, work plan and risk management process on different aspect; including to propose to the Board of Director to consider and approve.





7. Regularly report the Company's risk status and the guidelines that need to be rectified to the Board of Directors and notify the audit committee of the things that need to be rectified in order to be in confirm with the formulated policy and strategy.

6. Executives

As at 31 December 2016, The Company has 9 Executives, which are as follow:

Name-Last name	Position
1. Mr. Chanit Suwanparin	Managing Director
2. Mrs. Chirapan Khotcharit Choosang	Deputy Managing Director Sales, Marketing and Strategic Partner Division
3. Mrs.Suveeraya Ansavananda	Division Director - Strategic Partner Division and Corporate Communication
4. Miss Hasaya Jaruwittayanant	Associate Director-Business Development Department&Research and Development Department
5. Mr.Chawalit Prawatborisut	Associate Director-New Business Development Department
6. Miss Narisa Tiyasuksawad	Senior Manager Strategic Partner Department
7. Mrs.Preawnapa Nimma	Senior Manager Supply Chain
8. Miss Parichat Chotipumiwet	Accounting and Finance Manager
9. Miss Pornsiri Pluemkiattichai	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.

Former Executive resigned during the year 2016 as follow:

Name and Lastname	Position
1. Miss Pawanee Suwanmethanont ¹⁾	Executive

Note: 1) Director No. 1 resigned from the position of Executive on 16th November 2016.

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.

7. Company Secretary

At the Board of Directors Meeting No. 2/1015 on 17th February 2015, The Board of Director has resolution to appoint Miss Panjaporn 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 relevant 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.

The Board and each Sub Committee performance evaluations

According to the Principles of Good Corporate Governance for Listed Companies, it is suggested that listed companies' Board and Sub Committees should assess their performance at least once a year. This is to allow the Board to cooperatively consider the performance and solve any problems they may have. The assessment should be conducted as a whole as well as an individual basis. Scoring can be marked in different methods but standardized in order for the Board to be able to compare the assessment results on each topic.

- 0 = Strongly disagree or never conduct on such matter
- 1 = Disagree or seldom conducted on such matter
- 2 = Agree or moderately conducted on such matter
- 3 = Quite agree or good conducted on such matter
- 4 = Strongly agree or excellently conducted on such matter

COMMITTEES	Evaluation Results Year 2016
Board of Directors	Strongly agree or good
Audit Committee	Strongly agree or good
Nomination and Compensation Committee	Strongly agree or good
Sub Committee on an individual basis	Strongly agree or good

The overall average score for self-assessment of all committees are in good criterion (3++) where the score range between 3.50-3.99.

Director and Executives Remuneration

Financial Remuneration

A) Directors Remuneration

The annual General Meeting of shareholders further year 2015 on 20th March 2015 and the Extraordinary General Meeting of Shareholders No.2/2015 on 21th August 2015 have the resolution to determine the Directors remuneration for the year 2016, which are as follow:

1) Meeting Fee

Position	meeting Fee/person/times
Chairman of the Board of Director	30,000
Directors	25,000
Chairman of the Audit Committee	25,000
Audit Committee	20,000
Chairman of the Nomination and Compensation Committee	15,000
Nomination and Compensation Committee	10,000

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.

3) The meeting solution Board of Directors No. 4/2016 on 7th September 2016 were appoint Nomination and Compensation Committee.

2) The Annual Incentive

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





For the year 2016, the Company paid Meeting Fee to the Board of Directors According to the detail as follow

Unit : Baht

No.	Name of Directors	Position	Year 2016				
			Director	Meeting Fee		Incentive	Total Remuneration
				Audit Committee	Nomination and Compensation Committee		
1	ADM Apichart Pengsritong	Chairman of the Board of Directors	180,000	-	-	430,000	610,000
2	Mr.Chatchawe Vatanasuk	Director	-	-	-	-	-
3	Mr.Somboon Prasitjutrakul	Chairman of the Audit Committee Independent Director and Nomination and Compensation Committee	150,000	100,000	10,000	370,000	630,000
4	Mrs.Paktra Suriyapee	Chairman of the Audit Committee Independent Director and Chairman of the Nomination and Compensation Committee	150,000	80,000	15,000	350,000	595,000
5	MissTrithip Sivakriskul ¹⁾	Audit Committee member and Independent Director	50,000	60,000	-	350,000	460,000
6	Mr.Komsak Watanasriroj ²⁾	Audit Committee member and Independent Director	-	-	-	-	-
7	Mr.Chanit Suwanparin	Director and Nomination and Compensation Committee	-	-	-	-	-
8	Mrs.Chirapan Khotcharit Choosang	Director	-	-	-	-	-
Total of Remuneration			530,000	240,000	25,000	1,500,000	2,295,000

Note: ¹⁾ Miss Trithip Sivakriskul resigned from the position of Director and Audit Committee member on 1st December 2016

²⁾ Mr.Komsak Watanasriroj were appoint in accordance with Board of Director No.6/2016 on 16th December 2016 replace Miss.Trithip Sivakriskul

- Started to pay meeting fee for Board of Directors No.2/2015 on 17th February 2015 and pay meeting fee for Audit Committee No.1/2015 on 3rd March 2015

- Director No.2, 7-8 are Directors that received monthly salary as the Company employee, thus did not receive remuneration as a directors

B. Executive Remuneration

In 2015 and 2016, the Company paid remuneration to the Executive at the amount of Baht 32.42 million and Baht 40.16 million, respectively. Such remuneration includes salary, bonus and contribution to provident fund.

Year	No. of Executives (Person)	Remuneration (Baht)
2015	12	32,429,167.37
2016	13	40,168,077.31

Note : - Number of Executives in the table included Mr.Chatchawe Vatanasuk, Chairmand of the Executive Committee.
 - In 2016, the Company has the more Executives, Miss Pornsiri Pluemkattichai Senior Manager, Research and Development Department and Mr.Chawalit Prawatborisut, as a Associate Director Research and Development Department.
 - In 2016, Former Executives resigned during the year such as Mr.Nottakorn Ruangrit Finance Manager, Miss Araya Manopkavi Senior Manager Research and Development Department-Bakery and Miss Pawenee Suwanmethanont Division Director Business Development.

