



FN
OUTLET

ANNUAL REPORT 2016

FN FACTORY OUTLET PUBLIC COMPANY LIMITED

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Message from Chairman and Chief Executive Officer

Dear Shareholders,

The year 2016 was truly the revolution time for FN Factory Outlet Company Limited. From the beginning as a family business under the management of Mr. Pricha Songwatana, currently, the Company has integrated its own strengths with modern business model in order to frame the solid foundations and drive the Company towards sustainable growth. Moreover, the Company firmly adheres to its unique identity which consist of the expertise in design, insight in the production process and deep understanding of the distribution channels, together with the corporate 3D vision: “**Design Outlet**” - The Company centers on the smart design of all elements, ranging from products, to outlets and the shopping atmosphere, “**Deliver Best Value**” - The Company excels in selecting best quality products for utmost value of the customers, and “**Delight All Customers**” - The Company aims to fulfil the satisfaction and happiness of the customers by offering a great selection of fine quality products, stores, restaurants, coffee shops, as well as relaxation and green corners at every branch. These efforts have led success that marks a new chapter of FN’s history: the transformation of FN Factory Outlet Company Limited into a public company known as FN Factory Outlet Public Company Limited and the initial public offering (IPO) of 250 million shares at the par value of Baht 0.50 per share and at the IPO price of Baht 3.88 per share. The IPO was well-received by retail and institutional investors both in Thailand and international. The first trading day on the Stock Exchange of Thailand was on 14 November 2016.

FN Factory Outlet Public Company Limited is the first pioneer of the factory outlet business in Thailand and operates its business under the concept of “**Export Quality at Manufacturer Price.**” Primarily, FN outlets sell merchandise under its own house brands ranging from clothes, bedding, leather goods, furniture and other household items. For greater variety of selection, The Company also sells international brand products, leading domestic brand products, and community products to cater the diverse needs and preferences of all family members of different ages and genders who visit the outlets.

Despite the moderate growth of the retail industry in 2016 following the economic slowdown in the prior year, the group of Company achieved a net profit of Baht 146 million, which was the same level as in 2015. Total revenue decreased by 2% but the Company was able to stabilize the net profit on the back of enhanced effectiveness on inventory management and cost control, coupled with the tax privileges from the IPO expenses and domestic investment. Debt-to-equity ratio lowered to only 0.09x times as the Company fully repaid all bank loans.

On 17 November 2016, the 8th branch was opened in Phra Nakhon Sri Ayutthaya Province. This latest outlet has been warmly welcomed by the customers being locals, employees working at nearby industrial estates and travelers. This new branch became the prototype for other branches in the future. Prior, our major customers were mostly travelers. However, at present, the Company is expanding the focus to increase the proportion of customers being locals and employees working at industrial estates in provinces where the outlets are located to become regular customers. The model of Phra Nakhon Sri Ayutthaya branch has impressively answered the needs of every group of customers



with its composition of “Enjoy dining, sightseeing and shopping” in one place, for example, the restaurants featuring fusion cuisine, noodle dishes and jumbo-sized freshwater prawn menus; Starbucks Drive-Thru; an interactive museum; and a shopping mall that offers a wide variety of stylish consumer products with reasonable prices.

For our future endeavors, the Company will continue to pursue branch network expansion as the plan that was announced to shareholders and investors during the IPO. The expansion will primarily focus on provinces on major routes to Thailand’s top tourist destinations. The Company commits to open 4 new branches by 2018 along with renovating existing branches to be more modernized and enlarge rental space. The Company strongly believes that all of these will pave ways to achieve greater customer satisfaction and strongly broaden customer base.

On behalf of the Board of Directors, executives, and employees, we would like to express our appreciation and gratitude to our shareholders, business partners, customers, financial institutions and all stakeholders for their continued trust and support. As the leader and pioneer of factory outlet business in Thailand, we greatly affirm to operate our business with prudence and good corporate governance, and will contribute to the development of communities and society to ensure a sustainable growth of the Company and of the nation as a whole.

Mr. Visuth Vitayathanagorn
Chairman

Mr. Benyiam Songwatana
Chief Executive Officer

Vision, Mission and Core Value

Vision

Design Outlet : FN is the expert in having its one-of-a-kind design outlet which products are specially made and selected to serve our customers exclusively only at FN and to offer a fun and memorable experience to shoppers and travelers.

Deliver Best Value : FN excels in searching, selecting, and providing only the best value-for-money products and services from around the world for our customers.

Delight All Customers : FN selectively expands its business locally and globally through creatively designed outlet, both regular and online stores, using its expertise in best-value selection.

Mission

- Inspire and offer greater choices of lifestyle, shopping and leisure for consumers.
- Source, select and serve best value-for-money products and services from around the world.
- Expand the partnership network of FN family both domestically and internationally.
- Build greater value for investors through corporate responsibility and transparency.

Core Value

OUTLET

- | | |
|---------------------|--|
| Openness : | Open to change, open to diversity, open to new creativities, open to new opportunities |
| Uniqueness : | Be different, be exclusive |
| Teamwork : | Embrace differences and work towards the same goal |
| Learning : | Never stop learning new things |
| Energy : | Eager to serve our customers |
| Trust : | Build credibility and create customer loyalty |

General Information

Company name (English) : FN Factory Outlet Public Company Limited

Registration number : 0107559000206

Type of business : Factory outlet distributor. Products displayed in stores are house brand products produced by domestic and foreign manufacturers, as well as products of other brands, purchased and consigned. The variety of products caters all needs of customers.

Head office : 991, FN Building, Rama 9 Road, Suan Luang, Bangkok 10250

Tel. : +66 (0) 2300 4951

Fax : +66 (0) 2300 4681

Website/Homepage : <http://www.fnoutlet.com>

Sector : Commerce

Industry : Services

First Trading Date : 14 November 2016

Authorized capital	Authorized capital	500,000,000 Baht
and paid-up capital	Paid-up capital	500,000,000 Baht
	Ordinary shares	1,000,000,000 Shares
	Par Value	0.50 Baht

Number of Branch : 8 Branches

Branch	Location
Branch 1 Phetchaburi	99/11, Moo 1, Ton Maphrao, Muang Phetchaburi, Phetchaburi 76000
Branch 2 Kanchanaburi	33/3 Moo 3, Tha Lo, Tha Muang, Kanchanaburi 71110
Branch 3 Pattaya	19/99 Moo 1, Na Klua, Bang Lamung Chonburi 20150
Branch 4 Pak Chong	99/9 Moo 9, Klang Dong, Pak Chong, Nakhon Ratchasima 30320
Branch 5 Sing Buri	111/1 Moo 1, Nam Tan, In Buri, Sing Buri 16110
Branch 6 Hua Hin	1999/99 Phet Kasem (Saitai) Road, Cha-am, Cha-am, Phetchaburi 76120
Branch 7 Sriracha	111 Moo 8, Bang Phra, Sri Racha, Chonburi 20110
Branch 8 Phra Nakhon Sri Ayutthaya	65/8 Moo 6, Ban Wa, Bangpa-in, Phra Nakhon Sri Ayutthaya 13160

Subsidiary Information

Company name (English)	:	SAVE NOW 2494 Company Limited
Registration number	:	01005558170688
Type of business	:	Retail trade of apparel and non-apparel goods at a department store in Hat Yai District of Songkhla Province
Head office	:	991 FN Building Rama 9, Suan Luang, Bangkok 10250
Branch office 1	:	1468/36 Kanjanavanit Road, Hat Yai, Hat Yai, Songkhla 90110
Tel.	:	+66 (0) 2300 4951
Fax	:	-
Authorized capital and paid-up capital	:	Authorized capital 10,000,000 Baht
		Paid-up capital 10,000,000 Baht
		Common stock 100,000 Shares
		Par Value 100 Baht

Reference Persons

- Auditor : M.R. & Associates Company Limited
705-706 Chao Phya Tower, 89 Soi Wat Suan Plu, Charoenkrung Road, Bang Rak, Bangkok 10500
Tel. : +66 (0) 2630 7500
Fax : +66 (0) 2630 7506
- Internal Auditor : P & L Internal Audit Company Limited (P&L Corporation)
73 / 290-294 The Fifth Avenue, Building B, 2nd Floor, Bangkok-Nonthaburi Rd., Bang Khen, Muang, Nonthaburi 11000
Tel : +66 (0) 2526 6100
- Financial Advisor : Asset Pro Management Company Limited (APM)
999/9 The Offices at Central World 10th FL., Room 1011-1012, Rama I Road, Patumwan, Patumwan, Bangkok 10330
Tel. : +66 (0) 2-264-5678
Fax : +66 (0) 2-264-5679
- Legal Advisors : Weerawong, Chinnawat and Peangpanor Limited
540 Building Mercury Tower, 22nd Floor Ploenchit Rd., Lumbini, Pathumwan, Bangkok 10330
Tel. : +66 (0) 2-264-8000
Fax : +66 (0) 2-657-2222
- Registrar of Securities : Thailand Securities Depository Company Limited (TSD)
The Stock Exchange of Thailand
93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Tel. : +66 (0) 2009 9000
Fax : +66 (0) 2009 9991
SET Contact Center : +66 (0) 2009 9999
E-mail : SETContactCenter@set.or.th
Website : <http://www.set.or.th/tsd>

Shareholding Structure

FN Factory Outlet Public Company Limited (FN)

Registered capital of Baht 500,000,000



Business: Operator of factory outlets selling apparel and non-apparel goods through eight branches, namely Phetchaburi Branch, Kanchanaburi Branch, Pattaya Branch, Pak Chong Branch, Sing Buri Branch, Hua Hin Branch, Sriracha and Phra Nakhon Sri Ayutthaya



Save Now 2494 Company Limited (SN)

Registered capital of Baht 10,000,000

SAVE NOW

Business: Retail trade of apparel and non-apparel goods at a department store in Hat Yai District of Songkhla Province.

Subsidiary

Save Now 2494 Company Limited (SN) was established on 22 October 2015. SN is involved in the retail trade of apparel and non-apparel goods at a department store. Its head office locates at 991, Rama 9 Road, Suan Luang Sub-district, Suan Luang District, Bangkok, and its branch office is located at 1468/36, Kanchanavanich Road, Hat Yai District, Songkhla Province, 90110. SN's registered capital is currently Baht 10,000,000, divided into 100,000 ordinary shares at the par value of Baht 100. SN is now a subsidiary of the Company as the Company's equity in SN is equivalent to 99.97% of SN's registered capital. At present, SN has one retail outlet in Hat Yai District of Songkhla Province.



Key milestones of the Company

- FN was established with 1 MB of registered capital
- The first FN outlet was opened in Phetchaburi



- FN opened the 3rd branch in Pattaya



- The 5th branch was opened in Sing Buri



2000

2003

2004

2005

2007

2010



- The 2nd branch was opened in Kanchanaburi



- FN increased capital to 10 MB.
- The 4th branch was opened in Pak Chong



- Opened the 6th branch at Hua hin

BUILDING

- The 7th branch was opened at Sriracha



- Amalgamated 5 companies FN, TBF, PT, and PIT and NG, into "FN Factory Outlet Co., Ltd"



- Transformed from Company Limited to Public Company Limited
- Increased capital to 500 MB
- The 1st trading day of IPO stock was on 14 November 2016
- Opened the 8th branch in Phra Nakhon Sri Ayutthaya



2011

2012

2014

2015

2016

- Established the Distribution Center (DC) at Phetchaburi



- Opened New office on Rama 9 Rd, as the headquarter of the Company

Remarks : 1. FN Factory Outlet Company Limited (FN)
2. The Boss Forum Company Limited (TBF)
3. Pre-Tact Company Limited (PT)
4. Nova Gen Company Limited (NG)
5. Proof International Trading Company Limited (PIT)

Key milestones of the Company

Year	Details
2000	<ul style="list-style-type: none"> - FN Factory Outlet Company Limited (“the Company” or “FN”) was established with the initial register capital of Baht 1,000,000. - The first outlet, was launched at Phetchaburi Province.
2003	The second outlet, Kanchanaburi Branch, was launched and was managed by The Boss Forum Company Limited (TBF) which was founded in 1996 with the initial registered capital of Baht 1,000,000.
2004	The third outlet, Pattaya Branch, was launched and was managed by TBF. The outlet is located on land leased out by a third party who is not related to the Company’s shareholders, directors and executives.
2005	<ul style="list-style-type: none"> - The Company increased its registered capital from Baht 1,000,000 to Baht 10,000,000 for extra working capital. - The fourth outlet, Pak Chong Branch, was launched and was managed by Pre-Tact Company Limited (PT) which was founded in 2002 with the initial registered capital of Baht 1,000,000. The outlet is located on land leased out by a third party who is not related to the Company’s shareholders, directors and executives.
2006	<ul style="list-style-type: none"> - The Extraordinary General Meetings of Shareholders No. 1/2006 and No. 2/2006 of PT, respectively, passed special resolutions to approve the increase of PT’s registered capital from Baht 1,000,000 to Baht 75,000,000 for extra working capital. - The Extraordinary General Meetings of Shareholders No. 3/2006 and No. 4/2006 of TBF, respectively, passed special resolutions to approve the increase of TBF’s registered capital from Baht 1,000,000 to Baht 10,000,000 for extra working capital.
2007	<ul style="list-style-type: none"> - The fifth outlet, Sing Buri Branch, was launched and was managed by Nova Gen Company Limited (NG) which had the initial registered capital of Baht 1,000,000. Subsequently, the Extraordinary General Meetings of Shareholders No. 2/2007 and No. 3/2007, respectively, passed special resolutions to approve the increase of NG’s registered capital from Baht 1,000,000 to Baht 20,000,000 for extra working capital.
2010	<ul style="list-style-type: none"> - The sixth outlet, Hua Hin Branch, was launched and was managed by NG.
2011	<ul style="list-style-type: none"> - The seventh outlet, Sriracha Branch, was launched. It is located at 111, Moo 8, Bang Phra Sub-district, Sriracha District, Chon Buri Province, 20110, and was managed by Proof International Trading Company Limited (PIT) which was founded in 2006 with the initial registered capital of Baht 1,000,000. Subsequently, the Extraordinary General Meetings of Shareholders No. 1/2008 and No. 2/2008 of PIT, respectively, passed special resolutions to approve the increase of PIT’s registered capital from Baht 1,000,000 to Baht 10,000,000 for extra working capital. The outlet is located on land leased out by a related party of the Company’s shareholders, directors and executives. - PIT started to manage Phetchaburi Branch for the Company and earned revenue from rental fee instead of from selling the outlet’s goods.

Year	Details
2012	A warehouse and distribution center was established in Phetchaburi Province to enhance inventory management and to support the future growth of the factory outlet business.
2013	The Extraordinary General Meeting of Shareholders No. 1/2013 of PIT, passed a special resolution to approve the increase of PIT's registered capital from Baht 10,000,000 to Baht 200,000,000 for extra working capital.
2014	In July 2014, the Extraordinary General Meetings of Shareholders of FN, TBF, PT, PIT and NG resolved to approve the amalgamation of the five companies for the purpose of enhancing the factory outlet business management, preventing conflicts of interest that may arise in the future, and supporting the Company's IPO launch. Following the amalgamation which has been in effect since 1 October 2014, the business is operated by FN Factory Outlet Company Limited which has the registered and paid-up capital of Baht 315,000,000, divided into 3,150,000 ordinary shares at the par value of Baht 100 per share.
2015	The Company began the Rama 9 Office construction in 2013. The building was completed in 2015 and has since been used as the Company's head office. The building is located on land owned by QIU Asset Company Limited which is the company Shareholder.
2016	<ul style="list-style-type: none"> - The 2016 Annual General Meeting of Shareholders which was held on 20 April 2016 resolved to approve the payment of dividends of Baht 222,700,000 to the existing shareholders and the increase of registered capital from Baht 315,000,000 to Baht 375,000,000 through the rights issue. - The Extraordinary General Meeting of Shareholders No. 1/2016 which was held on 9 May 2016 passed resolutions on material matters of the Company as follows: <ul style="list-style-type: none"> • To approve the investment in Save Now 2494 Company Limited (SN) to expand its customer base to middle-to-low income earners by using SN which targets a different customer segment as a fighting brand of FN to compete in major cities and cities having popular tourist attractions. SN is involved in the retail trade of apparel and non-apparel goods at a department store and currently has one retail outlet, Save Now, which is located in a building in Hat Yai District of Songkhla Province and leased out by a third party. The Company acquired 99.97% of SN's registered capital at the book value. SN is now a subsidiary of the Company. • To approve the transformation of the Company from a limited company to a public limited company. • To reduce the par value of the Company's shares from Baht 100 per share to Baht 0.50 per share. The number of FN ordinary shares thus increases to 750,000,000 in total. • To increase the Company's registered capital by Baht 125,000,000 through the initial public offering of 250,000,000 new ordinary shares at the par value of Baht 0.50 which will increase the Company's registered capital to Baht 500,000,000. - The first trading day on the Stock Exchange of Thailand was on 14 November 2016. - The eight outlet, Phra Nakhon Sri Ayutthaya Branch, was launched.

Revenue Structure

The Company's 2014 - 2016 revenue structure broken down by product type is as shown below:

Product	2014 (Restated ^{/1})		2015		2016	
	MB	%	MB	%	MB	%
House Brands	314.22	42.08%	726.14	64.77%	702.36	63.93%
Non-Apparel	198.51	26.58%	473.95	42.28%	488.91	44.50%
Apparel	115.71	15.50%	252.19	22.49%	213.45	19.43%
Other Brands	422.70	56.61%	376.06	34.54%	360.67	32.83%
Total Sales	736.92	98.69%	1,102.20	98.31%	1,063.03	96.76%
Other Revenue	9.75	1.31%	18.99	1.69%	35.64	3.24%
Total Revenue	746.67	100.00%	1,121.19	100.00%	1,098.67	100.00%

Remark : ^{/1}In 2014, the Extraordinary General Meetings of Shareholders of the Company and other companies, totaling five companies, which operated the same type of business, namely 1) FN Factory Outlet Company Limited, 2) The Boss Forum Company Limited, 3) Pre-Tact Company Limited, 4) Nova Gen Company Limited, and 5) Proof International Trading Company Limited, resolved to approve the amalgamation of the five companies into FN Factory Outlet Company Limited, effective from 1 October 2014, to restructure the business group in a bid to prevent conflicts of interest that may arise in the future as well as to prepare for its listing on the Stock Exchange of Thailand.

The Company's 2015 operating results presented changes from those of 2014 following the amalgamation of the five companies on 1 October 2014 to centralize the management of the seven outlets, which had previously been operated by five different entities, at FN Factory Outlet Public Company Limited. This has led to greater effectiveness of internal operations, particularly the inventory management and accounting system, and the management information system. After the amalgamation, the Company's financial statements were prepared in accordance with standards applicable to Publicly Accountable Entities (PAEs); and M.R. & Associates Company Limited, which is on the SEC's approved list of auditors, was appointed as the Company's auditor to audit the Company's financial statements for the accounting period of 1 October 2014 to 31 December 2014 (the auditor appointed by the Company before the amalgamation was not on the SEC's approved list of auditors) and the financial statements for the year 2015 ended 31 December 2015. Therefore, the outlook of the Company's future performance should not be based on the pre- amalgamation financial information but should rely on the post-amalgamation financial statements which were prepared in accordance with the accounting standards for PAEs and were audited and reviewed by the auditor being on the approved list of the SEC.

Nature of Business

The Company operates a factory outlet business under the concept ‘Export Quality at Manufacturer’s Price’. The Company distributes consumer goods which include apparel products, bedding goods, leather goods, furniture, and household products under both the Company’s house brands and other brands, which mostly are international brands, in order to cater to the diverse needs of customers of different ages and gender groups. The products sold at the Company’s outlets are high quality and unique products that the Company sources and selects from across the globe. The Company currently has a total of eight factory outlets, i.e. Phetchaburi Branch, Kanchanaburi Branch, Pattaya Branch, Pak Chong Branch, Sing Buri Branch, Hua Hin Branch, Sriracha Branch and Phra Nakhon Sri Ayutthaya Branch, and all of them are strategically located in provinces that are top tourist destinations of Thailand as the Company targets to offer quality products at manufacturer’s prices to its customers which include tourists and foreigners. The Company has a subsidiary, namely Save Now 2494 Company Limited (SN) which is involved in the retail trade of apparel and household goods. SN is positioned as a fighting brand of the Company.

Type of Product and Service

Products available at the Company outlets can be classified into two categories: 1) House brand products which are the Company own designs and purchases directly from manufacturers, and 2) Third-party brand products distributed by the Company as a re-seller or a consignee. Details of products under each category are as follows:

House Brand Products

(In-co, Cheval, Lady De’ Cheval, Cheval Kids, Sleep Mate, Nipon, Prim, Cushy, Cushy Luxury, Cherish, Cherish Kids, Rollica and ETC)

House brand products which are designed and developed by the Company are of international quality standard and uniqueness, and are exclusively available at FN outlets. These products are designed by the Company’s designers who are field experts and possess insights into customers’ demands and tastes, including the quality of raw materials. House brand lines cover only consumer goods, divided into two categories as follows:

1) Non-Apparel Product:

Non-apparel products are multi-use goods and manufactured both domestically and overseas. The Company selects materials and designs from the catalogues of manufacturers to assure that the products are of high quality and durable and match customers’ tastes. Available products include bedding goods, home decoration items, home appliances, furniture and portable goods such as suitcases, cosmetic bags, hats and scarves. Product brands and features are as follows:

Brand

PRIM

Feature

Household products in elegant styles and made from superior quality materials

Example of Product



Category

Bedding products, household items, kitchenware, home decoration items, furniture, and suitcases

Target Customer

General customers aged 30-55 years, married, health conscious, wealthy, and high income

Brand



Feature

Household products made from superior quality materials

Example of Product



Category

Bedding products, household items, kitchenware, home decoration items

Target Customer

General customers aged 20-35 years, single or newly-wedded, moderate wealth and income, stylish, and enthusiastic about technologies

Brand

CHERISH+

Feature

Health products

Example of Product








Category

Health pillows and products for the elderly

Target Customer



Health conscious persons and the elderly



<p>Brand</p> <p>ROLLICA LUGGAGE & TRAVEL ACCESSORIES</p>	<p>Feature</p> <p>Travel products of superior quality materials</p>	<p>Example of Product</p> 
<p>Category</p> <p>Suitcases</p>	<p>Target Customer</p> <p>General customers aged 25-45 years who love travelling</p>	
<p>Brand</p> <p>INCO</p>	<p>Feature</p> <p>Superior quality eyeglasses and leather shoes, and suitcases</p>	<p>Example of Product</p> 
<p>Category</p> <p>Eyeglasses, leather shoes, and suitcases</p>	<p>Target Customer</p> <p>Males and females aged 30-40 years</p>	
<p>Brand</p> <p>cheval</p>	<p>Feature</p> <p>Varieties of bags</p>	<p>Example of Product</p> 
<p>Category</p> <p>Work bags and shoulder bags</p>	<p>Target Customer</p> <p>Customers aged 20-30 years</p>	





Brand	Feature	Example of Product	
	Ladies' fashion goods		
	Category Accessories, eyeglasses, and shoes	Target Customer Fashionable and young ladies	

2) Apparel Products:

Apparel products are designed by the Company's designers, who possess remarkable insights into the market demand, and are manufactured to the Company's orders. The Company's products feature uniqueness and fine quality that is comparable to global brands. Choices of materials and designs are customized to each customer group to match their diverse needs and tastes. Product brands and features are as follows:

Brand	Feature	Example of Product	
	Men's wear in contemporary designs and fine quality materials		
	Category Men's wear and accessories	Target Customer Men aged 35 years and above	

Brand	Feature	Example of Product	
	Premium quality apparels labelled "Monsieur INCO" for elderly men		
	Category Men's wear	Target Customer Men aged 50 years and above	

<p>Brand</p> <p>INCO Women</p> <hr/> <p>Category</p> <p>Ladies' wear, lingerie, and accessories</p>	<p>Feature</p> <p>Fine quality apparels in elegant designs labelled "INCO Women" for ladies</p> <hr/> <p>Target Customer</p> <p>Women aged 38 – 50 years having minor figure problems</p>	<p>Example of Product</p> 
<p>Brand</p> <p>Madame INCO</p> <hr/> <p>Category</p> <p>Ladies' wear</p>	<p>Feature</p> <p>Clothes labelled "Madame INCO" for changing figures of elderly women</p> <hr/> <p>Target Customer</p> <p>Women aged 40 – 60 years having major figure problems</p>	<p>Example of Product</p> 
<p>Brand</p> <p>che val</p> <hr/> <p>Category</p> <p>Men's wear and accessories</p>	<p>Feature</p> <p>Men's wear in casual and modern styles fit for today's lifestyle</p> <hr/> <p>Target Customer</p> <p>Men aged 20 - 35 years</p>	<p>Example of Product</p> 
<p>Brand</p> <p>che val</p> <hr/> <p>Category</p> <p>Clothes, lingerie and shoes for women</p>	<p>Feature</p> <p>Ladies' wear in casual and modern styles fit for today's lifestyle</p> <hr/> <p>Target Customer</p> <p>Women aged 20 - 35 years</p>	<p>Example of Product</p> 

Brand



Category

Clothes for boys and girls, children's underwear, and socks

Feature

Adult style clothes for kids with cheerful patterns and colors to add childish look.

Target Customer

Children aged 4 – 16 years

Example of Product



Brand

SLEEP MATE

Category

Sleepwear for men, women and children

Feature

High quality and comfortable sleepwear made of cotton for males and females

Target Customer

All genders and ages

Example of Product



Brand



Category

Underwear for men, women and children, and socks

Feature

Cotton-made, comfortable clothes that do not irritate skin

Target Customer

All genders and ages

Example of Product



Brand



Category

Ladies' clothes and accessories

Feature

Ladies' fashion products

Target Customer

Fashionable young women

Example of Product



Other Brand Products

In addition to house brand products, the Company selectively distributes products of domestic and international brands owned by third parties to add greater variety to the types of products available at the Company's outlets and comprehensively satisfy the needs of customers. Third-party brand products are mostly international brands. These products include both apparel and non-apparel products, such as bedding goods, home decoration items, household goods, furniture, suitcases, cosmetic bags, hats, scarves, pharmaceutical products, and cosmetic products.

The Company also sells food products of third-party brands through a social enterprise called "Ton Kla" shop which is operated in accordance with the principles of ethics and good governance. This initiative is part of its corporate responsibility towards the society and the environment which are a cornerstone of sustainable development (Corporate Social Responsibility or CSR). Ton Kla shops are situated within the premises of the eight FN outlet branches and their featured products are products of the Royal Project Foundation under the brands of Doi Kham, Doi Tung and Chitralada, including farm products, OTOP products, local community products of nearby provinces and health products. The aim is to create jobs and revenue for the locals, foster their bonds with their hometowns, support the government's product promotion programs, and offer additional distribution channels for the product owners.

Marketing and Competition

Marketing Strategy

As the first pioneer of the factory outlet business in Thailand, the Company possesses strong expertise and unparalleled insights into the businesses, ranging from sourcing products that best meet the customers' needs to effective marketing and promotion strategies. The Company's marketing strategy is as detailed below:

1. Product Strategy

In selecting merchandise to be sold at the outlets, the Company focuses on their uniqueness, quality and variety. The brand mix of the Company consists of the following three groups:

1) House Brand:

These products are developed by the Company and meet international quality standards. The unique and tasteful designs differentiate these products from those of other brands in the market and lead to stronger value proposition and brand recognition. The Company currently owns more than 15 house brands which include, among others, INCO, Cheval, Sleep Mate, Cushy, Cherish and Prim. The Company has rigorously inspected the quality of its products at every step of the processes, from the manufacturer selection, the pre-production, the production, the post-production, and the product delivery, to provide our customers with assurance that the products they purchase are of good quality and great value.

2) International Brand:

The Company selects and offers products of international brands to our customers at special prices. As part of the brand and product screening process, the Company analyzes the value of the apparel and non-apparel products in terms of quality and prices, including their suitability and functionality.

3) Top Domestic Brand:

To offer greater choices that match customers' tastes, the Company's outlets also offer selected top domestic brands and famous Thai designer brands.

To enhance customer satisfaction and motivation, the Company has deployed its employees to each point of sale to assist the visiting customers and recommend products that truly match the customers' needs as this will contribute to greater customer experience and convenience. These employees are regularly trained throughout the years as part of the Company's endeavors to achieve maximum customer satisfaction through service excellence.

2. Price Strategy

According to the Company's Pricing Policy, different pricing approaches are employed based on the sources of products, namely house brand products manufactured at the Company's orders, consigned products, and products purchased with credit for re-sale. Details are as follows:

1) House Brand Product:

For house brand products, the Company applies the cost-plus pricing method, according to which the costs are marked up to create a profit margin that reflects the added value from the design uniqueness and differentiation. The Company conducts a comparative analysis on the quality and prices of products of different manufacturers to identify and select the best manufacturer for each product. As these house brand products are directly distributed by the Company at its factory outlets, the selling and marketing expenses are low and the Company can thus offer the products at affordable and attractive prices.

2) Products Purchased from Brand Owner for Re-Sale at Outlet:

For these products, the Company applies the cost-plus pricing method, according to which the costs of goods are marked up to create a profit margin. Even after the mark-up, the prices are cheaper than the retail prices of the products of the same collections sold at department stores or stores of these brands.

3) Consignment Products :

The Company also sells third-party brand products that are consigned to the Company's factory outlets. The prices of these products are jointly decided by brand owners and the Company based on comparable market rates and customer demands. The Company receives shares of the profits earned from the good sold and strives to negotiate for the best prices for outlet customers. The Company also has the consignment policy that is clearly defined and equitably applied to all consignors.

It is the Company's policy to adjust product prices to boost sales, dynamically respond to the changing market condition and competition, and accelerate inventory turnover. Considerations for price adjustment include stock aging, costs of goods, popularity fade, and quality degradation. Price adjustments are collaboratively discussed by outlet branches, the Warehouse Department, the management team and the Company's business partners (consigning brand owners).

3. Place Strategy

At present, the Company's distribution channels are its eight outlets, namely Phetchaburi Branch, Kanchanaburi Branch, Pattaya Branch, Pak Chong Branch, Sing Buri Branch, Hua Hin Branch, Sriracha Branch and Phra Nakorn Sri Ayutthya Branch, that are operated by the Company (these stand-alone branches are located on land owned by the Company and leased land) and Save Now Shopping store which is operated by the Company's subsidiary and is located on a leased space of a building owned by a third party in Hat Yai District of Songkhla Province. All outlets are strategically situated at prime locations in provinces being popular tourist destinations to attract buyers being domestic and foreign travelers. The Company's outlets do not serve only as shopping destinations, but also as rest stops, meeting points and places where visitors can enjoy greater experience at restaurants and retail stores within the premises.

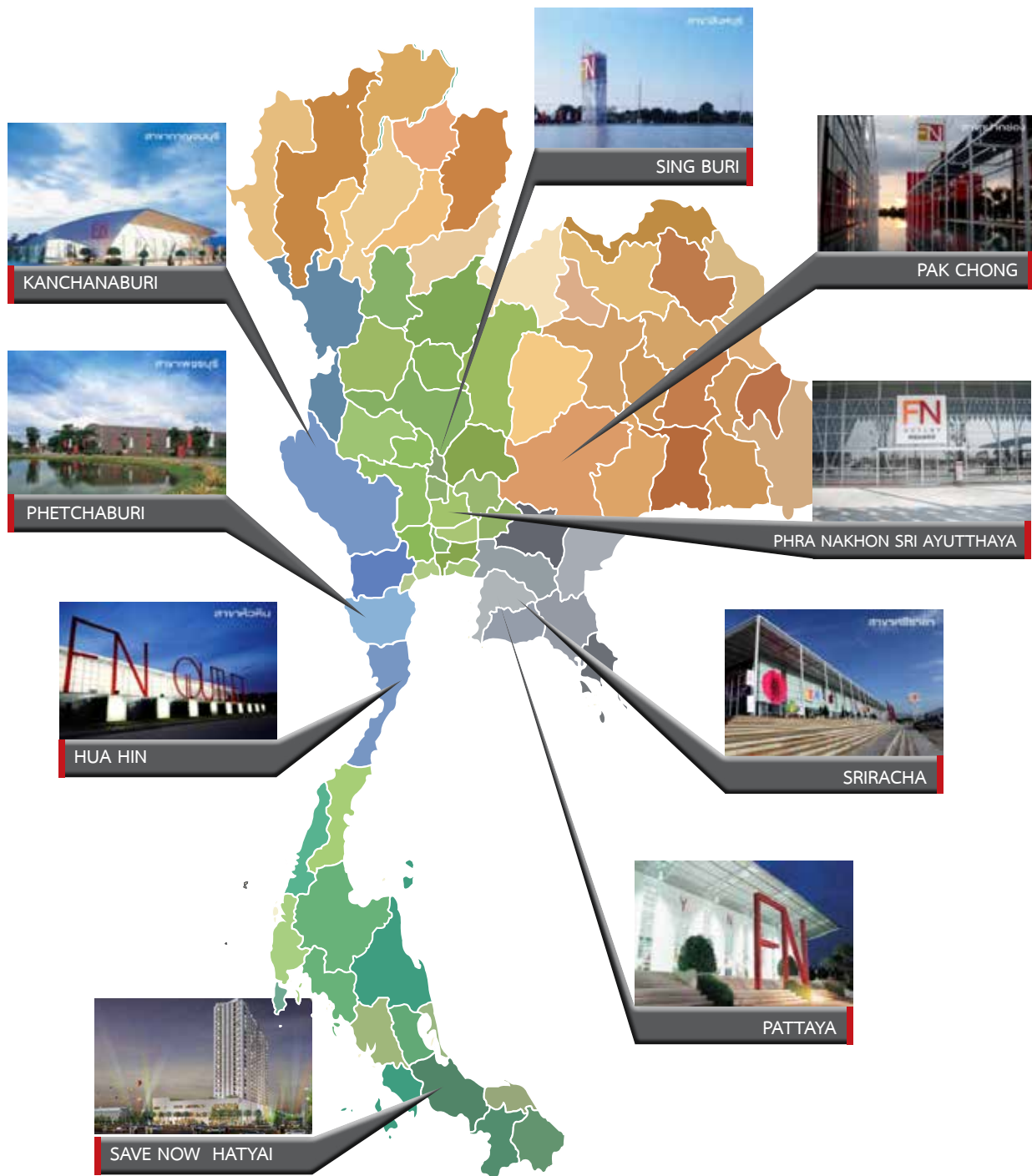
Table: Opening Year and Usable Area of Each Branch

Branch	Launched in	Usable Area (sq m)
Phetchaburi	2000	1,999
Kanchanaburi	2003	1,816
Pattaya	2004	3,484
Pak Chong	2005	6,236
Sing Buri	2007	5,300
Hua Hin	2010	6,012
Sriracha	2011	5,764
Phra Nakhon Sri Ayutthaya	2016	4,416
SAVE NOW Store	2015	3,458

FN

OUTLET

Outlet
Location



Beside the above-mentioned distribution channels, the Company also has made available on its website an online shopping channel since 2015. For the fiscal year of 2015 and 2016, the sales from the online channel accounted for 0.01% and 0.01% of the total sales, respectively. The online shopping channel has been initiated by the Company with a view to offering greater convenience to local and foreign customers. Through this channel, customers can purchase the Company's products and make payments for their purchases from anywhere; and the Company also offers delivery services for these online purchases. The Company has a plan to diversify its distribution channels to direct sales and business-to-business channels in the future.

4. Promotion Strategy

The Company attaches great importance to marketing and promotion activities and conducts an in-depth analysis of target customers through Customer Relationship Management (CRM) Program and their demands to identify brand awareness promotion channels that are suitable for each target group. The Company primarily uses the following three promotional channels:

- 1) Roadside advertising signs are placed along the eight major highways of Thailand that run past the Company's outlets to attract the attention of travellers.
- 2) The Company uses social media such as Facebook, Instagram, Line Official and FN official website to connect with its customers and communicate information about products and promotional campaigns.
- 3) The Company may consider to promote the image of the Company and each outlet through TV, magazine columns, and variety TV programs.

The Company also runs an "FN LIFE" membership card program which offers customers the privilege of earning points for their purchases and exchanging the points for rewards as this loyalty program could help increase sales. In addition, the Company has participated in some event e.g. Red Cross fair and also arranged the "FN Thank You Sale" at the outlet branches. At these events, customers are offered special sales promotions such as special discounts or special gifts for their purchases of the Company's outlet products.

Target Customer

The Company operates the factory outlet business and sells a variety of products such as clothes, bedding products, leather goods, furniture and household goods through its eight branches which also have food shops and are located in provinces being popular tourist destinations of Thailand, its target customers are mainly tourists or travellers of all ages such as children, adults and the elderly, who travel the routes around the outlet branches. The Company has a wide range of products to cater to specific needs of customers of all ages and genders where commuters can use as a meeting point with their travel mates and enjoy meals and shopping together.

Competition

The competition in the retail trade industry is rather intense, particularly among the cross-category retailers targeting the same customer segments and deploying strategies which strengthen their propositions in terms of prices and locations to offer ease of access and greater convenience to consumers. The Company's factory outlet business has modern distribution centers that are unique. Retail trade businesses which are similar to the Company's business are, for example, Department Stores or Community Malls, but these operators are indirect competitors with the Company as they target different customers in urban areas while the target customers of the Company are travellers and tourists that travel past our outlets. Another similar Outlet is considered an indirect competitor of the Company as the operator leases out its store space to each brand owners and does not offer its house brands while the Company's outlets offer a wide and comprehensive range of products.