Other Remuneration

-None-

8. Personnel

8.1 Number of Personnel

As at 31th December 2016, the Company has the total of 103 employee (exclude 10 Executives) by separated into the main field of work, which are as follow:

Department	No. of Employee (Person)		
	Full-Time Employee	Day Labor	Total
1. Sales	10	-	10
2. Marketing	1	-	1
3. Strategic Partner	6	-	6
4. Business Development, Research and Development and Quality Assurance	16	2	18
5. Accounting and Finance	8	-	8
6. Factory	19	17	36
8. Supply Chain	11	-	11
9. Human Resources and Administration	9	-	9
10. Information Technology	1	-	1
11. The Office of Company Secretary	2	-	2
12. Executive Secretary	1	-	1
Total	84	19	103





8.2 Significant Labor dispute for the part 3 years.

-None-

8.3 Employee Remuneration

Financial Remuneration

In 2015 and 2016, the Company paid remuneration to the employee (exclude Executives) at Baht 28.54 million and Baht 33.68 million respectively. The remuneration are the form of salary, commission, bonus, allowance, contribution to social security fund, contributions to provident fund and other welfare

8.4 Personnel Development Policies

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.

Number of average hour for Training of employee in the year 2016

Internal Training	Number of employee attend to tanning (person)	Training period (Hours)
MBTI & Communication	60	12
Personality Development	5	42
HR for non HR	21	3
OJT disburse goods system, Authority Table and Stock Update	21	6
Microsoft Excel Workshop	12	6
Total		69

Note: The Company has 5 internal training course, total 69 hours and 41 external training course, overall 432 hours.

Develop the Board of Directors and Executives

The Board of Directors continuously support and develop directors' knowledge, skills and enhance the view point which will help the directors to lead the organization in reaching the set goal; including new director orientation that provide knowledge and understanding of the role of responsibilities, nature of business and policies. The purpose of the orientation is for every employee to continuously develop and improve their performance as well as to appropriately adjust and utilize their knowledge to perform their task efficiently.

For the Executives, the Company focuses in supporting and developing knowledge and skills of the Executives in different aspects, whether it's training or seminar. The Executives then can use such knowledge and skills to adjust and applied in their managing and developing the Company to grow sustainably. In 2016, there are 3 Executives that train in the Directors Accreditation Program (DAP) and Financial Statements for Director (FSD) courses by the Thai Institute of Directors.

8.5 Best Practice Guideline for Workplace Health & Safety During work

The Company realizes the importance of the safety and hygiene in the workplace. Safety is the key factor in stepping towards the Company's success, therefore safety activities along with productivity activities are promoted. The Company organizes and trained on the safety in workplace rules, fire prevention and suppression plan to be in comply with the related standard and laws. The Company as well monitor and evaluate the environment in workplace. Every employee cooperate in accordance to the safety and hygiene in workplace guidelines. Safety helps decrease loss, reduce production costs and reinforce the employee welfare; in order to develop into quality resources and effectively response to manufacturing policies. The Company has compile safety in work place manual to share knowledge and give advises on working safely guideline and raise awareness in safety that occurs to the employees.

Accident statistic report generated in the factory in 2016

No.	Date	Nature of Accident	Cause	Sex	Injury	Treatment
1	16 July 2016	Pallet falls toe bumps	Improvvidence	male	Bruised toe	Get the doctor to take medicine (1 day rest)

8.6 Policies or Guidelines that will not Involve in Violation of Human Rights

The Company respect and places great importance on human rights as well as treat employees equally and fairly; whether it is the differences in race, religion, gender or physical condition. The Company adheres to the Organizational Culture for employees to abide by as a guideline in performing task. The Organizational Culture will allow the employees to accept one another and work well together under happy working environment. The Company promotes its employee to participate in the activities that are useful and will benefit the society, both directly and indirectly.

8.7 Whistleblowing Policies

In order for the company to maintain Good Corporate Governance and to give the rights to all employees and all stakeholders to be able to report on fraud or corruption, report or launch complain on any malpractice concerning unlawful or unethical conduct or opinion on business operation. The Company provides channel to report on any illegal, deceptive conduct or corruption, through E-mail: whistleblower@tacconsumer.com Report of the unlawful or deceptive conduct, corruption and any suggestions will be taken into consideration and will proceed appropriately. Each case will be considered on a case-by-case basis and protection measures for complainant and whistleblowers are provided. The Company will effectively safeguard your information and will consider the safety of the whistleblowers as well as the cooperator in examining the truth. The company ensures that all related parties will not be effect by the whistleblowing act.





Corporate Governance

Corporate Governance Policies

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:

Section 1 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 Nomination and Compensation Committee. The Nomination and Compensation 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 of Director. 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's website within 14 days commencing from the meeting date.

Section 2 The Equitable Treatment of 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 holding, to the Office of the SEC in accordance with Section 59 and the penalties under the Securities and Exchange Act of B.E.2535.





Section 3 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 base on each individual knowledge, capability and skills, which can be compare with other company 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.
- **Shareholders and Investor:** The Company focus on the company management for capability, honestly and transparency. Disclosure the data to shareholders correctly, Completely and equality under the ethics and good corporate governance.
- **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.

Section 4 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.

In 2016, The Thai Institute of Directors Association (IOD), with support from the stock Exchange of Thailand, announced its 2016 CGR findings cover 601 listed companies. The Company's result a good score.

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, stock price movement and corporate governance. The information is regularly updated for investors and interested persons to have efficient and equitable access to the information. Moreover, the Company reported performance quarterly of investor relations and set investor relation Plan. In 2016, the Company has set IR Activities such as Company visit, Analyst Meeting, Opportunity Day, Domestic Roadshow, Oversea Roadshow.

Contact Investor Relations

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Section 5 Responsibilities of the Board of Directors

1) Structure of the Board of Directors

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.

Structure of the Board of Director 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 Audit committee Directors. The structure of Board of Directors allows check and balance in voting to contemplate in various issues.

Term in the position of Board of Director 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 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.

1.2) 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.

1.3) The Nomination and Compensation of 3 numbers has consider the structure configuration and quantification of director with the duty to recruit and select person include the appropriate knowledge that will benefit company. When a Directorial position in company become vacant for submitted to the Board of Directors and Annual General Meeting of shareholders include offer the structure of compensation of director and Chief Executive officer (CEO) and evaluation performance of Board of Director.

Moreover, the Executive Committee has appointed Risk Management Subcommittee, which consisted of 8 Risk Management Subcommittee 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 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 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 report (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 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 meeting may be necessary. The Company 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) Compensation of Directors and Executive

The Company's set compensation of Director and Executive 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 compensation rate can be compare with other companies that are in the same group of industry.