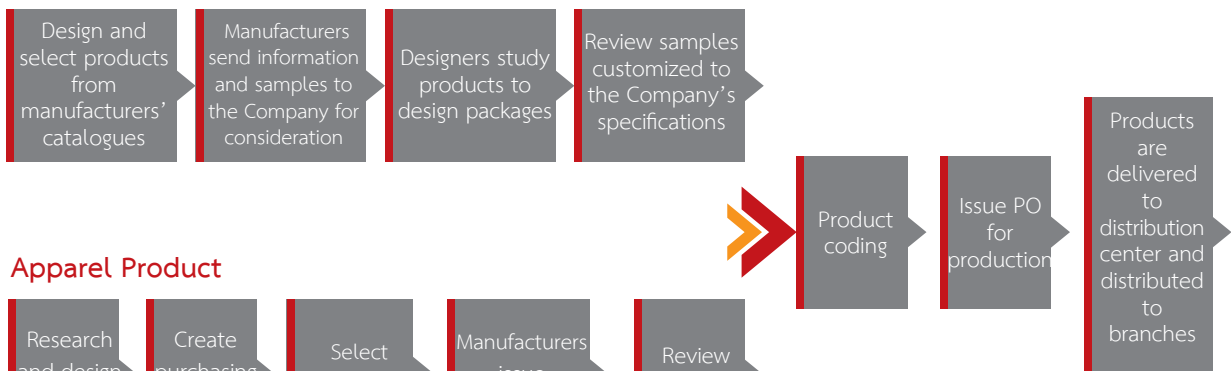
Product or Service Sourcing

Sourcing is one of the key pillars in the Company's business strategy which is anchored to the vision of offering quality and premium products at best prices to customers. Throughout more than 16 years of its existence in this industry, the Company has selected only domestic and international suppliers and manufacturers who meet target standards and the products sold at each outlet branch are carefully selected by the Company's teams of experts to assure that the products offered to customers are of great quality and reasonable prices. Sourcing processes vary with the means of product sourcing as detailed below:

House Brand Products

Products that are made to the Company's manufacturing orders are labelled with the Company's house brands. The Company has engaged more than 120 manufacturers both in Thailand and other countries such as China, Korea, Hong Kong, Italy, Portugal, Romania, India, Taiwan and Malaysia. The Product Management (Merchandise) Department will check the background and quality of manufactures and all factors that affect the production. The Company as stringent processes to control the production quality and the manufacturers' accountability and responsibility towards not only the Company but also other external parties involved along their production chains. The sourcing process applicable to house brand products are as detailed below:

Non-Apparel Product



Apparel Product



Other Brand Products

Processes for sourcing third-party brand products vary according means of product sourcing, namely products purchased with credit and consignment products, as detailed below:

1) Product Purchased with Credit:

Mostly, products purchased with credit are products of brands that are famous and popular in Thailand and overseas markets for their aesthetic and fashionable designs and quality. Third-party brand products add greater variety to the product ranges of the Company's outlets including sportswear, fashion and travel items, and products for children.



2) Consignment

Most consignment products purchased are clothes, underwear, hats, shoes, sports goods, bedding products and kitchenware of brands that are sold at department stores or leading shopping centers. There are also products decorated with cartoon characters and other products of kids to offer greater product variety and increase the Company's profitability.



Environmental Impact

The Company and its subsidiary operate retail factory outlet business which does not have any environmental impact. In an effort to conserve the environment, the Company and its subsidiary adopt green practices such as using e-mails instead of paper letters, operating air conditioners only within working areas, installing energy-saving light bulbs, and using construction materials having thermal insulation qualities.

Undelivered Work

- None -

Risk Factors

Business Risk

Competitive Risk

The Company does not have any direct competitors which operates the factory outlet business under the same business model. However, the types of products sold at the outlets, particularly apparel goods, make the business highly competitive and sensitive to fashion trends. Moreover, the growth of this business which is relative to the growth of the tourism sector may attract new entrants having sufficient capital to the market; hence it may have potential decrease in the Company's financial performance due to shrinking of market share. However, with more than 17 years' experience in retail trading, the Company's management team possesses unparalleled insights into this business. Moreover, in 2016, the Company invested in ordinary shares of Save Now 2494 Company Limited (SN) to expand its customer base to middle-to-low income earners in a bid to sharpen the Company's competitive edge. The Company also attaches importance to the regular assessment, monitoring and analysis of risks associated with its business. The Company is therefore confident that its exposure to such risk is minimal.

Inventories Risk

The Company's net inventories as of 31 December 2015 and 31 December 2016 was Baht 444.13 million and Baht 362.30 million, respectively, representing 43.22% and 22.77% of its total assets, respectively. The Company's allowance for devalue, slow-moving and obsolete of merchandises as of 31 December 2015 and 31 December 2016 was Baht 16.75 million and Baht 13.82 million, accounting for 3.63% and 3.67% of the inventory, respectively. The Company deploys an effective inventory management system to control inventory at an appropriate level as the Company recognizes that it is vital for the Company to effectively manage its inventory.

The Company and its subsidiary have a main warehouse located at Phetchaburi branch and a branch warehouse at each outlet to reserve inventories for selling. The management team has established well-defined inventory management and stock taking guidelines. In addition, the Company installed CCTV cameras at its outlets for loss and fraud prevention. With its effective inventory management mechanism, the Company is therefore confident that its exposure to such risk is minimal.

Risk from Pending Trademark and Service Mark Registration

The Company and its subsidiary have 11 registered trademarks and 1 registered service mark, totaling 12. At present, the Company is filing additional registration applications for 15 trademarks and 4 service marks, with the Department of Intellectual Property, the Ministry of Commerce, in readiness for future business expansion and growth. As the registration is pending, there is an open risk that the Company is not granted approval for the registration. The Company is aware of the risk and has assigned a responsible team to study the issues of concerns and the

probability of successful registration of the said trademarks and service marks in advance of the application filing as well as to regularly inquire with the officials of the Department of Intellectual Property about the registration progress. The Company is therefore confident that the risk of pending trademark and service mark registration will not affect the Company.

Information Technology System Failure Risk

The Company and its subsidiary implement integrated information technology systems (IT systems) to centralize the management of all work processes and systems between the Head Office in Bangkok and all outlet branches and facilitate conformity information between head office employees and branch employees. The Company is aware that the IT system failure or instability may obstruct effective operations of the Company. For example, if the head office cannot access the information about the inventory on hand of each branch due to such IT system problems, the head office will be unable to correctly plan the stock distribution. Such incident may affect the Company's accounting and financial system and possibly dampen the Company's competitiveness.

The Company is aware of the risk and the importance of effective IT systems for the Company's business growth and expansion, the Company has separately deployed the POS system for each branch. The Company has also equipped every branch with a standby generator to temporarily energize the branch in the event of power outage. As regards the IT systems on which the operations depend on, the Company prevents the risk of data damage and loss from possible contingencies by using a remote backup data server and regularly synchronizing the Company's data and information with the server. The Company's business operations have never been crippled by any IT system failures. Therefore, the Company is confident that its exposure to such risk is minimal.

New Branch Operation Risk

The Company plans to continuously expand its outlet branch. The Company needs to mobilize funds to financially support a branch expansion project which involve expenses such as land exploring and construction costs, pre-opening expenses, marketing expenses and working capital. In the event that the branch expansion project is not successful as planned due to uncontrollable factors, the Company's performance may consequentially worsen.

The Company is aware of the risk and has established as a branch expansion guideline which considers the project feasibility and the internal rate of return (IRR) must be above the defined threshold.

Each investment, which size is more than Baht 50 million, must be proposed to the Risk Management Committee to give an opinion prior to proposal thereof to the Board of Directors for approval. With more than 17 years of experience in the factory outlet business since the first outlet branch in Phetchaburi in 2000, the Company's management team possesses unparalleled business insights which are considered a competitive advantage. The Company is therefore confident that its exposure to such risk is not high.

Risk of Non-Renewal of Land Lease Agreement

At present, the Company and its subsidiary has eight outlet branches and a shopping store, all of which are located in provinces which are major tourist destinations. Phetchaburi Branch, Kanchanaburi Branch, Sing Buri Branch and Hua Hin Branch are located on land properties owned by the Company while Pattaya Branch, Pak Chong Branch, Sriracha Branch, Phra Nakhon Sri Ayutthaya Branch and the shopping store in Hat Yai District of Songkhla Province, which is operated by the subsidiary, are located on land properties which is not owned by the Company. Therefore, the Company is exposed to the risk of non-renewal of land lease agreement. The Company attaches importance to the risk and attempts to strengthen positive relationship with all land owners

Risk of Branch Operated Staff Shortage

As the Company distributes products through its outlet branches, it is necessary for the Company to seek branch operated staffs to deliver excellent customer service. Branch staffs including cashiers must possess the desired knowledge, abilities and expertise and the warehouse staffs must be able to effectively manage the Company's inventory. Each branch has approximately 60 employees and most of them are locals or residents of nearby towns. If the Company's personnel needs are not met, either quantitatively or qualitatively, the Company's branch management and expansion plan may be affected. To mitigate and control the said risk, the management team works closely with the Human Resources Department on the branch improvement and expansion plans to facilitate effective and timely recruitment of qualified personnel. Therefore, the Company is confident that its exposure to such risk is minimal.

Fraud Risk

The retail business that the Company operates is exposed to vary frauds such as fraud from customers and branch staffs. The Company is aware the risk and the importance of fraud prevention by implementing measures such as security-enhanced design of branches to facilitate the prevention of fraud and the installation of CCTV cameras at every corner of each branch. To reinforce the senses of integrity and honesty, the Company has developed codes of conduct and regularly audited operations of staff in each department. To express its stance against frauds, the Company adopts the Zero-Tolerance Policy that prohibits all directors, executives and all employees of the Company from being involved in corruption. The Company plans to join the Thailand's Private Sector to against corruption or Collective Action Coalition Against Corruption (CAC) to against corruption in all forms. With the aforesaid efforts, the Company is confident that its exposure to such risk is minimal.

Risk of Shift in Popularity

The Company sells some products that are sensitive to the popular trends or fashion trends. Thus, the Company needs to regularly update the collection of its products to keep up with the rapidly changing fashion trends. The Distribution center and Logistic Department, the Product Management Department, the merchandise Department, and the Designers have joint meetings to collaboratively and regularly review the designs and features of products offered as well as select the best varieties for each season. Therefore, the Company's inventory management may be affected by the shifting fashion trends as off-season items are more difficult to sell. To mitigate the risk, the Company uses the sales figures of the prior year to forecast the outlook and trends and accordingly refine its product planning in terms of designs, features, quantity and types of goods which will make produce or order in line with customer demands. The Company also has a dedicated trend monitoring team that keeps the Company abreast of the latest developments. Moreover, the Company has maintained good relationship with multiple manufacturers to accommodate its needs for faster production which is vital for its ability to deliver the right products at the right time.

Product and Procurement Risk

Product Procurement Risk

The Company's factory outlets offer a wide variety of apparel and non-apparel goods both under house brands and third-party brands with a view to catering to the diverse needs of different customer groups. The selection of the right products to sell at the Company's outlet stores is a key success factor of the business and the Company will be a risk if manufacturers or suppliers discontinue their manufacturing or selling to the Company for Specific reasons. However, the Company is aware of the risk by adopting the strategy of supply chain diversification and directly deals with multiple suppliers and manufacturer; hence, it was not occurred incident of depending on only one supplier. Also, the Product Management Department and merchandise Department are required to conduct a qualitative review of suppliers on a regular basis, create a supplier pool, and directly contact executives of the supplier companies for the purpose of effective relationship management. Therefore, the Company is confident that its exposure to such risk is minimal.

Product Cost Fluctuation Risk

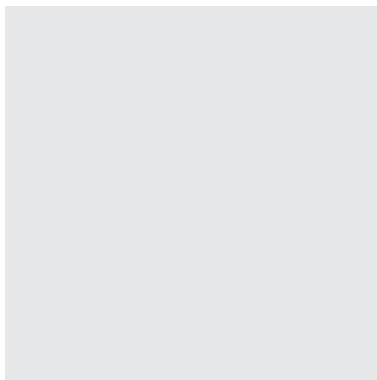
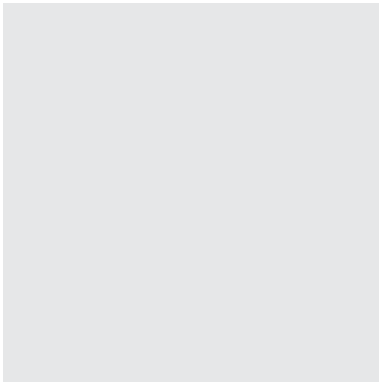
As the Company offers both house brand products and third-party brand products, the price increases by manufacturers or suppliers could affect the product cost fluctuation and the Company's profitability. To manage the cost fluctuation risk, the Company adopts the cost-plus margin and profit sharing approaches, as deemed appropriate for the sources of goods, to align the selling prices to the costs and the established pricing policy. The costs of goods, competitiveness, and worthiness/fairness to buyers are key factors that the Company takes into account when considering price increases. The Company is confident that its exposure to such risk is minimal.

Management Risk

Risk of Controlling Interest by Major Shareholding Group

At present, the Songwatana family's shareholding is equivalent to 75.00% of the Company's registered and paid-up capital. With the said shareholding, the Songwatana family has the controlling interest which gives them significant influence over the Company's administration and policies, including the unilateral control over the decisions of the shareholders' meeting that require the supermajority votes, except for motions that are subject to the approval votes of at least three-fourths according to the laws or the Company's Articles of Association. Therefore, the minority shareholders have risk exposures associated with the major shareholder's power to influence the decisions of the shareholders' meeting.

However, the Company has internal control mechanisms through: organizational structure, the corporate governance principles for the Board of Directors which incorporate checks and balances to avoid conflicts of interest of directors in which the Board of Director is comprised of five independent directors representing one-two of total directors whose qualifications meet the applicable rules and requirements of the SEC and the SET, the Audit Committee that is comprised of three independent directors to independent check of the Company's operation for the benefit of the minority shareholders, and the engagement of P&L Internal Audit Company Limited as an internal auditor who is independent from the management and reports directly to the Audit Committee. These mechanisms collectively contribute to the efficiency and transparency of the Company's operations and management. Therefore, the Company is confident that its shareholders and stakeholders are treated equitably and fairly.



Operating Asset

Major Fixed Operating Asset of the Company

As of 31 December 2016, the Company's fixed operating assets were:

Asset	Use	Owner	Net Book Value as of 31 Dec 16 (MB)	Obligation	Mortgage/ Pledge Value
1. Land			120.81	None	None
1) Land under the title deeds nos. 1064, 1065, 1066, 1067, 1088, 1090, 1091, 9680, 28263, 28264, 28268, 29181, 33162 and 65448 in Ton Maphrao Sub-district, Mueang Phetchaburi District, Phetchaburi, with the total size of 49-2-34 rai.	Location of Phetchaburi Branch	The company			
2) Land under the title deeds nos. 66950, 73530 and 73533 and under Nor. Sor. 3 Gor nos. 266 and 2217 in Cha-am Sub-district, Cha-am District, Phetchaburi, with the total size of 32-1-0 rai.	Location of Phetchaburi Branch	The Company			
3) Land under Nor.Sor.3 no. 126 in Tha Lo Sub-district, Tha Muang District, Kanchanaburi, with the total size of 15-1-30 rai.	Location of Phetchaburi Branch	The Company			
4) Land under the title deeds nos. 624 and 16036 in In Buri Sub-district, In Buri District, Sing Buri, with the total size of 26-0-13 rai.	Location of Sing Buri Branch	The Company			
2. Buildings and building improvements	Outlet buildings of the eight branches and the Rama 9 Office which is used as the Company's office	The Company	376.38	None	None
		Subsidiary	3.51	None	None

Asset	Use	Owner	Net Book Value as of 31 Dec 16 (MB)	Obligation	Mortgage/ Pledge Value
3. Tool, equipment and furniture	Used at office and outlet branches	The Company	106.68	None	None
		Subsidiary	1.45	None	None
4. Vehicle	Used at office and outlet branches	The Company	5.55	None	None
		Subsidiary	0.40	None	None
5. Construction in progress*	Improvement of outlet branches and Company’s office	The Company	1.85	None	None
		Subsidiary	0.20	None	None
Total			616.83		






Remark: * Construction in progress is the construction of Phra Nakhon Sri Ayutthaya branch and the renovation of Save Now building (leased building).








Intangible Operating Asset

As of 31 December 2016, the Company's net intangible operating assets amounted to Baht 12.67 million and were comprised of computer software and computer software under installation.

Trademark and Service Mark

Trademarks and service marks which have been registered by the Company with the Department of Intellectual Property, Ministry of Commerce, are as detailed below:



Logo	Owner	Type of Product / Service	No. / Country of Registration	Expiry Date
	The Company	Distribution of assorted goods to buyers' best interests.	Bor31402 / Thailand	10 Nov 25
	The Company	Tops (excluding brassieres and sports tops) and bottoms (excluding underpants and sports bottoms).	Kor245540 / Thailand	10 Nov 25
	The Company	Indoor slippers and robes.	Kor245541 / Thailand	10 Nov 25
	The Company	Bed covers, bedsheets, duvet covers, pillowcases, bolster cases, duvets, and towels.	Kor245542 / Thailand	10 Nov 25
	The Company	Bed covers, bedsheets, duvet covers, pillowcases, bolster cases, duvets, and towels	Kor245543 / Thailand	10 Nov 25

Logo	Owner	Type of Product / Service	No. / Country of Registration	Expiry Date
	The Company	Indoor slippers and robes.	Kor268685 / Thailand	10 Nov 25
	The Company	Bed covers, bedsheets, duvet covers, pillowcases, bolster cases, duvets, and towels.	Kor245544 / Thailand	10 Nov 25
	The Company	Indoor slippers and robes.	Kor245545 / Thailand	10 Nov 25
	The Company	Bed covers, bedsheets, duvet covers, pillowcases, bolster cases, duvets, and towels.	Kor245546 / Thailand	10 Nov 25
	The Company	Tops (excluding brassieres and sports tops) and bottoms (excluding underpants and sports bottoms).	Kor254630 / Thailand	1 May 16
	The Company	Bed covers, bedsheets, duvet covers, pillowcases, bolster cases, duvets, and towels.	Kor254686 / Thailand	1 May 16
	The Company	Skirts, trousers, belts, business suits, fabric gloves, neckties, scarves, court's shoes, short-sleeved tops, sweaters, jackets, and hats.	Kor268574 / Thailand	1 May 16

Trademarks and service marks which are being registered by the Company and its subsidiary with the Department of Intellectual Property, Ministry of Commerce, are as detailed below:

Logo	Owner	Type of Product / Service	Application No.
Trademark			
	The Company	Underwear for men, ladies and children, and long socks.	1032032
	The Company	Children's clothes, children's belts, girls' skirts, children's jumpsuits, and children's underwear.	1032033
	The Company	Sleepwear for men, ladies and children.	1032034
	The Company	Clothespins	1032035

Logo	Owner	Type of Product / Service	Application No.
	The Company	Duvet covers, pillowcases, bed covers, towels, duvets, and bedsheets.	1032036
	The Company	Beds, toppers, hangers, and neck pillows.	1032037
	The Company	Eyeglasses	1032038
	The Company	Suitcases, handbags, and wallets.	1032039
	The Company	Duvet covers, pillowcases, bed covers, towels, duvets, and bedsheets.	1032040
	The Company	Water bottles, glasses, chinaware, vacuum flasks, and pots.	1032041
	The Company	Suitcases and backpacks.	1032042
	The Company	Shoes (excluding sports shoes) and swimsuits.	1032043
	The Company	Durian chips, coconut chips, Chinese sausages, and chocolate-coated snacks.	1032044
	Subsidiary	Bed covers, bedsheets, duvet covers, pillowcases, bolster cases, duvets, and towels.	1039801
	Subsidiary	Long-sleeved tops, short-sleeved tops, sweaters, jackets, scarves, neckties, business suits, belts, hats, skirts, trousers, sleepwear, underwear for men and ladies, long socks, court's shoes, indoor slippers, and robes.	1039803
Service Mark			
	The Company	Distribution of assorted goods to buyers' best interests.	1032045
	The Company	Distribution of assorted goods to buyers' best interests.	1032046

Logo	Owner	Type of Product / Service	Application No.
	Subsidiary	Distribution of assorted goods to buyers' best interests.	1039802
	The Company	Distribution of assorted goods to buyers' best interests.	1041556

Major Operating Lease

Lease Agreement

As of 31 December 2016, major operating leases of the Company and its subsidiary were as follows:

Lease Agreement with Related Party

1) Land Lease Agreement – Location of Sriracha Branch

Counterparty	: Pre-Proud Company Limited (PP) as the lessor. (PP and the Company have common shareholders, directors and executives.)
Leased Asset	: Land under the title deeds no. 12013 and 16523 in Bang Phra Sub-district, Sriracha District, Chon Buri, with the total size of 17-3-52 rai.
Lease Purpose	: Location of Sriracha Branch.
Lease Term	: 30 years from 1 March 2016 to 28 February 2046.
Lease Fee	: Baht 190,000 per month (based on the lease fee appraisal by Modern Property Consultant Company Limited, an appraiser on the SEC's approved list. Mr. Wasant Kongjan, appraiser registration no. WorTor. 003, conducted the appraisal on 29 January 2016). The lease fee is paid monthly by the Company and increased annually based on the Bank of Thailand's inflation rate forecast.
Other Key Condition	: - Within two years from the end of the lease term where the lease agreement is not renewed, the lessor agrees to grant to the lessee the right of first refusal relating to the leased assets under this agreement. - The lessee may assign the leasehold right or sub-lease the leased assets, either entirely or partly, to other parties. - Upon the expiry of this lease agreement, the lessor shall advise the lessee to assign the ownership over the buildings and structures to the lessor without any additional charges.

2) Land Lease Agreement – Location of Rama 9 Head Office and Administration Department

Counterparty	: QIU Asset Company Limited (QA) as the lessor. (QA is a major shareholder of the Company and has common shareholders, directors and executives.)
Leased Asset	: Land under title deeds no. 2943, 83869, 134810, 134812, 134817, 134818, 134819, 134820, 134823, 134824, 134825 and 134826 in Suan Luang Sub-district, Suan Luang District, Bangkok, with the total size of 2-0-0 rai.
Lease Purpose	: Location of the Company's head office and Administration Department.
Lease Term	: 30 years from 1 March 2016 to 28 February 2046.
Lease Fee	: Baht 230,000 per month (based on the lease fee appraisal by Modern Property Consultant Company Limited, an appraiser on the SEC's approved list. Mr. Wasant Kongjan, appraiser registration no. WorTor. 003, conducted the appraisal on 28 January 2016). The lease fee is paid monthly by the Company and increased annually based on the Bank of Thailand's inflation rate forecast.
Other Key Condition	: - Within two years from the end of the lease term where the lease agreement is not renewed, the lessor agrees to grant to the lessee the right of first refusal relating to the leased assets under this agreement. - The lessee may assign the leasehold right or sub-lease the leased assets, either entirely or partly, to other parties. - Upon the expiry of this lease agreement, the lessor shall advise the lessee to assign the ownership over the buildings and structures to the lessor without any additional charges

3) Land Lease Agreement – Location of Phra Nakhon Sri Ayutthaya Branch

Counterparty	: Pre-Proud Company Limited (PP) as the lessor. (PP and the Company have common shareholders, directors and executives.)
Leased Asset	: Land under title deed no. 5303 in Ban Po (Ban Wa) Sub-district, Bang Pa-in District, Phra Nakhon Sri Ayutthaya, with the total size of 25-0-45.2 rai.
Lease Purpose	: Location of Phra Nakhon Sri Ayutthaya Branch
Lease Term	: 30 years from 15 May 2016 to 14 May 2046.
Lease Fee	: Baht 150,000 per month (based on the lease fee appraisal by Panns Integrated Property Company Limited, an independent appraiser on the SEC's approved list. Mr. Prapas Boonmasong, appraiser registration no. WorTor. 258, conducted the appraisal on 3 February 2016). The lease fee

	is paid monthly by the Company and increased annually based on the Bank of Thailand's inflation rate forecast. The lessee shall start paying the lease fee from the construction completion date onwards and the lessee shall notify the lessor of the change of the construction completion date, if any, in advance to mutually agree on the first lease fee payment date.
Other Key Condition	: - Within two years from the end of the lease term where the lease agreement is not renewed, the lessor agrees to grant to the lessee the right of first refusal relating to the leased assets under this agreement. - The lessee may assign the leasehold right or sub-lease the leased assets, either entirely or partly, to other parties. - Upon the expiry of this lease agreement, the lessor shall advise the lessee to assign the ownership over the buildings and structures to the lessor without any additional charges.

Lease Agreement with Third Party

1) Land Lease Agreement – Location of Pattaya Branch

Counterparty	: Mr. Piroon Rattanaprasith as the lessor.
Leased Asset	: 1) Land under title deed no. 1883 in Na Kluea Sub-district, Bang Lamung District, Chon Buri, with the total size of 5-0-0 rai. 2) Land under title deed no. 1883 in Na Kluea Sub-district, Bang Lamung District, Chon Buri, with the total size of 0-0-280 rai.
Lease Purpose	: Location of Pattaya Branch.
Lease Term	: 1) Two years and three months from 1 May 2015 to 31 July 2017. 2) Two years and five months from 1 March 2015 to 31 July 2017 Remark: The Company has consecutively leased the land from the land owner since 2004.
Lease Fee	: The lease fee is paid monthly by the Company at the agreed rate which is increased annually.
Other Key Condition	: - Upon the end of the lease term where the land ownership is not changed, the lessor agrees to grant to the lessee the exclusive right to renew the lease agreement on an annual basis and an increase in the lease fee shall not exceed 15% of the lease fee of the last year. - The lessee shall be responsible for filing the utility installation requests at the lessee's expenses and for paying the utility bills within due dates. - The lessee may partially sub-lease the asset whereby the term of the sub-lease agreement shall not outlive this lease agreement.

- The lessee agrees to assign the ownership over the buildings and structures to the lessor upon the lease agreement expiry.

2) Land Lease Agreement – Location of Pak Chong Branch

Counterparty	: Mrs. Sisuda Luanprasert as the lessor.
Leased Asset	: 1) Land under the title deeds nos. 1978 and 43392 in Klang Dong Sub-district, Pak Chong District, Nakhon Ratchasima with the total size of 8-1-35 rai. 2) Land under the title deeds nos. 43390 and 43391 in Klang Dong Sub-district, Pak Chong District, Nakhon Ratchasima with the total size of 5-3-0 rai.
Lease Purpose	: Location of Pak Chong Branch.
Lease Term	: 1) 23 years and six months from 1 January 2006 to 1 July 2029. 2) 21 years from 1 July 2008 to 1 July 2029.
Lease Fee	: The lease fee is paid monthly by the Company at the agreed rate which is increased by 10% every three years.
Other Key Condition	: - The lessee shall have the right of first to renew the lease agreement upon its expiry. - The lessee may sub-lease the leased assets to other parties or assign the leasehold right to other parties or permit other parties to possess or use the leased assets either de facto or de jure. - The lessee agrees to assign the ownership over the buildings and structures to the lessor upon the lease agreement expiry.

3) Lease Agreement – SAVE NOW Shopping Store in Hat Yai District

Counterparty	: Mr. Suphan and Mrs. Somchit Akaraphan
Leased Asset	: Land and building at Hat Yai District, Songkhla with the total size approximately 4 rai.
Lease Purpose	: Location of SAVE NOW Department Store.
Lease Term	: Two years from 1 February 2017 to 31 January 2019.
Lease Fee	: - Upon the end of the lease term where the lessor did not use the benefit from the leased asset and the lessee have intend to extend the lease term, the lessor agrees to grant to the lessee of the exclusive right to renew the lease agreement. However, the lessee shall notify intention at least 30 days prior expiry of this lease agreement. - The lessee is entitled to sublease and/or permit other parties to use the leased asset in support of the lessee's operations without prior consent from the lessor. - Upon the expiry of this lease agreement, the lessor shall return all leased assets to the lessee within 15 days since the expiry date without any demolition.

Memorandum of Agreement (MOU) on Trademark and Service Mark

Counterparty	: At Bangkok Company Limited (FLYNOW) as the promisor.
Date of MOU	: 31 May 2016 and its addendum dated 19 May 2016.
Trademark/ Service Mark	: Flynor, the owner of trademarks/service marks under the registration nos. Kor59724, Kor360964, and Kor348053. FN, the owner of the trademark under the registration no. Bor31402 and the new service mark which is in the registration process under the registration application no. 1041556.
Agreed Term	<p>: 1. The promisor and the Company both understand that each party to the MOU has created its own trademarks and/ or service marks in good faith and does not copy or apply or mimic or infringe upon trademarks and/ or service marks of the other party.</p> <p>2. The promisor agrees not to raise any objections against the trademark/service mark registration applications nor any appeals for the revocation of trademarks/service marks, and not to exercise the right to file any compensation claims or any lawsuits in relation to the trademarks/service marks that the Company has already filed for registration.</p> <p>3. The promisor agrees that, in the event of the Company's business expansion or registration of additional service marks (exclusive of trademarks), the Company may additionally apply for the registration of other related service marks. The promisor acknowledges the Company's rights and agrees not to raise any objections against the service mark registration application nor any appeals for the revocation, and not to exercise the right to file any compensation claims or any lawsuits in relation to the service marks that the Company may file for registration.</p>

Remark: The Company focuses on designing and manufacturing products under the brands that already have registered trademarks. The Company aims to create unique products and reinforce the brand identity and recognition among consumers. The Company does not use "FN" label on its products in a bid to avoid confusion between the Company's brands and the brands of FLYNOW.

Insurance Policy

The Company has arranged asset insurance for the buildings, equipment and inventories as well as money insurance. As of 31 December 2016, key insurance policies of the Company were as follows:

1) Asset Insurance for Buildings, Equipment and Inventories

Insurer	:	Bangkok Insurance Public Company Limited			
Policy No.	:	716-21551-10023			
Insurance Type	:	Assets insurance			
Insured Asset	:	1. Buildings of the eight outlets and the head office 2. Equipment, machinery and tools of the eight outlets and the head office 3. Inventories of the eight outlets, the head office, and the subsidiary at Hat Yai			
Policy Period	:	13 November 2016 to 13 November 2017			
Sum Insured	:	1. Phetchaburi Branch Baht 135.84 million 2. Kanchanaburi Branch Baht 58.62 million 3. Pattaya Branch Baht 108.21 million 4. Pak Chong - Nakhon Ratchasima Branch Baht 156.77 million 5. Sing Buri Branch Baht 135.82 million 6. Hua Hin Branch Baht 183.66 million 7. Sriracha Branch Baht 180.57 million 8. Phra Nakhon Sri Ayutthaya Branch Baht 105.00 million 9. Rama 9 Head Office Baht 170.00 million 10. Subsidiary at Hat Yai Baht <u>23.73</u> million Total Baht <u>1,258.22</u> million			
Beneficiary	:	The beneficiary is the Company			

2) Money Insurance

Insurer	:	Bangkok Insurance Public Company Limited			
Policy No.	:	716-21559-1			
Insurance Type	:	Money insurance			
Insured Premises	:	The eight outlet branches			
Policy Period	:	13 November 2016 to 13 November 2017			
Aggregate	:	1. Phetchaburi Branch	Baht	2.25	million
Limit of Liability		2. Kanchanaburi Branch	Baht	1.03	million
		3. Pattaya Branch	Baht	1.65	million
		4. Pak Chong Branch	Baht	2.32	million
		5. Sing Buri Branch	Baht	1.99	million
		6. Hua Hin Branch	Baht	3.28	million
		7. Sriracha Branch	Baht	2.32	million
		8. Phra Nakhon Sri Ayutthaya Branch	Baht	<u>2.02</u>	million
		Total	Baht	16.86	million

Credit Facility Agreement

As of 31 December 2016, the Company had credit facility agreements with a bank as detailed below:

Facility Limit	:	Baht 330.00 million			
Facility Type	:	1. Bank Overdraft facility	Baht	10.00	million
		2. Letter of Guarantee facility	Baht	20.00	million
		3. Revolving trade finance and B/E facility	Baht	<u>300.00</u>	million
		Total	Baht	<u>330.00</u>	million

The Company also has a foreign Exchange facility of Baht 20.00 million to mitigate the risks associated with the volatility that affects underlying transactions such as the exchange rate risk and the interest rate risk.

Interest Rate	:	MOR for the overdraft facility and the market rate for the B/E facility.
Purpose	:	Working capital
Agreement Date	:	5 June 2015
Other Key Condition	:	None

Branch Expansion Policy

The Company has a well-defined branch expansion policy which sets as a framework that the Company's decision to purchase or lease land properties be based on their locations and the willingness of land owners. The lease transaction will be the first priority and the Company will consider the option of land purchase only if the land owners are determined to sell and not lease out the land. In addition, the Company will consider the feasibility of each project and the internal rate of return (IRR) which must be above the defined threshold. The lease fee or the land price will be based on an appraisal conducted by an independent appraiser on the SEC's approved list. The Company has no policy to purchase or lease land from its related parties. If the Company is to purchase or lease land from its related parties for use of such land as outlet locations in the future, such land must have been possessed by the related parties for at least three years and each of the purchase/lease transactions must be proposed to the meeting of shareholders for approval even though the transaction size does not reach the triggers applicable to related-party transactions. The lease fees and other relevant conditions shall be on an arm's length basis whereby the lease fee shall be based on the appraisal conducted by an appraiser on the SEC's approval list and all leases must be supported by long-term lease agreements. In this regard, the said policy was approved by the Board of Directors, at its Meeting No. 4/2016 on 20 October 2016, and has become effective since approval date.

Policy on Investment in Subsidiary and Associate Company

The Extraordinary General Meeting of Shareholders No. 1/2016 on 9 May 2016 resolved to approve the investment in ordinary shares of Save Now 2494 Company Limited (SN) to expand its customer base to middle-to-low income earners by using SN which targets a different customer segment as a fighting brand of FN to enhance competitiveness. At present, SN has the registered capital of Baht 10,000,000 divided into 10,000 ordinary shares at the par value of Baht 100 per share. As a result, SN is now a subsidiary of the Company as the Company's equity in SN is equivalent to 99.97% of SN's registered capital.

When making decisions on investment in subsidiaries, associated companies and projects, the Company carefully considers the return on investment, associated risks, liquidity positions of the Company, including the economic and market conditions. Generally, the Company's investment is focused on businesses that are in the Company's fields of expertise and beneficial to the Company's businesses. Each investment must be proposed to an ad-hoc investment committee, of which members at least two-thirds are independent directors, and the Risk Management Committee prior to proposal thereof to the Board and the meeting of shareholders, as applicable, in accordance with the established approval authority framework. It is the Company's policy to assign its directors and/or executives to serve on the boards of directors of its subsidiaries to ensure that the business directions and key business policies of the subsidiaries are in line with the Company's policies.

Shareholding Structure

“FN” is a listed company on the Stock Exchange of Thailand (SET). Details of the registered capital as of 31 December 2016 were shown below.

1) Registered and Paid Up Capital : Baht 500,000,000 comprising 1,000,000,000 ordinary shares with the par value at Baht 0.50 per share.

2) The top 10 shareholders as of 10 November 2016, the closing date of shareholders’ roster for the Initial Public Offering (IPO), were as follows.

No.	Names	Number of Shares	% Shareholding
1.	Qiu Asset Co., Ltd.	314,928,600	31.49%
2.	Mr.Varachai Songwatana	142,500,000	14.25%
3.	Ms.Chutinart Songwatana	120,000,000	12.00%
4.	Mr.Somchai Songwatana	75,000,000	7.50%
5.	Mrs. Keerada Songwattana Taylor	32,500,000	3.25%
6.	Ms.Reeva Songwattana	32,500,000	3.25%
7.	Mr.Omar Songwattana	32,500,000	3.25%
8.	Phillip Securities Pte Ltd	4,450,000	0.45%
9.	Thai Life Insurance Company Limited	3,885,000	0.39%
10.	Allianz Ayudhya Assurance Pcl	3,600,000	0.36%
Total		761,863,600	76.19%

Remarks : - Shareholders can be classified into 4 groups as follows

1. The group of Mr.Pricha Songwatana comprising Qiu Asset Co., Ltd, Mrs.Chortip Songwatana Vhudhibhong, Ms. Nisanee Songwatana, and Mr.Benyiam Songwatana
2. Mr.Varachai Songwatana
3. The group of Mr.Somchai Songwatana comprising of Mr.Somchai Songwatana and Ms.Chutinart Songwatana
4. The group of Mr.Chanachai Songwattana comprising of Mrs.Keerada Songwattana Taylor, Ms.Reeva Songwattana, and Mr.Omar Songwattana

Shareholding structure of Qiu Asset Co., Ltd. as of 31 December 2016

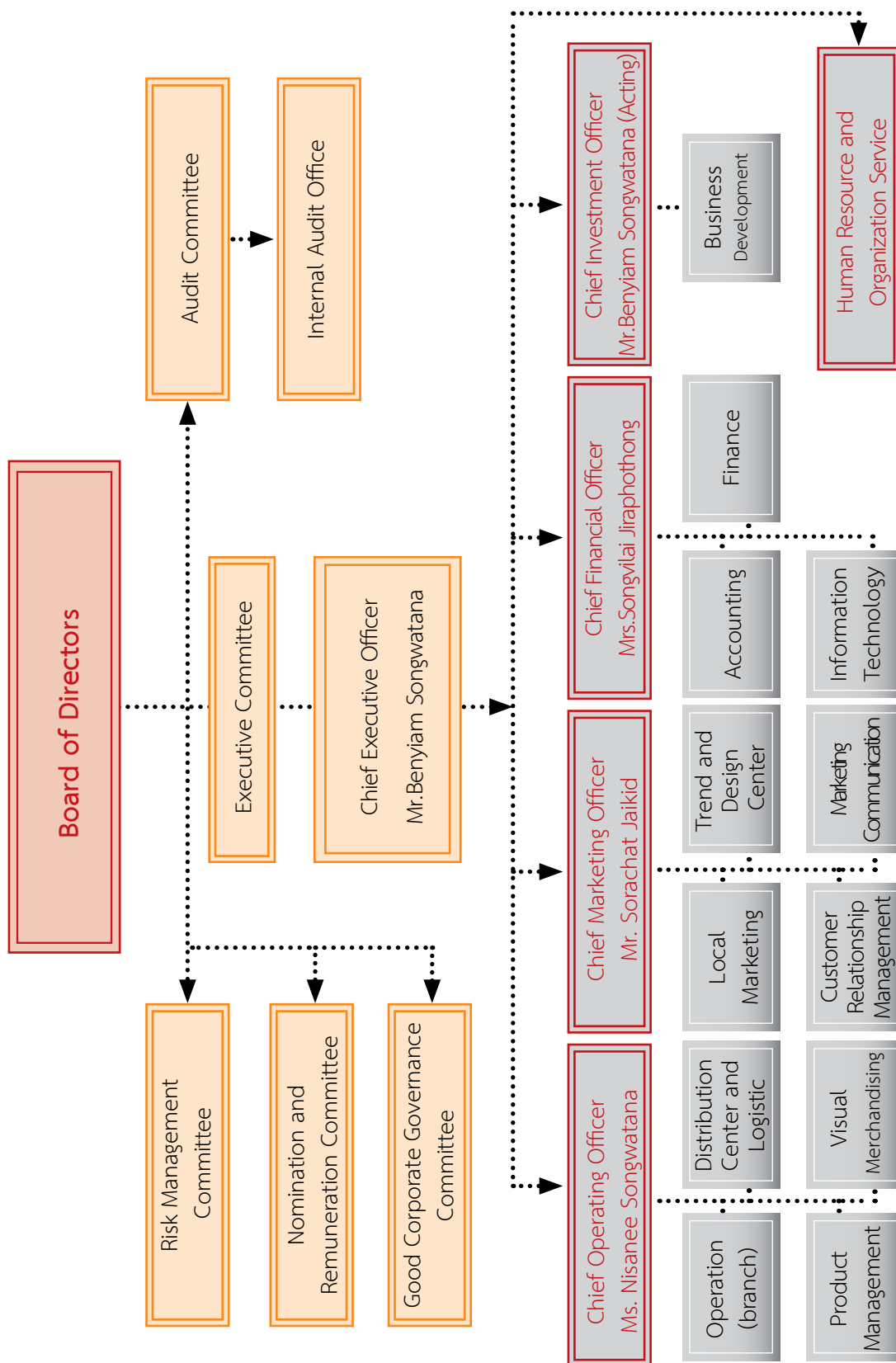
No.	Names	Number of Shares	% Shareholding
1.	Mrs.Chortip Songwatana Vhudhibhong	333,332	33.3332
2.	Ms.Nisanee Songwatana	333,332	33.3332
3.	Mr.Benyiam Songwatana	333,332	33.3332
4.	Ms.Janjira Siriphan	1	0.0001
5.	Ms.Pornpimol Tungkitladawan	1	0.0001
6.	Ms.Wanida Sirisombat	1	0.0001
7.	Ms.Wanya Sopha	1	0.0001
Total		1,000,000	100.0000