The Company has determined compensation for the directors and executives at an appropriate level, Which is sufficient to maintain competent directors and executives. While the Company avoids paying excessive compensation, 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 Annual compensation of Director must be agree from the Nomination and compensation Committee and approved from Board of Director. Furthermore, the Executives' compensation 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), Thai Investor Association (TIIP) and Federation of Accounting Professions (FAP)

The Comparison to changed shareholding of Directors and Executives for the year 2015 and 2016

Name	As of 31 December 2015			As of 31 December 2016			Change increased (decreased)
	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	
1. ADM Apichart Pengsritong Chairman of the Board of Director and Independent Director	200,000	-	200,000	200,000	-	200,000	-
2. Mr. Somboon Prasitjutrakul Chairman of the Audit Committee and Independent Director	100,000	-	100,000	-	-	-	-
3. Miss Trithip Sivakrskul ¹⁾ Audit Committee member and Independent Director	100,000	-	100,000	-	-	-	-
4. Mrs. Paktra Suriyapee Audit Committee member and Independent Director	100,000	-	100,000	-	-	-	-
5. Mr. Komsak Watanasriroj ²⁾ Audit Committee member and Independent Director	-	-	-	-	-	-	-
6. Mr. Chatchawe Vatanasuk Director and Chairman of Executive Committee *Spouse's Ms. Pawenee Suwanmethanont	178,645,143	350,000	178,995,143	179,145,143	5,500,000	184,645,143	5,650,000
7. Mr. Chanit Suwanparin Director and Managing Director	27,138,572	-	27,138,572	23,888,572	-	23,888,572	(3,250,000)
8. Mrs. Chirapan Khotcharit Choosang Director and Deputy Managing Director-Sales, Marketing, and Strategic Partner Division	4,190,000	-	4,190,000	4,190,000	-	4,190,000	-
9. Mrs. Suveeraya Ansavananda Strategic Partner and Corporate Communication Director	4,345,000	-	4,345,000	205,000	-	205,000	(4,140,000)
10. Miss Pawenee Suwanmethanont ¹⁾ Division-Director Business Development *Spouse's Mr.Chatchawe Vatanasuk	350,000	178,645,143	178,995,143	5,500,000	179,145,143	184,645,143	5,650,000





Name	As of 31 December 2015			As of 31 December 2016			Change increased (decreased)
	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	
11. Miss Narisa Tiyasuksawad Senior Manager- Strategic Partner Department	65,000	-	65,000	3,500	-	3,500	(61,500)
12. Miss Hasaya Jaruwittayanant Associate Director Business Development and Research and Development Department	350,000	-	350,000	36,300	-	36,300	(313,700)
13. Mr. Chawalit Prawatborisut Associate Director Business Development	-	-	-	-	-	-	-
14. Ms. Preawnapa Nimma Senior Manager Supply Chain	350,000	-	350,000	-	-	-	-
15. Miss Parichat Chotipumiwet Accounting and Finance Manager	140,000	-	140,000	50,000	-	50,000	(90,000)
16. Mr. Nottakorn Ruangrit ¹⁾ Finance Manager	-	-	-	-	-	-	-
17. Miss Pornsiri Pluemkattichai Senior Manager Research and Development Department	-	-	-	-	-	-	-

Note:* Number of shareholding by related person are Number of shareholding by related person with reporter under section 89/1 of the Securities and Exchange ACT B.E.2535 such as Spouse, Child or adopted child Underage.

¹⁾ Director and Executive was former during the year 2016 such as Miss Trithip Sivakrskul, Miss Pawenee Suwanmethanont and Mr. Nottakorn Ruangrit.

²⁾ Mr. Komsak Watanasriroj Director and Audit Committee member appoint resolution the meeting Board of Director No.6/2016 held on 16th December 2016.

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

The Meeting of Audit Committee No. 1/2016 held on 25th February 2016, the Audit Committee 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, as follow:

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

The Audit Committee is 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 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 might 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's auditor, who audit annual and quarterly financial statement for the year 2016 which was reported to the audit committee to acknowledge that there is no observation and suggestion from the audit for the year 2016.

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.

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

The Company operates its business by adhering to and placing emphasis on duties and responsibilities towards 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 Manager, Employee and other stakeholders to adhere to being the same standard. The policies of 8 aspect emphasizing on corporate social responsibilities, which are as follows:

1. Fair business operation

The Company aim 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 partner 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 competitor fairly without commencing any act that would offence, disgrace, or discredit its competitor.

2. Anti-corruption

The Company realizes the importance of good corporate governance by adhering to business transparency. The meeting of Board Director No.5/2015 held on 5 August 2015 has approved the Anti-corruption policy. This aims to let all the management and employee be aware of the impact of corruption, to cultivate rightful values 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 realizes the importance of the 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 employee

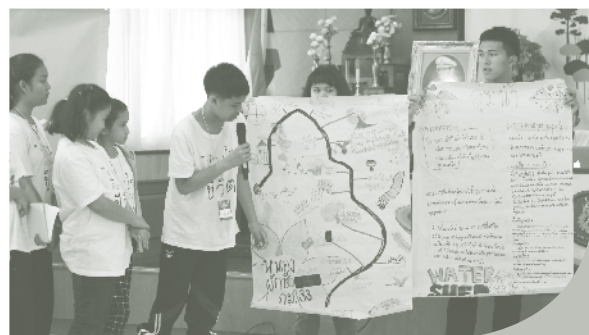
The Company aim to manage its human resources by recruiting, developing, promoting, and retaining of capable employees, the Company can effectively achieve its target. The Company appropriately compensates its employees according to their knowledge and capabilities and this is comparable to those being 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 diversify 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 Protection

The Company realizes the importance of social responsibility all side, especially for the environmental impact that might occur from company's business operation and cultivates its employees to place importance on and 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's project camps "Forest, water and origin of life" with the Environmental Education Center of Thailand (EEC) to reflect the responsibilities of environment protection and community and social development held on 13-16 October 2016 by the selection children's from 50 people from 4 School in district Ban Bueng Chonburi province, which the area of the Company's factory, so makes the Company study behavior to save water and create conscience awareness on sustainable water treatment will lead to abide and create quality human resources. The focus is to provide childrens with a sense of the forest water and know the relationships in the community, such as the Company and school are important of sustainable development.
- The Company contributed Zenya Green tea, Vslim, A Smile to Kwongsiew Hospital with health checkup event for give a royal charity, His Majesty King Bhumibol Adulyadej's global Cummins Navy.
- The Company contributed Zenya Green tea via TACC Happiness sharing to disable kids project such as children aphasia and intelligence Rachawadee Nonthaburim, Ang Thong Shelter for Children and Families to handle mission of service center Prachabodee 1300 and mobility unit for the relieving the suffering of the dissolution of a smile to people program.





- The Company contributed Character business-Stationary product for Children's Day to Ban Nong Pla Lai School and Wat Nong Ka Nam School which is in surrounding areas of company's factory at Ban Bueng District, Chonburi province. Also continues to support the filter of water. The main aim is to support and promote ideal of the benefit and activities are valuable to the society around them is important.
- The Company invited all employee watch a Thai movie "Pohn-Jak-Fah". The part of revenue from buy tickets was donate to the Chaipattana Foundation forgive a royol chrity, His Majestyking Bumipol Adulyadej's.