Dividend Policy

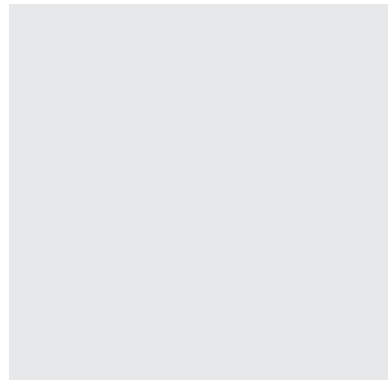
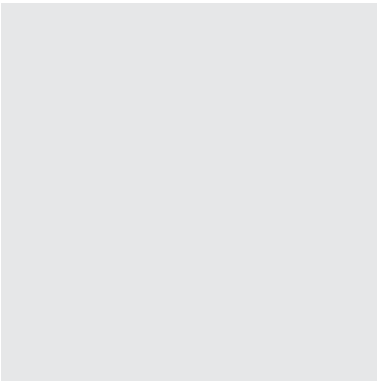
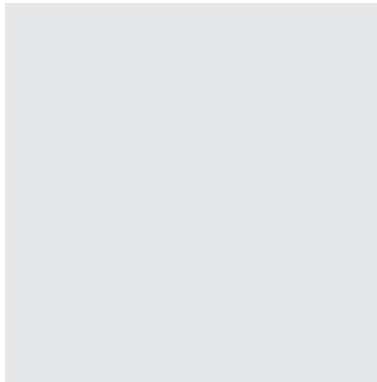
The Company has a dividend policy of no less than 40 percent of net profit, after the deduction of all legal reserves based on Separated Financial Statement as required by the law. Dividend payout may be subject to changes, depending on cash flow, investment plan, legal conditions. The Company considers all related factors and needs in the future to ensure that dividend payout does not affect normal business operations. The resolution of the Board of Directors on dividend payment must be submitted to shareholders' meeting for approval, except for in-terim dividend payout which must be approved by the Board of Directors and then reported in the next shareholders' meeting.



Organization Chart



Remarks :
 - The Company has appointed P&L Internal Audit Company Limited, the specialist who is an external party to conduct internal audit department.
 - Investor Relations, Corporate Secretary and Legal Department are under the control of Chief Executive Officer.



Management Structure

Board of Directors

As of 31 December 2016, the Company's Board of Directors consists of 10 members as follows:

No.	Names	Position
1.	Mr. Visuth Vitayathanagorn	Chairman and Independent Director
2.	Mr. Pricha Songwatana	Vice Chairman
3.	Mr. Varachai Songwatana	Director
4.	Mrs. Chortip Songwatana Vhudhibhong	Director
5.	Mr. Benyiam Songwatana	Director
6.	Mr. Omar Songwattana	Director
7.	Mrs. Pratana Mongkolkul	Independent Director
8.	Mr. Poolsak Tansitthipun	Independent Director
9.	Mr. Voravat Tantranont	Independent Director
10.	Mrs. Saowanee Kamolbutr	Independent Director

Remark : - The 1/2016 Extraordinary General Meeting of shareholders, held on 9 May 2016, has appointed and assigned roles and responsibilities for the Board of Directors.

Authorized Directors

Authorized Directors who shall sign on behalf of the Company with the Company's seal affixed are Mr.Varachai Songwatana or Mr.Omar Songwattana with the signature of Mr.Benyiam Songwatana or Mrs.Chortip Songwatana Vhudhibhong

Limitation of Directors' Authority : -None-

The Company Secretary is Mr.Weerayut Bunyawad.

Roles and Responsibilities of the Board of Directors

- 1) Uphold the roles and responsibilities as specified by the law, business ethics, business objectives, company regulation, and shareholders' resolution with honesty and the objective of preserving company's and shareholders' benefit.
- 2) Formulate Company Vision, Mission, Policy, Strategy, Plan, and Budget, with suggestions and drafts from the Management team. Periodically review and revise the plans to ensure that they are in accord with current business practices. In addition, the Board oversees the performance of management team and other individuals assigned by the Board to complete some specific tasks to ensure efficiency, effectiveness, and increase value to the Company and its shareholders.

- 3) Formulate Corporate Governance Policy and periodically review the policy, at least once a year.
- 4) Establish an internal audit system for operation, financial reporting, and compliance by appointing independent individuals or a unit to run the system. The system is to be reviewed periodically, at least once a year, and the result shall be disclosed in Company's Annual Report.
- 5) Establish a risk management policy that covers the whole organization and require the management team to periodically report on the effectiveness of risk management policy, at least once a year. The result shall be disclosed in Company's Annual Report.
- 6) Responsible for Company's revenue and Management's operations, as well as business continuity in the long run, employee development plan, and management succession plan.
- 7) Approve important decisions such as new business ventures, purchase and sales of assets, investments, and legal actions.
- 8) Approve or give consent to decisions that are related to the Company and Subsidiaries according to regulations and guidelines of the Stock Exchange of Thailand and other related agencies. In addition, decisions that involve conflict of interests must be considered carefully to protect Company's and Shareholder's benefit. Moreover, the Board must oversee that all actions comply with regulations and all related information on cases with conflict of interests must be fully disclosed.
- 9) Appoint sub-committee, such as Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Good Corporate Governance Committee, Executive Committee, and other sub-committee that may be needed to support the work of the Board of Directors.
- 10) Appoint Company Secretary to support the work of the Board of Directors in operations for the compliance of the law, regulations, and guidelines.

Terms and Attendance Record of the Board of Directors and Sub-Committees as of 31 December 2016

Names	Number of Attendance/Number of Meetings				
	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Good Corporate Governance Committee
1. Mr.Visuth Vitayathanagorn	3/6*	-	-	-	-
2. Mr.Pricha Songwatana	7/7	-	-	-	-
3. Mr.Varachai Songwatana	7/7	-	-	-	-
4. Mrs.Chortip Songwatana Vhudhibhong	7/7	-	-	-	2/2
5. Mr.Benyiam Songwatana	7/7	-	3/3	-	-
6. Mr.Omar Songwattana	7/7	-	-	-	-
7. Mrs.Pratana Mongkolkul	7/7	-	3/3	2/2	2/2
8. Mr.Poolsak Tansitthipun	7/7	8/8	-	2/2	-
9. Mr.Voravat Tantranont	6/7	7/8	-	2/2	-
10. Mrs.Saowanee Kamolbutr	6/6**	6/7	2/2	-	2/2

Remarks: * Mr. Visuth Vitayathanagorn was appointed as Director on 20 April 2016

** Mrs. Saowanee Kamolbutr was appointed as Director on 29 February 2016

Management Team

As of 31 December 2016, FN's Management Team consists of 5 members as follows:

No.	Names	Position
1.	Mr.Benyiam Songwatana	Chief Executive Officer / Acting Chief Investment Officer
2.	Ms. Nisanee Songwatana	Chief Operating Officer
3.	Mr. Sorachat Jaikid	Chief Marketing Officer
4.	Mrs.Songvilai Jiraphothong	Chief Financial Officer
5.	Ms. Saijai Wangpattanasirikul	Vice President Accounting

Remarks: - Currently, FN is looking for a suitable candidate for Chief Investment Officer. Once the Company finds a suitable candidate, his/her name will be recorded in the Register of Directors and Executives accordingly.

Duties and Responsibilities of the Chief Executive Officer

- 1) Conduct the business of the Company, oversee strategic planning, and manage day-to-day operation of the Company.
- 2) Make decisions regarding important matters of the Company, set work objectives, as well as oversee the works of each management team.
- 3) Hold the authority of commands, contacts, and enter into legal transactions on behalf of the Company, as specified by the management manual.
- 4) Recruit, appoint, transfer, specify duties and responsibilities, salaries and wages, and impose disciplinary punishment on officers and employees as well as terminate officers and employees as stipulated by the management manual.
- 5) Negotiate and set trade terms for the benefits of the Company.
- 6) Consider new business investment opportunities or terminate existing business and present the plan to the Executive Committee and/or the Board of Directors.
- 7) Any matters as requested by the Executive Committee and/or the Board of Directors.

Duty and responsibility delegation does not include approval power that the person or delegated person may have conflict of interest (as defined in the Security Exchange Commissions Guideline). Such approval will have to be presented to the Board of Directors and/or Shareholders' Meeting as defined in Company's Guideline, Regulation, and related Laws.

Company Secretary

As specified in the Public Limited Company Act B.E. 2535 (1992), the Board of Directors shall appoint a Company Secretary to be responsible for matters on behalf of the Company and the Board. The 8/2015 Board of Director Meeting, held on 22 December 2015, has appointed Mr. Weerayut Bunyawad to be the Company Secretary. (Credentials as shown in Attachment 1) The responsibilities of Company Secretary are as follows:

- 1) Making sure that all required information and reports are reported to all related regulators, as well as keeping a report on interest filed by a director or executives.
- 2) Preparing and keeping the following documents:
 - (1) Register of Directors;
 - (2) Invitation for Board of Directors meetings, Minutes of Board of Directors meetings and Annual Reports of the Company;
 - (3) Invitation for Shareholder Meetings and Minutes of Shareholder Meetings.
- 3) Keeping a report on interest filed by a directors and executives and send copies to the Chairman and the Chair of Internal Audit Committee within 7 days after receiving the report.
- 4) Arrange a system for safekeeping of the following documents and evidence. Such documents and evidence shall be monitored and kept for a period of no less than five years from the date of producing such documents or information.

Safekeeping of the documents and evidence under the first paragraph shall include safekeeping by means of a computerized system or any other systems which allow retrievability without any change of information.

- (1) Supporting information in seeking a resolution of the Shareholders' meeting
- (2) Financial Statements and reports concerning Company's financial condition and other business operations or other reports required for disclosure under Section 56, Section 57, Section 58, or Section 199 of the Securities and Exchange Act B.E. 2535 (1992)
- (3) An opinion of the Company when a person makes a general tender offer to purchase shares from shareholders
- (4) Information or any other reports in relation to the business prepared by the company for the purpose of disclosure to shareholders or the public as specified by the Capital Market Supervisory Board
- 5) Other duties as the Capital Market Supervisory Board specifies.
- 6) Uphold duties with responsibilities, mindfulness, and honesty, as well as comply with the law, business objectives, Company's Regulations, Board Resolutions, and Shareholders' Resolutions. Moreover, Company Secretary shall not act in the ways that will cause significant harm to the Company's benefits.
- 7) Uphold duties with responsibility and mindfulness as a reasonable business person would have done under similar circumstances, whereby
 - (1) decisions are made with honest and reasonable causes for the Company's benefit
 - (2) decisions are based on information that is believed to be adequate.
 - (3) decisions are made without personal conflict of interests, whether directly or indirectly.

- 8) Provide initial suggestions to the Board regarding the Law, Regulations, Company Regulations, Corporate Governance Principles, and Ethics of the Board, as well as monitor the compliance and report on any significant changes to the Board.
- 9) Prepare useful documents and information for new directors, as well as provide a briefing on business type and practice of the Company.
- 10) Arrange shareholder and board of director meetings as specified by the laws and the Company regulations.
- 11) Arrange for training sessions and seminars to provide additional knowledge and experience to the Board.

In cases where the company secretary vacates his/her position or is incapable of performing his duty, the board of directors shall appoint a new company secretary within ninety days from the date on which the company secretary has vacated his position or has been incapable of performing his/her duty.

Remuneration of Directors and Executives

Remuneration of Directors

Financial Remuneration

The 1/2016 Extraordinary General Meeting of the Shareholders, held on 9 May 2016, has agreed on a monthly remuneration and meeting allowance for the Board of Directors according to each position as follows;

Position	Monthly Remuneration (Baht/Month/ Person)	Meeting Allowance (Baht/ Meeting)	Remarks									
1. Board of Directors			In the case where the director is on the executive team, the remuneration is as follows:									
- Chairman	30,000	20,000										
- Director	10,000	20,000										
			<table><tr><th>Position</th><th>Monthly Remuneration (Baht/month/ person)</th><th>Meeting Allowance (Baht/ Meeting)</th></tr><tr><td>Chairman</td><td>10,000</td><td>20,000</td></tr><tr><td>Director</td><td>10,000</td><td>5,000</td></tr></table>	Position	Monthly Remuneration (Baht/month/ person)	Meeting Allowance (Baht/ Meeting)	Chairman	10,000	20,000	Director	10,000	5,000
Position	Monthly Remuneration (Baht/month/ person)	Meeting Allowance (Baht/ Meeting)										
Chairman	10,000	20,000										
Director	10,000	5,000										
			Remark: The Company also uses the above remuneration for directors who are not independent directors.									
2. Audit Committee												
- Chairman	15,000	20,000	-									
- Director	10,000	15,000										

Position	Monthly Remuneration (Baht/Month/Person)	Meeting Allowance (Baht/Meeting)	Remarks
3. Nomination and Remuneration Committee			-
- Chairman	-	20,000	
- Director	-	15,000	
4. Risk Management Committee			
- Chairman	15,000	20,000	Director who is also an employee of the Company will not receive Meeting Allowance.
- Director	10,000	15,000	
5. Good Corporate Governance Committee			
- Chairman	-	20,000	
- Director	-	15,000	

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As of 31 December 2016, the Board of Directors and Sub - Committees have received the meeting allowance as follow:

Name	Meeting Allowance					
	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Good Corporate Governance Committee	Total (Baht)
1. Mr.Visuth Vitayathanagorn	60,000	-	-	-	-	60,000
2. Mr.Pricha Songwatana	50,000	-	-	-	-	50,000
3. Mr.Varachai Songwatana	35,000	-	-	-	-	35,000
4. Mrs.Chortip Songwatana Vudhibhong	35,000	-	-	-	30,000	65,000
5. Mr.Benyiam Songwatana	35,000	-	-	-	-	35,000
6. Mr.Omar Songwattana	35,000	-	-	-	-	35,000
7. Mrs.Pratana Mongkolkul	140,000	-	60,000	30,000	30,000	260,000
8. Mr.Poolsak Tansitthipun	140,000	160,000	-	40,000	-	340,000
9. Mr.Voravat Tantranont	120,000	105,000	-	30,000	-	255,000
10. Mrs.Saowanee Kamolbutr	120,000	90,000	30,000	-	40,000	280,000
Total (Baht)	770,000	355,000	90,000	100,000	100,000	1,415,000

Other Remuneration

- None -

Executives Remuneration

Executive Remuneration	2016	
	Executives (person)	Baht
Salary, Allowance and Bonus	4	17,365,227
Social Security	4	36,000
Provident Fund	1	57,750
Total	4	17,458,977

Remarks : - The Company established a provident fund for its employee since 1 May 2016. The fund is managed by Kasikorn Asset Management Co.Ltd.

- Excluding remuneration of Vice President Accounting.

Number of Employees

As of 31 December 2016, Number of employees are classified by department and branches follows:

Category/Department/Unit	Number of employee
	2016
Executives	5
Employees	
Operation (Branch)	2
Distribution Center and Logistics	3
Product Management *	35
Visual Merchandising	7
Local Marketing	8
Trend and Design Center **	1
Customer Relationship Management	1
Marketing Communication	-
Accounting	13
Finance	4
Information Technology	6
Business Development	1
Investor Relations***	2
Corporate Secretary & Legal department***	3
Human Resource and Organization Service	32
Total	123

Remarks : * Company's in-house designers are a part of the Product Management Department.

** Trend and Design Center is responsible for design, media development, marketing events, and promotion catered for specific group of customers.

*** Investor Relations and Corporate Secretary & Legal department are under the control of Chief Executive Officer

Branch	Number of employees
	2016
Petchaburi Branch	54
Kanchanaburi Branch	31
Pattaya Branch	39
Pak-Chong Branch	59
Singburi Branch	51
Hua Hin Branch	58
Siracha Branch	56
Phra Nakhon Si Ayutthaya Branch	68
Total	416

Remarks : Currently, FN Group has opened SAVE NOW Shop (incorporated in the name of Save Now 2494 Co., Ltd.) at Hat Yai, Songkhla Province since 2015. As of and 31 December 2016, Save Now has 63 and 19 employees respectively.

Employee Remuneration

As of 31 December 2016, The Company has employee remuneration obligations as follows:

Employee Remuneration (Unit: Baht)	2016
Salary, Allowance and Bonus	126,364,921
Social Security	3,564,107
Provident Fund	1,373,818
Total	131,302,846

Source : Company Data

Major Labor Dispute in the past 3 years

-None-

Human Resource Development Policy

1. The Company values the importance of Human Resource Development. Therefore, the Executives and the employees jointly define the Vision, Mission, and Core Values of the Company.
2. The Company constantly develops and improves the work system, expands the scope expansion, and restructure the organization to ensure that the work environment is appropriate and suitable for the current business.
3. The Company has specified Core Competencies, Management Competencies, and Functional Competencies of employees and developed these competencies accordingly.
 - 3.1 Core Values are promoted and reinforced through new employee orientation. Recruitment and selection of new employee, as well as annual assessment also take Core Values into consideration.
 - 3.2 The Company has developed a Training Roadmap for FN employees in all line of work, and put a special focus on the branch employees. The Training Roadmap includes FN product Knowledge (Basic), FN selling Technique (Advance), Sales Team Development and Sales Team Management.
4. The Company builds team spirit and engagement among the employees by arranging internal activities such as annual merit making ceremony, new year party, as well as employee awards ceremony where employees who served 5 years, 10 years, and 15 years are awarded with a special pendant and certificate.

In 2016, The Company arranged activities to promote the health of our employees such as annual health check-up. Hospital service was specially brought to office and each employee received a health check-up program according to their age and health status.