8. Innovation

The Company encourages study and research of new innovations to increase working capabilities with social responsibilities and stakeholder. The Company will not violate any intellectual properties or copyrights. In 2016, the Company is affiliated with the government has prepared a project of Innovative Food (Food Innopolis), a program that brings science, technology and innovation to take advantage of the economic and social development of Thailand. As a result, the Company has increased the knowledge of the Company's staff. In addition attend training courses on innovations such Drinking Edition "In-depth trends of Alcoholic and Non-alcoholic Beverages".

Related Transactions

T.A.C. Consumer Public Company Limited

Related Transactions for fiscal Year Ended 31 December 2016

Person who may have Conflict of Interest	Nature of Relation	Type of Transaction	Value of Transaction Jan-Dec 2016 Unit : Baht	Justification Transaction and Necessity of Related
Ek-Chai Distribution System Co., Ltd	Miss Trithip Sivakriskul started position Chief Financial Officer (CFO) of Ek-Chai Expenses Distribution System Co., Ltd.	Sales of goods	1,845,550.08 877,641.16	The pricing is based on the market value of the business, which is aligned with the pricing with other unrelated parties.
	held on 1 April 2016 and resigned from the position of Independent Director and member of Audit Committee effective from 1 December 2016 onward.			
Sales employee				
Miss Pawenee Suwanmethanont	The position Division Director-Business Development and resigned from the position of Executive Committee effective from 16 November 2016	Sales of goods	43,559.02	The order of goods are exceeds the specified employee welfare policies. All the conditions that the executive received are the same as what all the employees received. Moreover, the Company has clearly established employees welfare regulations in writing.





Board of Directors

ADM Apichat Pengsritthong

Age 67 Years

Chairman and Independent Director

Date of Appointment

- 10 February 2015

Education

- Master's Degree, National Defence College, The Joint State.
- Bachelor of Science Royal Thai Naval Academy.

Credential of Thai Institute of Directors

- Risk Management Program for Corporate Leaders (RCL) Class 4/2016.
- Directors Accreditation Program (DAP) Class 82/2010.

Experiences Positions in Listed Companies

- 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.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2016

- 0.03% (200,000 shares)

Relationship between Director & Executive family

- None

Mr.Somboon Prasitjutakul

Age 58 Years

Chairman of Audit Committee and Independent Director

Date of Appointment

- 10 February 2015

Education

- 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

- 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.

Other Current Position (Non-Listed Companies)

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

Shareholding in the Company (%) as of December 31, 2016

- None

Relationship between Director & Executive family

- None

Mrs.Paktra Suriyapee

Age 57 Years

Audit Committee and Independent Director

Date of Appointment

- 10 February 2015

Education

- Bachelor of Arts/Humanities, Ramkhamhaeng University.
- Micro Master of Business Administration Program Chulalongkorn University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 116/2015.

Experiences Positions in Listed Companies

- 2015-Present Audit Committee and Independent Director, T.A.C. Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2009-Present Deputy Managing Director Management division, Chokpana Co., Ltd.

Shareholding in the Company (%) as of December 31, 2016

- None

Relationship between Director & Executive family

- None

Miss Trithip Sivakriskul*

Age 51 Years

Audit Committee and Independent Directors

Date of Appointment

- 10 February 2015

Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University.
- Bachelor of Finance and Banking, Chulalongkorn University.

Credential of Thai Institute of Directors

- Directors Certification Program (DCP) Class 158/2012.
- Successful Formulation and Executive the Strategy (SFE) Class 3/2009.
- Directors Accreditation Program (DAP) Class 31/2005

Experiences Positions in Listed Companies

- 2015-November 2016 Audit Committee and Independent Director, T.A.C. Public Company Limited.
- 2011-March 2016 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)

- April 2016-Present Chief Financial Officer CFO, EK-Chai Distribution Co., Ltd.
- 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, 2016

- None

Relationship between Director & Executive family

- None

Note: Ms. Trithip Sivakriskul resigned from the position of Director and Audit Committee. This will be effective on December 1, 2016.





Mr. Komsak Wattanasriroj*

Age 48 Years

Audit Committee and Independent Directors

Date of Appointment

- 16 December 2016

Education

- Master of Business Administration, Srinakharinwirot University.
- Bachelor of Accounting, Ramkhamhaeng University.

Credential of Thai Institute of Directors

- Directors Certification Program (DCP) Class 105/2008.

Experiences Positions in Listed Companies

- December 2016-Present Audit Committee and Independent Director, T.A.C. Public Company Limited.
- 2005-Present Director, Executive Director and CFO, Mono technology Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2016

- None

Relationship between Director & Executive family

- None

Note: Mr. Komsak Wattanasriroj appoint as a Director Audit Committee, This will be effective on December 16, 2016 onward and additional for Letter of certificate on December 21, 2016.

Mr.Chatchawe Vatanasuk

Age 43 Years

Director and Chairman of the Executive Board
(Authorized Director)

Date of Appointment

- 3 January 2005

Education

- Master of Business Administration, University of San Diego, USA.
- Bachelor of Business Administration, Assumption University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 112/2014.

Experiences Positions in Listed Companies

- 2005-Present Director and Chief executive officer, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2010-Present Director, C.A.General Co., Ltd
- 2010-Present Director, SP Intermach Co., Ltd.

Shareholding in the Company (%) as of December 31, 2016

- 29.46% (179,645,143 shares)

Relationship between Director & Executive family

- Spouse's Miss Pawenee Suwanmethanont

Note: Miss Pawenee Suwanmethanont resigned from the position of Division Director - Business Development, This will be effective on November 16, 2016 onward.

Mr.Chanit Suwanparin

Age 52 Years

Director and Managing Director (Authorized Director)

Date of Appointment

- 19 August 2011

Education

- Master of Business Administration, Chulalongkorn University.
- Bachelor of Business Administration (Marketing), Assumption University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 112/2014.

Experiences Positions in Listed Companies

- 2011-Present Director and Managing Director, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2005-2011 General Marketing Manager Green Spot (Thailand) Ltd.

Shareholding in the Company (%) as of December 31, 2016

- 3.92% (23,888,572 shares)

Relationship between Director & Executive family

- None

Mrs.Chirapan Khotcharit Choosang

Age 47 Years

Director and Deputy Managing Director Sales, Marketing and Strategic Partner Division (Authorized Director)

Date of Appointment

- 1 September 2015

Education

- Master of Business Administration, University of South Alabama, USA.
- Bachelor of Arts (Political Science), Chulalongkorn University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 124/2016
- Financial Statements For Directors (FSD) Class 31/2016

Experiences Positions in Listed Companies

- September 2015 - Present Director and Deputy Managing Director Sales, Marketing and Strategic Partner Division, T.A.C. consumer Public Company Limited.
- 2014 - August 2015 Assistant Managing Director Marketing Division, T.A.C. consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2010-2012 Commercial Executive Director, Coca-Cola (Thailand) Co., Ltd.

Shareholding in the Company (%) as of December 31, 2016

- 0.68% (4,190,000 shares)

Relationship between Director & Executive family

- None





Executive Committee

Mrs.Suveeraya Ansavananda

Age 46 Years

Division Director - Strategic Partner Division

Education

- 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

- Directors Accreditation Program (DAP) Class 131/2016.
- Financial Statements For Directors (FSD) Class 31/2016.

Experiences Positions in Listed Companies

- 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)

- July 2015-Present Director, Sunleaf Co., Ltd.

Shareholding in the Company (%) as of December 31, 2016

- 0.03% (205,000 shares)

Relationship between Director & Executive family

- None

Miss Pawenee Suwanmethanont*

Age 43 years

Division Director - Business Development

Education

- Master of Business Administration, Assumption University.
- Bachelor of Business Administration, Assumption University.

Credential of Thai Institute of Directors

- None

Experiences Positions in Listed Companies

- 2010 - 16 November 2016 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)

- 2010-Present Director, SP Intermach Co., Ltd.

Shareholding in the Company (%) as of December 31, 2016

- 0.90% (5,500,000 Shares)

Relationship between Director & Executive family

- Spouse's Mr.Chatchawe Vatanasuk

Note: Miss Pawenee Suwanmethanont resigned from the position of Division Director - Business Development, This will be effective on November 16, 2016 onward.

Miss Hasaya Jaruwittayanant

Age 35 years

Associate Director-Business Development and Research and Development Department

Education

- Master of Management Agro-Industry, Kasetsart University.
- Bachelor of Agro-Industry, Kasetsart University.

Credential of Thai Institute of Directors

- None

Experiences Positions in Listed Companies

- 2016-Present Associate Director-Business Development and Research and Development Department.
- 2010-2015 Senior Manager Business Development, T.A.C. Consumer Public Company Limited.
- 2008-2010 Innovation and Supply chain Manager, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2016

- 0.005% (36,300 shares)

Relationship between Director & Executive family

- None

Mr.Chawalit Prawatborisut

Age 52 years

Associate Director-New Business Development Department

Education

- Bachelor of Engineering Program, Mechanical Engineering, Siam University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 131/2016.

Experiences Positions in Listed Companies

- 2014-2016 Product Manager, K.V.N. import-export (1991) Co., Ltd.
- 2010-2015 Business Development Manager, All service Solution Co., Ltd.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2016

- None

Relationship between Director & Executive family

- None





Miss Narisa Tiyasuksawad

Age 39 Years

Senior Manager Strategic Partner Department

Education

- Master of Management, Mahidol University.
- Bachelor of Business Administration (Marketing), Assumption University.

Credential of Thai Institute of Directors

- None

Experiences Positions in Listed Companies

- 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)

- None

Shareholding in the Company (%) as of December 31, 2016

- 0.0005% (3,500 shares)

Relationship between Director & Executive family

- None

Mrs.Preawnapa Nimma

Age 51 Years

Senior Manager Supply Chain

Education

- Bachelor of Management, Suan Dusit Rajabhat University

Credential of Thai Institute of Directors

- None

Experiences Positions in Listed Companies

- 2013 - Present Senior Manager Supply Chain, T.A.C. Consumer Public Company Limited.
- 2009 - 2013 Procurement Manager, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2005-Present Director All In One Manufactory Co., Ltd.

Shareholding in the Company (%) as of December 31, 2016

- None

Relationship between Director & Executive family

- None

Miss Parichat Chotipumiwet

Age 34 Years

Accounting and Finance Manager

Education

- Bachelor of Accounting, Thammasat University.
- Certified Public Accountant, Federation of Accounting Professions.

Credential of Thai Institute of Directors

- Company Secretary Program (CSP) Class 60/2014.

Experiences Positions in Listed Companies

- 2014 - Present Accounting and Finance 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)

- None

Shareholding in the Company (%) as of December 31, 2016

- 0.008% (50,000 shares)

Relationship between Director & Executive family

- None

Miss Pornsiri Pluemkiattichai

Age 35 Years

Senior Manager - Research and Development Department

Education

- Master of Business Administration, National Institute of Development Administration (NIDA).
- Bachelor of Science, product Development, Thammasat University.

Credential of Thai Institute of Directors

- None

Experiences Positions in Listed Companies

- 2016-Present Senior Manager Research and Development, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- August 2015 - August 2016 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, 2016

- None

Relationship between Director & Executive family

- 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 and lifestyle products. 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: 0-2717-2898

Fax: 0-2717-2899

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 27172898 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@taconsumer.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 or |
| 2. Mr.Wichart Lokatetekrawee | Auditor's License No. 4451 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. Mr.Komsak Wattanasriroj | Member of the Audit Committee. |

Note: Miss Trithip Sivakriskul resigned from the position of Independent Director and Member of Audit Committee the effective from 1 December 2016 onward. An unanimously resolve of the Board of Director to appoint Mr.Komsak Wattanasriroj as a Director, Audit Committee and Independent Director. This will be effective on December 16, 2016.

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 year 2016 Audit Committee had arranged 4 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 2016, 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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

Sales of goods are significant accounting transactions as the amounts recognised in each period are material and directly affect profit or loss of the Company. In addition, the sales transactions of the Company are made with local and overseas customers and there are a variety of arrangements and conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. As a result, the Company's recognition of revenue from sales regarding sale promotions and discounts are complex. I therefore focused my audit on the revenue recognition of the Company.

I examined the Company's revenue recognition by assessing and testing the Company's internal controls with respect to the revenue cycle by making inquiries of responsible executives, gaining an understating of the





controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures of disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Kamontip Lertwitworatep.



Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 23 February 2017



Statement of financial position

T.A.C. Consumer Public Company Limited

As at 31 December 2016

			(Unit: Baht)
	<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets			
Current assets			
Cash and cash equivalents	7	153,445,752	484,471,297
Current investments	8	394,056,752	21,060,688
Trade and other receivables	9	222,941,793	180,061,027
Inventories	10	39,316,640	27,789,425
Other current assets		1,280,957	5,584,270
Total current assets		<u>811,041,894</u>	<u>718,966,707</u>
Non-current assets			
Restricted bank deposits	7	27,000,000	27,000,000
Property, plant and equipment	11	88,661,309	52,640,451
Intangible assets	12	3,224,794	4,341,314
Deferred tax assets	20	2,300,948	1,786,946
Other non-current assets		2,005,337	1,970,518
Total non-current assets		<u>123,192,388</u>	<u>87,739,229</u>
Total assets		<u><u>934,234,282</u></u>	<u><u>806,705,936</u></u>

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

Statement of financial position (Continued)

T.A.C. Consumer Public Company Limited
As at 31 December 2016

			(Unit: Baht)
	Note	2016	2015
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	14	245,300,005	163,244,459
Current portion of liabilities under financial lease agreements	15	1,546,216	2,912,629
Income tax payable		14,958,733	6,853,035
Other current liabilities		3,248,352	4,690,221
Total current liabilities		<u>265,053,306</u>	<u>177,700,344</u>
Non-current liabilities			
Liabilities under financial lease agreements - net of current portion	15	2,331,138	5,103,044
Provision for long-term employee benefits	16	10,781,530	8,867,116
Total non-current liabilities		<u>13,112,668</u>	<u>13,970,160</u>
Total liabilities		<u>278,165,974</u>	<u>191,670,504</u>
Shareholders' equity			
Share capital	17		
Registered			
608,000,000 ordinary shares of Baht 0.25 each		<u>152,000,000</u>	<u>152,000,000</u>
Issued and fully paid up			
608,000,000 ordinary shares of Baht 0.25 each		152,000,000	152,000,000
Share premium		426,988,701	426,988,701
Retained earnings			
Appropriated - statutory reserve	18	13,436,712	8,345,204
Unappropriated		63,642,895	27,701,527
Total shareholders' equity		<u>656,068,308</u>	<u>615,035,432</u>
Total liabilities and shareholders' equity		<u>934,234,282</u>	<u>806,705,936</u>

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



Statement of comprehensive income

T.A.C. Consumer Public Company Limited
For the year ended 31 December 2016

			(Unit: Baht)
	Note	2016	2015
Profit or loss:			
Revenues			
Sales		1,177,020,230	1,004,440,321
Other income		6,921,005	1,920,759
Total revenues		<u>1,183,941,235</u>	<u>1,006,361,080</u>
Expenses	19		
Cost of sales		819,753,649	696,510,665
Selling expenses		166,076,173	162,299,339
Administrative expenses		70,520,222	60,006,065
Total expenses		<u>1,056,350,044</u>	<u>918,816,069</u>
Profit before finance cost and income tax expenses		127,591,191	87,545,011
Finance cost		(683,312)	(1,316,474)
Profit before income tax expenses		126,907,879	86,228,537
Income tax expenses	20	(25,077,723)	(18,276,549)
Profit for the year		<u>101,830,156</u>	<u>67,951,988</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain	16	-	1,400,470
Less: Income tax effect	20	-	(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		<u>101,830,156</u>	<u>69,072,364</u>
Basic earnings per share	21		
Profit		<u>0.17</u>	<u>0.21</u>
Weighted average number of ordinary shares (shares)		<u>608,000,000</u>	<u>321,939,726</u>

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

Statement of changes in shareholder equity

T.A.C. Consumer Public Company Limited
For the year ended 31 December 2016

(Unit: Baht)

		Issued and paid up	Share premium	Retained earnings		
	Note	share capital		Appropriated - statutory reserve	Unappropriated	Total
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	17	122,000,000	426,988,701	-	-	548,988,701
Appropriation of statutory reserve	18	-	-	7,345,204	(7,345,204)	-
Dividend paid	24	-	-	-	(89,460,000)	(89,460,000)
Balance as at 31 December 2015		<u>152,000,000</u>	<u>426,988,701</u>	<u>8,345,204</u>	<u>27,701,527</u>	<u>615,035,432</u>
Balance as at 1 January 2016		152,000,000	426,988,701	8,345,204	27,701,527	615,035,432
Profit for the year		-	-	-	101,830,156	101,830,156
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	101,830,156	101,830,156
Appropriation of statutory reserve	18	-	-	5,091,508	(5,091,508)	-
Dividend paid	24	-	-	-	(60,797,280)	(60,797,280)
Balance as at 31 December 2016		<u>152,000,000</u>	<u>426,988,701</u>	<u>13,436,712</u>	<u>63,642,895</u>	<u>656,068,308</u>

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



Cash flow statement

T.A.C. Consumer Public Company Limited
For the year ended 31 December 2016

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Profit before tax	126,907,879	86,228,537
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	12,148,482	7,809,529
Increase (decrease) in allowance for doubtful accounts	(36,506)	11,205
Reduction of inventories to net realisable value (reversal)	1,063,206	(137,334)
Gain on sales and change in value of investments in trading securities	(3,995,064)	(497,106)
Loss on disposals of equipment	30,186	47,639
Loss on write-off of equipment and intangible assets	-	11,436
Provision for long-term employee benefits	1,914,414	2,224,579
Interest income	(2,419,283)	(568,403)
Interest expenses	683,311	1,316,474
Profit from operating activities before changes in operating assets and liabilities	136,296,625	96,446,556
Operating assets (increase) decrease:		
Trade and other receivables	(42,530,893)	(16,446,561)
Inventories	(12,590,421)	4,150,948
Other current assets	4,303,313	(2,924,818)
Other non-current assets	(34,819)	372,180
Operating liabilities increase (decrease):		
Trade and other payables	64,781,077	15,354,554
Other current liabilities	(1,441,869)	1,545,952
Cash from operating activities	148,783,013	98,498,811
Cash received from interest income	2,105,916	506,491
Cash paid for interest expenses	-	(740,652)
Cash paid for income tax	(17,486,027)	(16,942,769)
Net cash from operating activities	<u>133,402,902</u>	<u>81,321,881</u>

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

Cash flow statement (Continued)

T.A.C. Consumer Public Company Limited
For the year ended 31 December 2016

	(Unit: Baht)	
	<u>2016</u>	<u>2015</u>
Cash flows from investing activities		
Decrease in restricted bank deposits	-	139,897
Increase in current investments	(369,001,000)	(20,563,582)
Acquisitions of plant and equipment	(27,552,420)	(5,285,951)
Increase in intangible assets	(420,654)	(3,730,200)
Proceeds from disposals of equipment	1,441	1,150,953
Net cash used in investing activities	<u>(396,972,633)</u>	<u>(28,288,883)</u>
Cash flows from financing activities		
Decrease in bank overdrafts	-	(8,992,991)
Repayments of liabilities under finance lease agreements	(6,658,534)	(4,021,852)
Repayments of long-term loan	-	(12,536,000)
Cash received from issuance of ordinary shares	-	545,275,876
Dividend paid	(60,797,280)	(89,460,000)
Net cash from (used in) financing activities	<u>(67,455,814)</u>	<u>430,265,033</u>
Net increase (decrease) in cash and cash equivalents	<u>(331,025,545)</u>	<u>483,298,031</u>
Cash and cash equivalents at beginning of year	<u>484,471,297</u>	<u>1,173,266</u>
Cash and cash equivalents at end of year (Note 7)	<u><u>153,445,752</u></u>	<u><u>484,471,297</u></u>
Supplemental cash flows information		
Non-cash transactions		
Acquisitions of assets under financial lease agreements	1,836,904	4,378,493
Acquisitions of equipment that have not been paid	17,276,969	2,500

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



Notes to financial statements

T.A.C. Consumer Public Company Limited
For the year ended 31 December 2016

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, Nongmaidaeng, 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

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

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

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

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

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

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 is recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

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 - 20 years
Machinery and plant equipment	-	5 - 10 years
Furniture and office equipment	-	3 - 5 years
Selling tools and 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 individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, 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 2013.