Board of Directors

As of 31 December 2016



Mr. Visuth Vitayathanagorn
Chairman and Independent
Director



Mr. Pricha Songwatana
Vice Chairman



Mr. Varachai Songwatana
Director



**Mrs. Chortip Songwatana
Vudhibhong**
Director



Mr. Benyiam Songwatana
Director



Mr. Omar Songwattana
Director



Mrs. Pratana Mongkolkul
Independent Director



Mr. Poolsak Tansitthipun
Independent Director



Mr. Voravat Tantranont
Independent Director



Mrs. Saowanee Kamolbutr
Independent Director

Company's Management As of 31 December 2016



Mr. Benyiam Songwatana
Chief Executive Officer /
Acting Chief Investment
Officer



Ms. Nisanee Songwatana
Chief Operating Officer



Mr. Sorachat Jaikid
Chief Marketing Officer



Mrs. Songvilai Jiraphothong
Chief Financial Officer



Ms. Saijai Wangpattanasirikul
Vice President Accounting

Details of Directors, Executives, Control Persons, and Company Secretary



OUTLET FN Factory Outlet Public Company Limited

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
1.	Mr. Visuth Vitayathanagorn - Chairman of the Board of Directors - Independent Director	65	<ul style="list-style-type: none">• Honorary Doctorate of Philosophy, (Marketing), Ramkhamhaeng University• Master of Business Administration, Kasetsart University• Master of Arts (Political Science), Ramkhamhaeng University• Bachelor of Arts (Political Science), Ramkhamhaeng University• Bachelor of Business Administration, Suan Dusit Rajabhat Institute	None	-	2015 - Present	- Chairman of the Board / of Directors Independent Director	FN Factory Outlet Pcl.	Factory outlet business
						2014 - Present	- Chairman of the Executive Committee	Thai Vegetable Oil Pcl.	Distribution of animal feed and refined soybean oil
						1985 - Present	- Director	Thai Vegetable Oil Pcl.	Distribution of animal feed and refined soybean oil
						2004 - Present	- Member of the Executive Committee - Director	THAI HA Pcl.	Rice product packaging, distribution and quality development
						1992 - Present	- Director	Prodigy Pcl.	Plastic package manufacturing
						1988 - Present	-Director	Cheer (Thailand) Co., Ltd.	Investment in other companies and real estate

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
1	Mr. Visuth Vitayathanagorn (Cont.)		<ul style="list-style-type: none"> • Certification Program by Thai Institute of Directors (IOD) - Director Accreditation Program (DAP), Class 43/2003 • Finance for Non-Finance Director (FN), Class 31/2006 			2011 - Present	- Chairman of the Board of Directors	Management and Psychology Institute	Academic institution
						2004 - Present	- Chairman of the Board of Directors	Chaiphirom Co., Ltd.	Legal, accounting, tax, management, engineering, architecture, and advertising services
2.	Mr. Pricha Songwatana	65	<ul style="list-style-type: none"> • Master of Business Administration, Kasetsart University • Program by Thai Institute of Directors (IOD) - Director Accreditation Program (DAP), Class 129/2016 	Father of Mrs. Chortip, Miss Nisanee, and Mr. Benyiam; and elder brother of Mr. Varachai	-	2000 - Present	- Vice Chairman of the Board / of Directors Chairman of the Executive Committee - Director	FN Factory Outlet Pcl.	Factory outlet business
	- Chairman of the Executive Committee					2004 - Present	- Director	THAI HA Pcl.	Rice product packaging and distribution
						1994 - Present	- Director	Thai Vegetable Oil Pcl.	Distribution of animal feed and refined soybean oil
						1989 - Present	- Director	Management and Psychology Co., Ltd.	Leadership development and training services

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
3.	Mr. Varachai Songwatana - Director	49	<ul style="list-style-type: none"> • Master of Business Administration (Marketing), The Western Campus University London • Bachelor of Business Administration (Marketing), University of the Thai Chamber of Commerce • Program by Thai Institute of Directors (IOD) - Director Accreditation Program (DAP), Class 124/2016 - Director Certification Program (DCP), Class 219/2016 	Younger brother of Mr. Pricha	14.25	2014 - Present	- Director	FN Factory Outlet Pcl.	Factory outlet business
						2004 - Present	- Director	Chareanchai and Son Agriculture	Warehouse leasing
						1997 - Present	- Managing Director	Power Now Co., Ltd.	Manufacturer and distributor of ready-to-wear clothes
						2004 - Present	- Managing Director	Pre-Proud Co., Ltd.	Wholesaler of ready-to-wear clothes
						2014 - Present	- Director	Be Wise (Thailand) Co., Ltd.	Retailer of cosmetics
						2014 - Present	- Managing Director	Living Etcetera Co., Ltd.	Wholesaler of household items
						2004 - Present	- Director	White Magnolia Co., Ltd.	Grocery store
						2014 - Present	- Director	The F1 Co., Ltd.	Real property trading

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
4.	Mrs. Chortip Songwatana Vudhibhong - Director - Member of the Executive Committee - Member of Good Corporate Governance Committee	43	<ul style="list-style-type: none">• Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University• Bachelor of Communication Arts, Assumption University• Certification Program by Thai Institute of Directors (IOD)- Director Accreditation Program (DAP), Class 124/2016- Director Certification Program (DCP), Class 219/2016- Financial Statements for Directors (FSD), Class 26/2014	Daughter of Mr. Pricha; and elder sister of Mr. Benyiam and Miss Nisane	0.003	2014 - Present	- Director /Member of the Good Corporate Governance Committee / Member of the Executive Committee	FN Factory Outlet Pcl.	Factory outlet business
						2000 - Present	- Director	Ka-Nomjeen Bangkok Co., Ltd.	Thai cuisine restaurant
						2006 - Present	- Director	Bonne Sante Co., Ltd.	Distributor of health products
						2014 - Present	- Director	Be Wise (Thailand) Co., Ltd.	Retailer of cosmetics
						2007 - Present	- Director	Pre-Proud Co., Ltd.	Wholesaler of ready-to-wear clothes
						2012 - Present	- Director	P. Villa Co., Ltd.	Real property trading
						2006 - Present	- Director	QIU Asset Co., Ltd.	Real property trading
						2013 - Present	- Director	Key Point Construction Co., Ltd.	Non-residential building construction
						2008 - Present	- Director	Q Farm Co., Ltd.	Agricultural product processing
						2004 - Present	- Director	Chareanchai and Son Agriculture	Warehouse leasing

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
5.	Mr. Benviam Songwatana - Director - Member of Risk Management Committee - Member of the Executive Committee - Chief Executive Officer - Acting Chief Investment Officer	37	<ul style="list-style-type: none"> • Master of Business Administration, University of Bradford, England • Bachelor of Engineering (Electrical Engineering), University of the Thai Chamber of Commerce • Certification Program by Thai Institute of Directors (IOD) - Director Certification Program (DCP), Class 219/2016 	Son of Mr. Pichai; and younger brother of Mrs. Chortip and Miss Nisane	0.003	2011 - Present	- Director / Member of Risk Management Committee / Member of the Executive Committee / Chief Executive Officer / Acting Chief Investment Officer	FN Factory Outlet Pcl.	Factory outlet business
						2000 - Present	- Director	Ka-Nomjeen Bangkok Co., Ltd.	Restaurant
						2006 - Present	- Director	QIU Asset Co., Ltd.	Real property trading
						2005 - Present	- Director	Bonne Sante Co., Ltd.	Distributor of health products
						2012 - Present	- Director	P. Villa Co., Ltd.	Real property trading
						2008 - Present	- Director	Q Farm Co., Ltd.	Agricultural

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
5.	Mr. Benyiam Songwatana (Cont).					2002 - 2006 2010 - 2011 2008 - 2010	- Project Manager - Director and Manager, Business Development Department - Manager, Marketing Department	Ka-Nomjeen Bangkok Co., Ltd. FN Factory Outlet Co., Ltd. FN Factory Outlet Co., Ltd.	product processing Restaurant Factory outlet business
6.	Mr. Omar Songwattana - Director	27	<ul style="list-style-type: none"> • Master of Science (Management), Brunel University • Bachelor of Engineering (Mechanical Engineering), Kasetsart University • Certification Program by Thai Institute of Directors (IOD) - Director Accreditation Program (DAP), Class 124/2016 	None	3.25	2015 - Present 2010 - Present 2012 - 2013	- Director - Director - Management Trainee	FN Factory Outlet Pcl. Arting Co., Ltd. FN Factory Outlet Co., Ltd.	Factory outlet business Distributor of furniture Factory outlet business

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
7.	Mrs. Pratana Mongkolkul - Director - Independent Director - Chairman of the Risk Management Committee - Member of the Nomination and Remuneration Committee - Member of the Good Corporate Governance Committee	52	<ul style="list-style-type: none"> • Master of Business Administration, Thammasat University • Bachelor of Accounting, Thammasat University • Certification Program by Thai Institute of Directors (IOD) - Director Accreditation Program (DAP), Class 124/2016 - Advanced Audit Committee Program (AACP), Class 22/2016 • Top Management Program, Class 6/2008, Capital Market Academy 	None	-	2015 - Present	- Director / Independent Director / Chairman of Risk Management Committee / Member of the Nomination and Remuneration Committee / Member of the Good Corporate Governance Committee	FN Factory Outlet Pcl.	Factory outlet business
						2013 - Present	- Director	T.K.S. Technologies Pcl.	Printing
						2013 - Present	- Chairman of the Board of Directors	Dusit Thani Pcl.	Hotel, resort and condominium
						2011 - Present	- Director	Boutique Consulting Group Co., Ltd.	Business support service
						2014 - Present	- Director	Boutique Trading Group Co., Ltd.	Distributor of lumber products
						2014 - Present	- Director	Boutique Property Management Co., Ltd.	Land, property and factory leasing

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
7.	Mrs. Pratana Mongkolkul (Cont).					2014 - Present	- Director	Boutique International Group Co., Ltd.	Financial, capital and raw material planning services
						2015 - Present	- Director	Thailandpost Co., Ltd.	Postal services
						2012 - Present	- Director	Orpak Solution Co., Ltd.	Computer programming
						2015 - Present	- Director	Government Saving Bank	Bank
						2014 - Present	- Director	Port Authority of Thailand	Water transportation
						2014 - Present	- Lay judge	Central Intellectual Property and International Trade Court	Court
						1998 - 2012	- Director and Chief Financial Officer	Minor International Pcl.	Hotel, restaurant and clothing
						1998 - 2012	- Director	Rajadamri Hotel Pcl.	Hotel
						2007 - 2011	- Director	S&P Syndicate Pcl.	Bakery and restaurant chain
						2007 - 2011	- Member of the Audit Committee	Thoresen Thai Agencies Pcl.	Logistics, energy and infrastructure

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years		
						Period	Position	Type of Business
7.	Mrs. Pratana Mongkolkul (Cont).					1999 - 2012	- Director	Investing in companies in the group
						2003 - 2012	- Director	Restaurant
						1998 - 2012	- Director	Hotel
						2007 - 2012	- Director	Software consulting services
						2004 - 2012	- Director	Importer of cosmetics
						2008 - 2012	- Director	Chain restaurant
						2010 - 2012	- Director	Coffee shop
						2008 - 2012	- Director	Coffee shop
						2010 - 2012	- Director	Restaurant
						2011 - 2012	- Director	Hotel

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
8.	Mr. Voravat Tantranont - Director - Independent Director - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	58	<ul style="list-style-type: none"> • Master of Business Administration, Saint Louis University, Missouri State, USA. • Barrister-at-law, Institute of Legal Education Thai Bar Association • Bachelor of Laws, Chulalongkorn University • Certification Program by Thai Institute of Directors (IOD) - Director Accreditation Program (DAP), Class 43/2003 	None	-	2015 - Present	- Director / Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee	FN Factory Outlet Pcl.	Factory outlet business
						1988 – Present	- Director	Choice Mini Store Co., Ltd.	Convenience store (7- eleven)
						2014 - Present	- Executive	Choice Property Co., Ltd.	Building and land leasing and sale
						1994 - Present	- Director	Tantraphan Supermarket (1994) Co., Ltd.	Rim Ping Supermarket
						1994 - Present	- Director	Choice Training Co., Ltd.	Training courses and seminars
						1995 - Present	- Director	CR Chiangmai (Thailand) Co., Ltd.	Retailer of general goods
						1990 - Present	- Director	Super Specials Co., Ltd.	Importer of office supplies

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
8.	Mr. Voravat Tantranont (Cont)					1993 - Present	- Director	T.T. Ceramic Pcl.	Manufacturer and distributor of ceramic tiles
						2007 - Present	- Director	Rimping Daiso Co., Ltd.	Distributor of consumer goods
						1994 - Present	- Director - Executive	Union Mosaic Industry Pcl.	Distributor, exporter and manufacturer of floor and wall tiles
9	Mr. Poolsak Tansitthipun - Director - Independent Director - Chairman of the Audit Committee - Chairman of Nomination and Remuneration Committee	59	<ul style="list-style-type: none"> • Master of Business Administration, Kasetsart University • Bachelor of Laws, Ramkhamhaeng University • Certification Program by Thai Institute of Directors (IOD) - Director Accreditation Program (DAP), Class 51/2006 	None		2015 - Present	- Director / Independent Director / Chairman of the Audit Committee / Chairman of Nomination and Remuneration Committee	FN Factory Outlet Pcl.	Factory outlet business
						2010 - Present	- Director	C.E.O. Private Club Co., Ltd.	Consultancy service
						1991 - Present	- Director	C.E.O. Private Park Co., Ltd.	Real property trading and development

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
9	Mr. Poolsak Tansitthipun (Cont)		-Director Certification Program (DCP), Class 144/2011 -Advanced Audit Committee Program (AAP)), Class 31/2010 -Role of the Chairman Program (RCP), Class 35/2014 -Anti-Corruption for Executive Program (ACEP), Class 13/2014			1995 - Present	- Director	The Boss Club Co., Ltd.	Membership Club
						2015 - Present	- Chairman of the Board of Directors - Vice Chairman of the Board of Directors - Chairman of the Audit Committee - Vice Chairman	Ananda Development Pcl.	Condominium and housing project
						2015 - Present		Chachoengsao Chamber Of Commerce	Private entity
						2015 - Present	- Secretary-General	Chachoengsao Foundation	Distributor of chemical products
						2003 - Present	- Member of the Audit Committee	Union Petrochemical Pcl.	Legal, accounting and taxation consultancy services
						1996 - Present	- Independent Director	Sappakit Business Co., Ltd.	
						1989 - Present	- Chairman of the Board of Directors	B. Brothers Co., Ltd.	Accounting and taxation services

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
10	Mrs. Saowanee Kamolbutr - Director - Independent Director - Member of the Audit Committee - Member of Risk Management Committee - Chairman of the Good Corporate Governance Committee	66	• Master of Political Science (Public Administration), Thammasat University • Certificate of Senior Executive Program, Sasin Graduate Institute of Business Administration, Chulalongkorn University • Bachelor of Political Science (Public Administration), Thammasat University • Certification Program by Thai Institute of Directors (IOD) - Director Certification Program (DCP), Class 69/2006 - Role of the Compensation Committee (ROC), Class 8/2009	None	-	2016 - Present	- Director / Independent Director / Member of the Audit Committee / Member of Risk Management Committee / Chairman of the Good Corporate Governance Committee	FN Factory Outlet Pcl.	Factory outlet business
						2014 - Present	- Member of the Audit Committee - Independent Director	SME Development Bank	Bank
						2016 - Present	- Expert Member of the Institute Council	Rajapak Institute	Educational institute
						2016 - Present	- Advisor to the Chairman	Committee on Economics, Money and Finance, National Legislative Assembly	National Legislative Assembly
						2016 - Present	- Financial Expert	Port Authority of Thailand	Water transportation

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years		
						Period	Position	Type of Business
10.	Mrs. Saowanee Kamolbutr (Cont)		- Role of the Chairman Program (RCP), Class 23/2010 - Financial Institutions Governance Program (FGP), Class 1/2010 - Advanced Audit Committee Program (AACP), Class 17/2014			2013 - Present	- Member of the Audit Committee	Distributor of computer network devices
						2014 - Present	- Chairman of the Audit Committee	Energy drink manufacturer
						2012 - Present	- Chairman of the Audit Committee - Independent Director	Manufacturer of forms and continuous paper
						2012 - 2013	- Chairman of the Executive Committee	Car dealer
						2009 - 2013	- Director	Infrastructure
						2009 - 2012	- Chairman of the Board of Directors	Bank
						2009 - 2012	- Deputy Permanent Secretary, Ministry of Finance	Ministry

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
11	Ms. Nisane Songwatana - Member of the Executive Committee - Chief Operating Officer	38	<ul style="list-style-type: none"> • Master of Business Administration, Strayer University, USA • Bachelor of Arts, Stamford International University 	Daughter of Mr. Pricha; younger sister of Mrs. Chorthip; and elder sister of Mr. Benyiam	0.003	2014 - Present	- Chief Operating Officer	FN Factory Outlet Pcl.	Factory outlet business
						2000 - Present	- Director	Ka-Nomjeen Bangkok Co., Ltd.	Restaurant
						2006 - Present	- Director	QIU Asset Co., Ltd.	Real property trading
						2006 - Present	- Director	Bonne Sante Co., Ltd.	Distributor of health products
						2012 - Present	- Director	P. Villa Co., Ltd.	Real property trading
						2008 - Present	- Director	Q Farm Co., Ltd.	Agricultural product processing
						2014 - Present	- Director	Be Wise (Thailand) Co., Ltd.	Retailer of cosmetics
						2010 - 2006	- Assistant Manager	Jones Lang LaSalle Co., Ltd.	Real estate services
						2010 - 2014	- Director (Marketing)	FN Factory Outlet Co., Ltd.	Factory outlet business

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
12.	Mr. Sorachat Jaikid - Member of the Executive Committee - Chief Marketing Officer	45	<ul style="list-style-type: none"> • Master of Marketing Management, Griffith University, Australia • Bachelor of Architecture (Industrial Design), King Mongkut's Institute of Technology Ladkrabang 	None	-	2015 - Present	- Member of the Executive Committee / Chief Marketing Officer	FN Factory Outlet Pcl.	Factory outlet business
						2003 - Present	- Managing Director	Brand Centric Co., Ltd.	Business and branding consultancy services
13.	Mrs. Songvilai Jiraphothong - Member of the Executive Committee - Chief Financial Officer	49	<ul style="list-style-type: none"> • Master of Accounting, Thammasat University • Bachelor of Accounting, Thammasat University • Certification Program by Thai Institute of Directors (IOD) - Company Secretary Program (CSP), Class 48/2012 	None	-	2015 - Present	- Member of the Executive Committee - Chief Financial Officer	FN Factory Outlet Pcl.	Factory outlet business
						2012 - 2015	- Vice Chief Business Planning Officer	MC Group Pcl.	Distributor of ready-to-wear denim apparel
						2011 - 2012	- Vice Chief Financial Officer	S&P Syndicate Pcl.	Bakery and restaurant chain