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 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:

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.

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 2016 and 2015, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
Short-term employee benefits	42.3	34.8
Post-employment benefits	3.1	2.1
Total	<u>45.4</u>	<u>36.9</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Cash	20	30
Bank deposits	180,426	511,441
Total	180,446	511,471
Less: Restricted bank deposits	(27,000)	(27,000)
Total cash and cash equivalents	<u>153,446</u>	<u>484,471</u>

As at 31 December 2016, bank deposits in savings and fixed deposit accounts carried interests between 0.13 and 1.50 percent per annum (2015: between 0.13 and 1.50 percent per annum).

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

8. Current investments

8.1 As at 31 December 2016 and 2015, current investments consisted of the following:

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Investments in trading securities - fair value (Note 8.2)	334,056	21,061
Fixed deposits	60,001	-
Total current investments	<u>394,057</u>	<u>21,061</u>

As at 31 December 2016, the Company had current investments in 5-month and 12-month fixed deposits totaling Baht 60 million, carrying interests between 1.25 and 1.50 percent per annum and due for redemption during January 2017 to March 2017.

8.2 Movements in the investments in securities held for trading for the year ended 31 December 2016 are summarised below.

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Net balance at beginning of the year	21,061	-
Cash paid for current investments in trading securities during the period - at cost	1,138,000	453,000
Sales during the year - at cost		
Proceeds from sales	(829,000)	(432,436)
Gain on sales	2,617	473
Total	(826,383)	(431,963)
Gain on change in value	1,378	24
Net balance at end of the year	<u>334,056</u>	<u>21,061</u>





9. Trade and other receivables

(Unit: Thousand Baht)

	<u>2016</u>	<u>2015</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	204,772	169,984
Past due		
Up to 3 months	13,486	6,946
3 - 6 months	43	373
6 - 12 months	4	66
Over 12 months	61	32
Total	<u>218,366</u>	<u>177,401</u>
Less: Allowance for doubtful accounts	(18)	(57)
Total trade accounts receivable - unrelated parties - net	<u>218,348</u>	<u>177,344</u>
<u>Other receivables</u>		
Other receivables - unrelated parties	1,226	1,377
Less: Allowance for doubtful accounts	(233)	(231)
Total other receivables - unrelated parties - net	<u>993</u>	<u>1,146</u>
Prepaid expenses	3,211	1,495
Interest receivable	390	76
Total other receivables - net	<u>4,594</u>	<u>2,717</u>
Total trade and other receivables – net	<u>222,942</u>	<u>180,061</u>

10. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Finished goods	23,172	17,603	(127)	(584)	23,045	17,019
Work in process	1,209	36	(1,178)	-	31	36
Raw and packing materials	16,750	10,901	(509)	(167)	16,241	10,734
Total inventories	<u>41,131</u>	<u>28,540</u>	<u>(1,814)</u>	<u>(751)</u>	<u>39,317</u>	<u>27,789</u>

During the current year, the Company reduced cost of inventories by Baht 2.6 million (2015: Baht 2.2 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 1.5 million (2015: Baht 2.4 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	Selling tools and equipment	Motor vehicles	Assets under installation	Total
Cost								
1 January 2015	10,704	24,457	7,034	6,433	-	11,965	3,765	64,358
Additions	-	140	154	1,865	633	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	7,188	8,097	633	15,513	17	72,449
Additions	-	28	2,962	3,140	256	-	40,278	46,664
Transfer in (transfer out)	-	32	17	114	31,540	-	(31,703)	-
Disposals/write-off	-	-	(52)	(86)	-	-	-	(138)
31 December 2016	10,704	30,357	10,115	11,265	32,429	15,513	8,592	118,975
Accumulated depreciation								
1 January 2015	-	3,584	1,101	3,380	-	4,728	-	12,793
Depreciation for the year	-	2,318	998	1,362	8	2,697	-	7,383
Depreciation on disposals/write-off	-	-	-	(203)	-	(164)	-	(367)
31 December 2015	-	5,902	2,099	4,539	8	7,261	-	19,809
Depreciation for the year	-	2,384	1,100	1,861	2,164	3,102	-	10,611
Depreciation on disposals/write-off	-	-	(26)	(80)	-	-	-	(106)
31 December 2016	-	8,286	3,173	6,320	2,172	10,363	-	30,314
Net book value								
31 December 2015	10,704	24,395	5,089	3,558	625	8,252	17	52,640
31 December 2016	10,704	22,071	6,942	4,945	30,257	5,150	8,592	88,661
Depreciation for the year								
2015 (Baht 2.7 million included in cost of sales, and the balance in selling and administrative expenses)								7,383
2016 (Baht 2.9 million included in cost of sales, and the balance in selling and administrative expenses)								10,611





As at 31 December 2016, the Company had machinery, motor vehicles and office equipment acquired under finance lease agreements with net book value amounting to Baht 6.5 million (2015: Baht 11.3 million).

As at 31 December 2016, 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 4.5 million (2015: Baht 2.2 million).

The Company has mortgaged land with structures thereon with net book value as at 31 December 2016 amounting to approximately Baht 17.8 million (2015: Baht 18.2 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 13.

12. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Cost	5,785	5,368
Less: Accumulated amortisation	<u>(2,560)</u>	<u>(1,027)</u>
Net book value	<u>3,225</u>	<u>4,341</u>

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	4,341	1,039
Acquisitions - at cost	421	3,730
Write-off - net book value	-	(1)
Amortisation for the year	<u>(1,537)</u>	<u>(427)</u>
Net book value at end of year	<u>3,225</u>	<u>4,341</u>

13. Bank overdrafts

The bank overdrafts are secured by the pledge of the Company's bank deposits and the mortgage of land with structures thereon.

As at 31 December 2016, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 134.8 million (31 December 2015: Baht 109.8 million).