No.	Name/Position	Age (Yrs).	Education	Family Relationship with Executive	Share holding in the Company (%)	Work Experience in the Past 5 Years			
						Period	Position	Company/Organization	Type of Business
14.	Miss Saijai Wangpattanasirikul - Vice President Accounting	51	• Bachelor of Accounting, Thammasat University	None	-	2016 - Present	- Vice President Accounting	FN Factory Outlet Pcl.	Factory outlet business
						2000 - 2012	- General Manager	Sony Technology (Thailand) Co., Ltd.	Electric appliances
15.	Mr. Weerayut Boonyawat - Company Secretary	33	• Bachelor of Laws, Chiang Mai University • Advances for Corporate Secretaries, Class 1/2015, Thai Listed Companies Association	None	-	2015 - Present	- Company Secretary	FN Factory Outlet Pcl.	Factory outlet business
						2012 - 2015	- Assistant Manager, Legal Department	S&P Syndicate Pcl.	Bakery and restaurant chain
						2008 - 2012	- Acting Legal Manager	Double A (1991) Pcl.	Paper manufacturer and distributor

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	The Company	Subsidiary	Related Companies				
	FN Factory Outlet Pcl.	1	2	3	4	5	
1. Mr. Visuth Vitayathanagorn	x, xxxx						
2. Mr. Pricha Songwatana	xx, /						
3. Mr. Varachai Songwatana	xx, @, /// (14.25%)						
4. Mrs. Chortip Songwatana Vudhibhong	xx, @, ///, * (31.49%)		xx, @, /// (34.99%)	xx, @, /// (33.33%)			
5. Mr. Benyiam Songwatana	xx, @, /, ///, * (31.49%)		xx, @, /// (35.00%)	xx, @, /// (33.33%)			
6. Mr. Omar Songwattana	xx, @, /// (3.25%)						
7. Mrs. Pratana Mongkolkul	xxxx					xx	
8. Mr. Poolsak Tansitthipun	xxx, xxxx						
9. Mr. Voravat Tantranont	xxx, xxxx						
10. Mrs. Saowanee Kamolbutr	xxx, xxxx					xx	
11. Ms. Nisanee Songwatana	//, ///, * (31.49%)	** (0.01%)	xx, @, /// (30.00%)	xx, /// (33.33%)			
12. Mr. Sorachat Jaikid	//						
13. Mrs. Songvilai Jiraphothong	//						
14. Ms. Saijai Wangpattanasirikul	//						

Remarks: 1) x = Chairman of the Board of Directors, xx = Director, xxx = Member of the Audit Committee, xxxx = Independent Director, @ = Director with Signing Authority, / = Member of the Executive Committee, // = Executive, /// = Shareholder

2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet Pcl. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayatanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayatanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Relating to Visuth Vitayatanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	6	7	8	9
1. Mr. Visuth Vitayathanagorn				10
2. Mr. Pricha Songwatana				
3. Mr. Varachai Songwatana		xx, @, ///, ** (20.00%)	xx, @, /// (19.00%)	
4. Mrs. Chortip Songwatana Vudhibhong	xx, @, * (33.33%)	xx, @, ///, ** (34.33%)	xx, @, * (33.33%)	xx, @, /// (30.00%)
5. Mr. Benyiam Songwatana	xx, @, ///, * (73.33%)	** (33.33%)	* (33.33%)	xx, @, /// (39.99%)
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				
8. Mr. Poolsak Tansitthipun				
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr				xx
11. Ms. Nisane Songwatana	xx, * (33.33%)	xx, @, ** (33.33%)	* (33.33%)	xx, /// (30.00%)
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

Remarks: 1) x = Chairman of the Board of Directors, xx = Director, xxx = Member of the Audit Committee, xxxx = Independent Director, @ = Director with Signing Authority, / =

Member of the Executive Committee, // = Executive, /// = Shareholder

2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisane Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet Pcl. (relating to Ms. Nisane Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	11	12	13	14
1. Mr. Visuth Vitayathanagorn				
2. Mr. Pricha Songwatana				
3. Mr. Varachai Songwatana			xx, @	
4. Mrs. Chortip Songwatana Vudhibhong	xx, @, /// (33.32%)	xx, @, ///, * (33.34%)	xx	
5. Mr. Benyiam Songwatana	xx, @, /// (33.32%)	* (33.33%)		
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				
8. Mr. Poolsak Tansitthipun				
9. Mr. Voravat Tantranont				xx, @, /// (20.00%)
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana	xx, @, /// (33.32%)	* (33.33%)		xx, @, /// (20.00%)
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

Remarks: 1) x = Chairman of the Board of Directors, xx = Director, xxx = Member of the Audit Committee, xxxx = Independent Director, @ = Director with Signing Authority, / = Member of the Executive Committee, // = Executive, /// = Shareholder

2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	16	17	18	19
1. Mr. Visuth Vitayathanagorn			xx, @, /// (20.00%)	xx, @, ///, ***, **** (75.79%)
2. Mr. Pricha Songwatana				
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				
8. Mr. Poolsak Tansitthipun			xx, /// (5.00%)	xx, @, ///, ***, **** (16.00%)
9. Mr. Voravat Tantranont	xx, @, /// (20.95%)	xx, @, /// (10.00%)	/// (10.00%)	xx
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

- Remarks:
- 1) x = Chairman of the Board of Directors, xx = Director, xxx = Member of the Audit Committee, xxxx = Independent Director, @ = Director with Signing Authority, / = Member of the Executive Committee, // = Executive, /// = Shareholder
 - 2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.
 - 3) The figure in the parenthesis represents the shareholding in that company.
 - 4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).
 - 5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisanee Songwatana)
 - 6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).
 - 7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).
 - 8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).
 - 9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).
 - 10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	21	22	23	24
1. Mr. Visuth Vitayathanagorn		xx, @, ///, **** (17.49%) /// (0.0001%)		
2. Mr. Pricha Songwatana			xx, @, /// (0.00005%)	
3. Mr. Varachai Songwatana			xx, @, ///, ** (33.33%)	
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana			** (33.33%)	
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul	xx			
8. Mr. Poolsak Tansitthipun		xx, @, **** (3.07%)		
9. Mr. Voravat Tantranont				xx, @, /// (20.00%)
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana			** (33.33%)	
12. Mr. Sorachat Jaikid				xx, @
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

Remarks: 1) x = Chairman of the Board of Directors, xx = Director, xxx = Member of the Audit Committee, xxxx = Independent Director, @ = Director with Signing Authority, / = Member of the Executive Committee, // = Executive, /// = Shareholder

2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	26	27	28	29
1. Mr. Visuth Vitayathanagorn	xx, @, ///, ***** (6.41%)	xx, @, ///, ***** (15.94%)	/// (5.00%)	30
2. Mr. Pricha Songwatana	xx	xx	/// (5.00%)	
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong	* (33.33%)			
5. Mr. Benyiam Songwatana	* (33.33%)			
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				xx, @, /// (95.99%)
8. Mr. Poolsak Tansitthipun			xx, @, /// (25.00%)	xx, @, ///, # (96.02%)
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana	* (33.33%)			
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet Pcl. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	31	32	33	34 35
1. Mr. Visuth Vitayathanagorn				
2. Mr. Picha Songwatana				
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul	xx, @, /// (50.80%)	xx, @, ///, & (96.00%)	xx, @	xx, @, /// (87.00%)
8. Mr. Poolsak Tansitthipun				
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisane Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisane Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisane Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	36	37	38	39
1. Mr. Visuth Vitayathanagorn		xx, @		
2. Mr. Pricha Songwatana		xx, @		
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong				xx, @, /// (96.98%)
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul	xx, @, /// (3.00%)			
8. Mr. Poolsak Tansitthipun			xx	
9. Mr. Voravat Tantranont				xx, @, /// (20.00%)
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet Pcl. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	41	42	43	44
1. Mr. Visuth Vitayathanagorn				45
2. Mr. Picha Songwatana				
3. Mr. Varachai Songwatana	xx, @, /// (2.10%)			
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				xx, & (95.99%)
8. Mr. Poolsak Tansitthipun		xx, /// (20.00%)	xx	
9. Mr. Voravat Tantranont		xx, @		
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisane Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisane Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisane Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	46	47	48	49
1. Mr. Visuth Vitayathanagorn			xx, @, /// (50.00%)	xx, @, /// (12.50%)
2. Mr. Pricha Songwatana				xx, @, ///, ***** (8.63%)
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana	xx, @, /// (50.00%)			
7. Mrs. Pratana Mongkolkul				
8. Mr. Poolsak Tansitthipun				
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr		xx		
11. Ms. Nisanee Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet Pcl. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	51	52	53	54
1. Mr. Visuth Vitayathanagorn	xx, @, /// (4.19%)	xx, @, /// (9.27%)	xx, @, /// (15.00%)	xx, @, /// (31.44%)
2. Mr. Picha Songwatana				
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				
8. Mr. Poolsak Tansitthipun				
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	56	57	58	59
1. Mr. Visuth Vitayathanagorn	xx, @, ///, *** (20.01%)	xx, @, /// (12.20%)	xx, @, /// (89.99%)	xx, @
2. Mr. Pricha Songwatana	/// (0.01%)			xx, @, /// (30.70%)
3. Mr. Varachai Songwatana				/// (18.75%)
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				
8. Mr. Poolsak Tansitthipun	*** (5.00%)			
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet Pcl. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	61	62	63	64
1. Mr. Visuth Vitayathanagorn	xx, @, ///, *** (37.49%)			65
2. Mr. Picha Songwatana	@			
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong			* (33.33%)	
5. Mr. Benyiam Songwatana			* (33.33%)	
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul		/// (8.56%)		
8. Mr. Poolsak Tansitthipun	///, *** (8.07%)			
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana			* (33.33%)	/// (12.85%)
12. Mr. Sorachat Jaikid				/// (18.00%)
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

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3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Positions as Executives and Control Persons of Entities

Name of Director / Executive / Control Person	Related Companies			
	66	67	68	69 70
1. Mr. Visuth Vitayathanagorn	/// (24.97%)	/// (36.67%)	xx, /// (24.99%)	
2. Mr. Pricha Songwatana				
3. Mr. Varachai Songwatana				
4. Mrs. Chortip Songwatana Vudhibhong				
5. Mr. Benyiam Songwatana				
6. Mr. Omar Songwattana				
7. Mrs. Pratana Mongkolkul				
8. Mr. Poolsak Tansitthipun				
9. Mr. Voravat Tantranont				
10. Mrs. Saowanee Kamolbutr				
11. Ms. Nisanee Songwatana				
12. Mr. Sorachat Jaikid				
13. Mrs. Songvilai Jiraphothong				
14. Ms. Saijai Wangpattanasirikul				

Remarks: 1) x = Chairman of the Board of Directors, xx = Director, xxx = Member of the Audit Committee, xxxx = Independent Director, @ = Director with Signing Authority, / = Member of the Executive Committee, // = Executive, /// = Shareholder

2) Subsidiary under consolidated control and consolidated financial statements of the Company and subsidiary which are audited/reviewed by the auditor.

3) The figure in the parenthesis represents the shareholding in that company.

4) * = Proportion of shareholding through QIU Asset Co., Ltd. (relating to Mrs. Chortip Songwatana Vudhibhong, Mr. Benyiam Songwatana and Ms. Nisanee Songwatana).

5) ** = Proportion of shareholding through FN Factory Outlet PCL. (relating to Ms. Nisanee Songwatana)

6) *** = Proportion of shareholding through C.E.O. Private Club Co., Ltd. (relating to Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

7) **** = Proportion of shareholding through The Boss Club Enterprise Co., Ltd. (relating to C.E.O. Private Club Co., Ltd., Mr. Visuth Vitayathanagorn and Mr. Poolsak Tansitthipun).

8) ***** = Proportion of shareholding through Cheer (Thailand) Co., Ltd. (relating to Mr. Visuth Vitayathanagorn).

9) # = Proportion of shareholding through Boutique International Group Co., Ltd. (relating to Boutique Consulting Group Co., Ltd. and Mrs. Pratana Mongkolkul).

10) & = Proportion of shareholding through Boutique Consulting Group Co., Ltd. (relating to Mrs. Pratana Mongkolkul).

Subsidiary and Related Companies

Company Name	Business
Subsidiary	
1. Save Now 2949 Co., Ltd.	Wholesale and retail store
Related Companies	
2. Ka-Nomjeen Bangkok Co., Ltd.	Thai cuisine restaurant.
3. QIU Asset Co., Ltd.	Real property development.
4. CRC Creation Pcl.	Ready-to-wear clothes and leather products.
5. T.K.S. Technologies Pcl.	Manufacturer of forms, continuous paper, security forms, other printing materials and continuous label stickers.
6. Bonne Sante Co., Ltd.	Importer and distributor of health products. This is a private business of Mr. Benyiam and has not yet been in operation.
7. Be Wise (Thailand) Co., Ltd.	Sale of food and beverage/consignor of mother and baby products and cosmetics products branded Be Wise.
8. Pre-Proud Co., Ltd.	Owner of land properties on which Sriracha Branch is located.
9. P. Villa Co., Ltd.	Real property development.
10. Carabao Group Pcl.	Investment in other companies.
11. Q Farm Co., Ltd.	Agricultural product processing.
12. Key Point Construction Co., Ltd.	Construction service and distribution of construction materials.
13. Chareanchai and Son Agriculture	Warehouse leasing.
14. Choice Training Co., Ltd.	Training and seminar service provider.
15. Choice Property Co., Ltd.	Land and building leasing.
16. Choice Mini Store Co., Ltd.	Convenience store.
17. CR Chiangmai (Thailand) Co., Ltd.	Retailer of general goods.
18. C.E.O. Private Club Co., Ltd.	Consultancy and management service.
19. C.E.O. Private Park Co., Ltd.	Real property development.
20. Super Specials Co., Ltd.	Importer of office supplies.
21. Dusit Thani Pcl.	Hotel and resort business and office management service.
22. The Boss Club Co., Ltd.	Membership club service.
23. The F1 Co., Ltd.	Real property development.

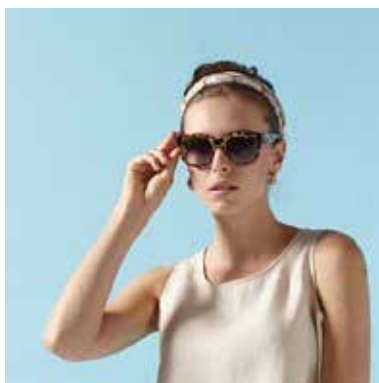
Company Name	Business
24. Tantraphan Supermarket (1994) Co., Ltd.	Supermarket.
25. T.T. Ceramic Pcl.	Manufacturer and distributor of ceramic tiles.
26. THAI HA Pcl.	Rice production, packaging and quality development.
27. Thai Vegetable Oil Pcl.	Distribution of animal feed and refined soybean oil
28. B. Brothers Co., Ltd.	Accounting consultancy service.
29. Boutique Consulting Group Co., Ltd.	Financial planning and solution services.
30. Boutique Trading Group Co., Ltd.	Distributor of lumber products.
31. Boutique Property Management Co., Ltd.	Land, property and factory leasing.
32. Boutique International Group Co., Ltd.	Financial and capital planning services.
33. Thailandpost Co., Ltd.	Postal services.
34. Perfect Engineering Services Pcl.	Construction services.
35. Power Now Co., Ltd.	Uniform design.
36. MC Group Pcl.	Distributor of ready-to-wear clothes and apparel products.
37. Management and Psychology Co., Ltd.	Leadership development and training services.
38. Union Petrochemical Pcl.	Distributor of chemical products.
39. Rimping Daiso Co., Ltd.	Distributor of consumer goods and miscellaneous goods.
40. Living Etcetera Co., Ltd.	Distributor of household goods.
41. White Magnolia Co., Ltd.	Wholesaler of food products and ready-to-eat food. This is a private business of Mr. Varachai and Mrs. Chatchareephan Songwatana. Consignor of A-dress brand products.
42. Sappakit Administration Co., Ltd,	Legal and accounting consultancy services and accounting service.
43. Union Mosaic Industry Pcl.	Distributor, exporter and manufacturer of floor and wall tiles.
44. Ananda Development Pcl.	Real estate development and real estate project management.
45. Orpak Solution Co., Ltd.	IT programming service.
46. Arting Co., Ltd.	Distributor of furniture.
47. Interlink Communication Pcl.	Distributor of computer network devices and computer network installation service provider.
48. Chaiphirom Co., Ltd.	Legal, accounting, tax, management, engineering, architecture, and advertising services.

Company Name	Business
49. Thai Vegetable Oil Industry Co., Ltd.	Vegetable oil manufacturing.
50. Prodigy Pcl.	Plastic package manufacturing.
51. Cheer (Thailand) Co., Ltd.	Investment in listed securities/companies/real estate properties.
52. Nakhonchaisi Oil Refinery Co., Ltd.	Long-term investment in other entities.
53. Textport Thai Co., Ltd.	Manufacturer of spool threads.
54. Vitaya Capital Co., Ltd.	Securities investment.
55. Chumseensup Co., Ltd.	Distributor of goods that are in line with the company's purpose.
56. C.E.O. E.S. Co., Ltd.	Environmental consultancy service.
57. Seng Heng Industry Co., Ltd.	Distributor of sewing threads.
58. Na Kob Co., Ltd.	Film and advisement.
59. MPI Beyond Training Co., Ltd.	Leadership development and training services.
60. Vapo Friendship Co., Ltd.	Real estate development.
61. The Boss Club Enterprise Co., Ltd.	Investment in other businesses.
62. At Bangkok Co., Ltd.	Manufacturer, designer and distributor of apparel products branded Flynow.
63. Health Water Co., Ltd.	Consignor of water products.
64. Fix & Wash Et Cetara Co., Ltd.	Distributor of ready-to-wear clothes branded Missy.
65. Pro-Proud Co., Ltd.	Distributor of ready-to-wear clothes branded PreForm.
66. Kaset Sanong Pandin Co., Ltd.	Manufacturer and distributor of fertilizers.
67. The Modern System Offset Co., Ltd.	Printing business.
68. Brand Centric Co., Ltd.	Advertising media services.
69. Santa Factory Co., Ltd.	Consigner of wooden toys.
70. Neo Key Co., Ltd.	Consigner of Japanese-style glass table.

Details of the Subsidiary's directors

Name	Save Now 2949 Co., Ltd.
Ms. Charuwan Supantanet	X , @ , // , /// (0.01%)
Ms. Nisanee Songwatana	X , @ , // , /// (0.01%)
Mrs. Pallapa Songwatana	X , @ , // , /// (0.01%)

Remarks: 1) x = Director, @ = Director with Signing Authority, // = Executive, /// = Shareholder
 2) Director of subsidiary must not be the director of the Company



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Corporate Governance

Good Corporate Governance Policy

The Board of Directors has established good corporate governance policy according to good governance principle, rules and regulations of the Stock Exchange of Thailand, rules and regulations of the Securities and Exchange Commission. The Board of Directors annually reviews and revises the Corporate Governance Policy to accommodate changing situations. The Board gives utmost importance to the Corporate Governance Policy to ensure that all shareholders equally, transparently, and accurately receive relevant information.

In addition, the Board of Directors has appointed sub-committees to oversee internal audit, risk management, and good corporate governance in conjunction with measures to encourage executives and employees to act in accordance with the Corporate Governance Policy. With these policies, all related parties can be confident that corporate governance policy is properly practiced and that the Company can grow sustainably.