14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Trade payables - unrelated parties	146,694	119,739
Other payables - unrelated parties	55,184	18,227
Accrued expenses	43,422	25,278
Total trade and other payables	<u>245,300</u>	<u>163,244</u>

15. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Liabilities under finance lease agreements	4,359	9,092
Less: Deferred interest expenses	<u>(482)</u>	<u>(1,076)</u>
Total	3,877	8,016
Less: Current portion	<u>(1,546)</u>	<u>(2,913)</u>
Liabilities under finance lease agreements - net of current portion	<u>2,331</u>	<u>5,103</u>

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 2016			
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	1,790	2,569	4,359
Deferred interest expenses	(244)	(238)	(482)
Present value of future minimum lease payments	1,546	2,331	3,877

(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

16. 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)		
	2016	2015
Provision for long-term employee benefits		
at beginning of year	8,867	8,043
Included in profit or loss:		
Current service cost	1,614	1,862
Interest cost	301	362
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	10,782	8,867

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

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Cost of sales	-	39
Selling and administrative expenses	1,915	2,185
Total expenses recognised in profit or loss	<u>1,915</u>	<u>2,224</u>

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

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefits is 15 years (2015: 15 years).

Significant actuarial assumptions are summarised below.

	<u>2016</u>	<u>2015</u>
	(% per annum)	(% per annum)
Discount rate	3.39	3.39
Salary increase rate	7.00	7.00
Staff turnover rate (depending on age of employees)	0 - 56	0 - 56

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below.

	(Unit: Million Baht)	
	As at 31 December 2016	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.5)	1.7
Salary increase rate	1.8	(1.5)
Staff turnover rate	(1.6)	0.7
	(Unit: Million Baht)	
	As at 31 December 2015	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.2)	1.4
Salary increase rate	1.3	(1.1)
Staff turnover rate	(1.3)	0.6



17. Share capital

- 17.1 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.
- 17.2 On 21 August 2015, the Extraordinary General Meeting of the Company's shareholders passed the following resolutions.
- 17.2.1 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.
- 17.2.2 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.
- 17.3 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.

18. 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 2016, the Company set aside Baht 5.1 million as statutory reserve (2015: Baht 7.4 million).

19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Raw materials and consumables used	149,380	149,650
Changes in inventories of finished goods and work in process	620,921	517,732
Advertising and promotion expenses	105,195	108,459
Salaries and wages and other employee benefits	89,317	73,966
Transportation expenses	34,387	27,460
Depreciation and amortisation	12,148	7,810
Consulting fees	1,455	2,960

20. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Current income tax:		
Current income tax charge	25,592	18,594
Deferred tax:		
Relating to origination and reversal of temporary differences	(514)	(317)
Income tax expenses reported in the statement of comprehensive income	<u>25,078</u>	<u>18,277</u>



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
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 2016 and 2015 is shown below.

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
Accounting profit before tax	126,908	86,229
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	25,382	17,246
Effects of:		
Non-deductible expenses	872	1,098
Additional expense deductions allowed	(1,176)	(67)
Total	(304)	1,031
Income tax expenses reported in the statement of comprehensive income	25,078	18,277

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

	(Unit: Thousand Baht)	
	Statements of financial position	
	As at 31 December 2016	As at 31 December 2015
Deferred tax assets		
Allowance for doubtful accounts	50	58
Allowance for diminution in inventory value	363	150
Provision for long-term employee benefits	2,156	1,773
Total	2,569	1,981
Deferred tax liabilities		
Financial leases	(268)	(194)
Total	(268)	(194)
Net deferred tax assets	2,301	1,787

21. 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 17. 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.

22. 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 2016, domestic sales represented 91 percent of total sales (2015: 92 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 2016, the Company has revenue from one major customer, with revenue of 88 percent of the Company's revenues (2015: 90 percent).

23. 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 2016 amounting to approximately Baht 2.7 million (2015: Baht 2.6 million) were recognised as expenses.

24. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>2015</u>			
Dividends for 2014	Annual General Meeting of the shareholders on 20 March 2015	52.5	175
Interim dividends for 2015	Board of Directors' meeting on 5 August 2015	37.0	48
Total for 2015		<u>89.5</u>	<u>223</u>
<u>2016</u>			
Dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	24.3	0.04
Interim dividends for 2016	Board of Directors' meeting on 11 August 2016	36.5	0.06
Total for 2016		<u>60.8</u>	<u>0.10</u>

25. Commitments

25.1 Capital commitments

As at 31 December 2016, the Company had capital commitments relating to the purchases of equipment amounting to approximately Baht 15.7 million.

25.2 Operating lease 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	
	<u>2016</u>	<u>2015</u>
Payable		
In up to 1 year	4.2	6.8
In over 1 year and up to 4 years	2.4	2.0

26. Fair value hierarchy

As at 31 December 2016 and 2015, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	As at 31 December 2016			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Held for trade investments				
Debt instruments	-	334	-	334

	(Unit: Million Baht)			
	As at 31 December 2015			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets measured at fair value				
Held for trade investments				
Debt instruments	-	21	-	21





27. Financial instruments

27.1 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 and bank overdrafts. 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 and bank overdrafts. 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 2016						
	Fixed interest rates		Floating	Non-		
	Within 1	1-5	interest	interest		
	year	years	rate	bearing	Total	Interest rate
	(Million Baht)					(% per annum)
Financial assets						
Cash and cash equivalents	-	-	134.8	18.6	153.4	0.13 - 1.10
Current investments	60.0	-	-	334.0	394.0	1.25 - 1.50
Trade and other receivables	-	-	-	223.0	223.0	-
Restricted bank deposits	-	-	27.0	-	27.0	0.65 - 1.50
	60.0	-	161.8	575.6	797.4	
Financial liabilities						
Trade and other payables	-	-	-	245.3	245.3	-
Liabilities under financial lease						
agreements	1.6	2.3	-	-	3.9	3.92 - 10.62
	1.6	2.3	-	245.3	249.2	
As at 31 December 2015						
	Fixed interest rates		Floating	Non-		
	Within 1	1-5	interest	interest		
	year	years	rate	bearing	Total	Interest rate
	(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	



***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.

27.2 Fair values of financial instruments

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

28. 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 2016, the Company's debt-to-equity ratio was 0.4:1 (2015: 0.3:1)

29. Events after the reporting period

On 23 February 2017, the meeting of the Board of Directors of the Company No. 1/2017 approved the payment of dividend for 2016 to the Company's shareholders at Baht 0.08 per share or a total dividend of Baht 48.64 million.

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

30. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 23 February 2017.

Investor may additionally obtain the informatio of the issuing company from its annual filing (Form 56-1) showing in www.set.or.th, www.sec.or.th or in the website of T.A.C.Consumer Public Company Limited www.tacconsumer.com

T.A.C. Consumer PCL.

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