The Company has disclosed Corporate Governance Policy and Business Ethics on the Company's website to promote understanding and compliance by the Board, Executives, all level of employees, and all related parties. In addition, The Company emphasizes this principle through several forums, especially in Board, Executives, and employee orientations to ensure that the policy is effectively implemented. The good corporate governance is as follows:

Section 1 : Rights of Shareholders and Equitable Treatment of Shareholders

Rights of Shareholders and Shareholder meetings

1. Shareholders have the right to buy, sell, and transfer shares. In addition, shareholders have the rights to accurate, complete, and transparent news and information regarding company's financial reports, important information to be released periodically, and significant conditions requiring prompt disclosure. News and information, in Thai and English, shall be disclosed through Company's website and the Stock Exchange of Thailand's information system to ensure that shareholders have equal access to information.
2. Shareholders have equal rights to attend and exercise voting rights in shareholder meetings, equal rights to profit and dividend sharing, as well as equal rights to opportunity in share buyback.
3. In the event that shareholders are unable to attend the meeting in person, shareholders have the right to appoint a proxy to participate in the general meeting according to proxy forms of the Department of Business Development, Ministry of Commerce. In this regard, an independent director may be nominated in a notice of meeting as an alternative proxy for shareholders. A proxy form on which shareholders can dictate the direction of their voting will be provided with the notice of meeting and uploaded on the company's website.

4. Shareholders have the right to attend and exercise voting rights in every agendas of the meeting, with the exception of agendas that they have conflict of interest. In addition, the Chairman will allow shareholders to express their thoughts and ask questions, which will also be recorded in the minutes of the meeting for shareholders who could not attend the meeting.
5. Shareholders have the right to decision making in all important matters that have not been delegated to management committee such as the tasks of approving meeting minutes and financial statements, approving profit/dividend allocation, selecting new directors to replace those who have completed their terms, determining the rates of meeting allowance, incentives, and other benefits for the directors, appointing an external auditor and audit fee, as well as approving significant asset acquisitions.
6. Prior to each shareholder meetings, the Company will arrange to have an external independent auditor to examine meeting documents, count votes, and determine the number of votes required for a resolution to ensure transparency and legal compliance of each meeting.
7. The Company may not add new agenda or editing an important information to the meeting before informing the shareholders.
8. The Company shall accommodate and encourage shareholders to attend the meetings by holding meetings in easily accessed location.

Rights to receive information for the Shareholders Meeting

1. The Company shall send out a notice of meeting, with the agenda of the meeting and related information, including the opinion of the Board of Directors on each proposed agenda, related rules and procedures relating to attendance of the meeting. The notice shall be sent to shareholders at least 7 days prior to the meeting date, and posted on the Company's website.
2. Shareholders have the right to receive information under the agenda relating to the election of directors. The notice shall have the profiles of persons nominated to be directors, the types of directors to be nominated, their attendance of meetings during the previous years and the date of their first appointments as directors, etc. Voting shall be cast for on a person-by-person basis to ensure that shareholder can truly choose the directors as they see fit.
3. Shareholders have the right to receive information under the agenda relating to auditor nomination and assessed audit fee. The notice shall have the names of auditors nominated for appointment, their companies, experience, expertise, independence, and fee.
4. Shareholders have the right to be informed on procedures to exercise their voting right, the use of voting card, and vote counting prior to each agenda of the meeting,
5. For transparency and accountability, shareholder meetings will use voting card in every agenda of the meeting. And for accuracy and speediness of vote counting, the Company has utilize a computerize system to register and count the votes.

6. Shareholders have the right to be informed about resolutions of the Board regarding meeting detail, record date, and meeting agenda prior to the meeting through the Company's website and the Stock Exchange of Thailand's information system.
7. After the Shareholders' Meeting, the Minutes of the meeting shall be prepared and submitted to the Securities and Exchange Commission and the Stock Exchange of Thailand within 14 days of the meeting date. The Minutes shall also be publicly published on the Company's website including giving the chance to shareholders for questions and opinions during the meeting.

The Rights to propose an agenda of the annual general meeting of shareholders and nominate a qualified person for directorship

The company encourages shareholder to propose meeting agendas, nominate qualified persons to be considered for directorship, and give shareholders the opportunities to express their thoughts and raise questions regarding Company matters to the Board. The proposal should be made at least 1 month before the annual general meeting of the shareholders, according to the criteria announced in the Company's website.

The Rights of the Board to Attend the Annual General Meeting of Shareholders and meetings of Sub-Committees

1. The Company encourages and urges the Chairman of the Board, Directors, CEO, and Executives to attend every meeting of the shareholders to meet and answer shareholders' questions.
2. The Company encourages and urges the Chairmen of all Sub-Committees to attend every meeting of the shareholders to answer questions regarding actions of the sub-committee.

Section 2 : Roles of Stakeholders

The Company realizes the significance of the rights of all stakeholders whether being external ones such as shareholders, customers, business partners, competitors, debtors, community, society, and other related government agencies, as well as internal such as employees. These stakeholders are important factors in the development and the success of the Company, which promote overall achievement to grow continuously and sustainably.

Therefore, The Company has defined the Corporate Governance Policy and guidelines for each stakeholder in the Code of Conduct to promote understanding and compliance by the Board, Executives, all level of employees and disclosed on the Company's website as follows:

Shareholders: Not only that the Company acknowledges the basic rights that all shareholders equally share, The company also clearly defines guidelines according to good corporate governance principles. Information is disclosed with accuracy and transparency while effective internal control and risk management system, corruption prevention and adequate communication mechanisms were installed. These measures were to give assurance to shareholders that the company will conduct its business with transparency, with the aim for sustainable and continuous growth in the long run.

Customers: The Company is committed to provide the highest satisfactory to the customers through product quality and the environmentally friendliness. Materials are carefully selected and the productions have high standards in order to ensure that the products and services have high quality under appropriate prices. In addition, the Company constantly surveys the level of customer satisfactions and increase new channel for customer complaints through an online channel. The Company will maintain the secrecy of customer's identity. If the complaint seems to have real substance, the Company shall present the information to the Board to come up with solution to fix the problems accordingly

Trade Partners: The Company gives importance to fairness in all business conducts and shared be benefit. The selection of trade partner has a clear defined process to ensure fairness, and transparency regarding reputation, standard, and good governance. Contracts and trade term are fair and comply with the law. In addition, the Company has a policy of no gift acceptance from trading partners, whether they are cash, asset, or other benefit. The Company does not support trading partners that involves in corruption activities or violation of human rights.

Competitors: The Company conducts its business under fair competition rules, fair trade laws and business ethics. The Company does not involve itself in corruption activities, harming reputation of competitors, spying on trade secrets of competitors, revealing key information of competitors, nor violating intellectual properties of others.

Debtors: The Company treats all debtors equally and fairly. The Company complies with the terms and conditions of the contracts to ensure debtors that the Company has financial stability and ability to repay the loans. In the case that emergency situations that can significantly affect's the Company financial stability and ability to pay back the loan, the Company will notify the debtor to find a common solution to the problem.

Community, Society, and Environment: The Company conducts its business with community, society, and environment in mind. The Company supports activities of the communities that the Company locates in, especially in health and sanitary care, security, and environment. In addition, the Company urges all executives and all level of employees to use resources efficiently and effectively, as well as conduct operations with safety, environment, and stakeholders in mind.

Employees: The Company sees employees as an important resource of the company. Employees play a big role in leading The company to its success. In addition, the Company values human rights and treats all level of employees and stakeholders with equality regardless of race, religion, gender, and culture. The Company complies with labor laws. Hiring contracts are done fairly with salary structure that is appropriate to knowledge, ability, and responsibility of each position. Salary and benefit are provided adequately for all. The Company provides a safe work environment to ensure that employees have safety in life, health, and asset. Employees may take leave and rotate jobs as appropriate. There are effective communication channels between employees and executives, as well as training and development according to each work level including internal and external position to develop and strengthen knowledge and ability constantly and regularly. In addition, the Company gives importance to human rights. All employees are treated equally without special favors to any of the employees.

Government: The Company supports the work of the government and complies with the regulations and policy of the regulating agency. The Company regularly participates in government activities to create growth and stability to the country, as well as gives importance to intellectual property promotion. The Company operates its business under intellectual property laws and complies with all related regulations. The Company will not proceed or promote and tort to intellectual property including copyrights, patents, trade secrets, trademarks, data, brand names, and geographical indication and others. Directors, executives and employees must comply with the policy. The Company refuses to conduct its business with businesses or legal persons, or natural persons that violate any kind of property right.

Section 3 : Disclosure and Transparency

The Company gives importance to information disclosure through an Information and Technology system as guided by the Stock Exchanges of Thailand. Information disclosure will allow all parties, investors, analysts, as well as interested persons to equally receive information. According to the disclosure and transparency policy, The Company discloses information on a periodical basis and as important event occurs, both in Thai and English, as follows:

1. Important documents regarding Corporate Governance, Business Ethics, Certification, Company Regulation, Memorandum of Association, Notice of Shareholders' Meeting, and Report of Shareholders' Meeting
2. Financial Statement, the Report of the Board of Directors on Responsibility to the Financial Statement, Auditor's Report, Analysis and Management Explanation, General Information and Important Information in the Annual Report, and Annual Registration Statement as required by the Securities and Exchange Commission and the Stock Exchanges of Thailand.
3. Management Structure, including the structure and responsibilities of the Board of Directors, structure and responsibilities of Sub-committees, number of meetings, and the number of Directors attending the meeting.
4. Remuneration of Director, CEO, and Executives, compared to equivalent of those in the same position level in similar business, experience, scope of work, and responsibility. Remunerations of CEO and executives are in line with the guideline and policy of the Board of Directors, as approved by the shareholders' meeting. Such remunerations are reviewed by the Remuneration and Nominating Committee before proposed to the Board of Directors and Shareholders' Meeting and are determined based on performance.
5. Report on Conflict of Interests of Directors, Executives, and Related Persons are reported once the Directors and Executives are appointed into the position or when there are changes to the information. The Secretary of the Company is responsible for the preparation of the documents for the Directors and the submission of the report to the Chairman of the Board and the Chairman of the Audit Committee within 7 days after such report is received.

In this regards, The Company constantly update the information to reflect the most current situation of the Company and publish the information through Company website and the information system of the Stock Exchange of Thailand.

Section 4 : Responsibilities of the Board of Directors

As the representatives of the Shareholders, the Board of Directors is responsible for the formulation of Company Vision, Mission, Policy, and Strategies. In addition, the Board oversees the performance of management team and makes sure that the policies and strategies are effectively translated into actions to the benefit of the shareholders. Therefore, the Board of Directors comprises of knowledgeable individuals with various experiences and backgrounds such that they can give valuable guidance to the way FN conducts its business.

In addition, the Board of Directors gives importance to information disclosure to the shareholders and related parties. Information to be disclosed must be accurate, complete, transparent, and timely. This includes financial statement, income statement, and other related information, as well as information that may affect the stock price according to the principle of corporate governance. Information is shared through various channels, including mailing, disclosure on the Company's website, and disclosure on the information system of the Stock Exchange of Thailand.

The Structure of the Board of Directors

The Board of Directors had mandated that the Board of Directors must be a diverse group of individuals in all aspects ranging from gender, skills, experience, and abilities so that they will be able to deliver the work effectively. The Board of Directors consists of 10 members. 5 of which are independent directors. This means that 1 in 2 Directors are independent directors to balance with the rest of the Board. The qualifications of the directors comply with regulations of the Securities and Exchange Commission which were specified in Clause 16 of the Notification of the Capital Market Supervisory Board No.28/2551. The Board of Directors appointed sub-committees, which are the Audit Committee, the Remuneration and Nominating Committee, the Risk Management Committee, the Good Corporate Governance Committee, and the Executive Committee. FN has published the Charter of all 5 sub-committees on the website of the company, with the composition and the recruitment of the sub-committees as outlined in Section 11.3.

Business Ethics

The Board of Directors had promoted business ethics to Board members, Executives, and employees and considered business ethics as a common responsibility. This is for the benefits of all stakeholders of the company, as well as for the credibility of the company, which will lead to a sustainable growth of the Company.

Risk Management Policy

The Board of Directors had established risk management policy that covers the whole organization, ranging from the process of risk identification, risk assessment, risk monitoring and control, as well as risk management standard in order to effectively and regularly manage the risks that may arise.

Remuneration Setting Criteria for Directors and Executives

The Company has a clear and transparent set of criteria for remuneration setting. The Nomination and Remuneration Committee considers the appropriate remuneration for the Directors and Executives, and proposes to the Board of Directors and the Shareholders Meeting for approval. Remuneration of the Board members and top executives will take the financial situation of the company, the scope of work, and the responsibilities of each director/executive into considerations. The remuneration is set at levels comparable to other firms in the same or similar industry in order to attract individuals that have appropriate knowledge and ability to work with the company. All directors understand their duty as Board members and are ready to share their knowledge and opinions. In addition, they constantly improve themselves to enhance their ability to perform their duties. They work with integrity, carefulness and mindfulness. They uphold the benefits of the Company and are fair to all shareholders. In addition, they dedicate the time to the work and attend all meetings, except reasonable exceptions only.

Succession Plan

With the acknowledgement of the importance of continuous business performance, The Company has established a policy and criteria for the selection of executives and a succession plan. With transparency, the procedure takes knowledge, ability, experience, and integrity as top priorities as follows:

- 1) Identify the key positions in each business/unit/department.
- 2) Identify the desirable qualities of the successors.
- 3) Draw up a list of managers in each business/unit/department who has the desirable qualities and readiness to become successors for each position.
- 4) Draw up a list of employees in each business/unit/department who has the potential to become successors in the next level of management.
- 5) Develop the potential candidates to prepare for succession.
- 6) Review annually and present the development to the Board of Directors

Section 5 : Internal Control and Risk Management

Internal Control and Risk Management

With the acknowledgment of the importance of internal control and risk management, The Company assigned the Audit Committee to oversee the internal control and the internal audit systems. The Audit Committee reviews the adequacy, analyzes the effectiveness, and develops the internal control system, as well as prevents conflict of interests, corruption, and misbehaving. This is to ensure that the business can run efficiently and effectively. In addition, the Audit Committee supports corporate governance, business ethics, compliance and laws. Furthermore, the Company set up monitoring mechanism and balance by internal unit which is supervised by audit committee to assure independence in auditing. In addition, The Company reviews the independence and efficiency of the mentor.

Risk Management

The Company gives importance to the management of risks that may arise during business practice, whether those risks are caused by internal or external factors. With the mechanism that brings the Company to the goal, The Company appointed Risk Management Committee to oversee all of The company's risk management. The Risk Management Committee sets the goal, policy, and procedures for risk management. The policy is to be implemented by executives and all level of employees. Risk assessment covers strategic risk, operational risk, financial risk, IT risk, political risk and natural disaster. These risk factors were then reported to the Board of Directors to find the best way to manage and prevent such risks in the future.

Section 6 : Avoidance in Conflicts of Interest

The Board of Directors is responsible for the avoidance of conflict of interest. The conflict of interest policy prohibits Directors, Executives, and all level of employees to seek personal benefit that may conflict with the Company's benefit or conduct important transactions such as related transactions and/or the acquisition or sales of Company's asset. Policy, guidelines, and procedures are set in the internal control for related transactions and other related regulations.

Section 7 : Code of Conduct

Upholding the Code of Conduct is crucial to Company's image and reputation. The Board of Directors had written the Code of Conduct to be a practical guidance for the Board of Directors, Executives, and Employees. The Code of Conduct consists of the principles of responsibility, honesty, integrity, fairness, work ethics, and compliance to rules and regulations. Upholding the Code of Conduct is a basis to trust and confidence for all stakeholders and related parties.

Sub-Committees

The Company has 5 sub-committees, which are the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Good Corporate Governance Committee, and the Executive Committee. Explanation in detail appears in Section 8: Management Structure. The 1/2016 Meeting of the Board of Directors (the first meeting after the transformation), held on 10 May 2016, had approved the duties and responsibilities of each Committee as follows:

1. Audit Committee

As of 31 December 2016, the Audit Committee consists of 3 Directors as follows:

No.	Names		Position
1	Mr.Poolsak	Tansitthipun	Chairman of the Audit Committee and Independent Director
2	Mr.Voravat	Tantranont	Audit Director and Independent Director
3	Mrs.Saowanee	Kamolbutr	Audit Director and Independent Director

Remarks : - Mrs.Saowanee Kamolbutr is a Director with knowledge and experience in financial auditing. Mrs. Saowanee had completed a Bachelor's Degree in Political Science from Thammasat University and a Master's Degree in Political Science from Thammasat University. Currently, she holds positions in the audit committee of 2 Public Limited Companies, which are Carabao Group Public Co., Ltd, and Interlink Communication Public Co.Ltd.

- The secretary to the Audit Committee is Mrs.Songvilai Jiraphothong.

Duties and Responsibility of the Audit Committee

- 1) Review and ensure that the Company is in full compliance with the Securities and Exchange laws, the regulations of the Stock Exchange of Thailand, other related business laws, as well as the Company's Code of Conduct.
- 2) Review the accuracy and appropriateness of the accounting standards and other related laws. The Audit Committee is to ensure sufficient and reliable disclosure of information, especially in the case where there are related transactions or conflict of interests.
- 3) Review and ensure that the financial reporting is in accordance with the generally accepted accounting standards.
- 4) Consider, Select and nominate an independent person to be the Company's auditor as well as specify the amount of service fee, as well as, assess impendence, ability, and efficiency of appointed external auditor. The Audit Committee shall invite the auditor to attend its meeting without presence of the executives at least once a year.
- 5) Coordinate with the external auditor to ensure the independency and accuracy of the audit report.
- 6) Consider and review the remarks from the external auditor and the internal auditor regarding related transactions and transactions that may contain conflict of interest to ensure that they are in accordance with the laws and regulations of the Stock Exchange of Thailand, reasonable, and maintain the benefit of the Company.
- 7) Review the appropriateness and the effectiveness of the Internal Control and Internal Audit system according to international standards and practices.
- 8) Review and approve the Internal Audit Charter, the Audit Plan, and assess the assessment reports according to the generally accepted standards.
- 9) Review and ensure that the Company has preventive measures to prevent, reduce, or minimize the unnecessary loss of Company's resources, which shall increase efficiency and effectiveness of the operations.
- 10) Review the risk management system of the Company and give suggestions for improvements.
- 11) Review the information and technology system that involves internal control, financial reporting, and risk management, as well as give suggestion for improvements.
- 12) Review the anticorruption system of the Company
- 13) Approve budget and manpower plan of the internal audit unit.
- 14) Appoint, remove, transfer, or terminate the internal audit manager.
- 15) The Audit Committee, with the agreement of the Board of Directors, may appoint a specialist

to give advice on matters that needs an independent opinion. The hiring process must follow Company's rules and regulations regarding such matter.

- 16) Complete other tasks that the laws may specify or the Board of Directors may appoint. For the tasks under the responsibilities, the Audit Committee has the power to call upon the Management Team, Managers, or employees to give opinion, participate in meetings, or submit any document as deemed fit.
- 17) Conduct an annual self-assessment to ensure that they perform the duty efficiently that is in line with the objectives. The result shall be reported to the Board of Directors.

The Term of Office of the Audit Committee

The Audit Committee holds a 3-year term in the position. In the event that a director position is vacant for any reasons other than that of the rotation basis, the Board may elect a qualified person who has no prohibited traits to fill the position in the next Board meeting. The replacing director's term of office is equal to the remaining term of the replaced director. The term of office of the directors ends in the following cases.

- End of term
- Being unqualified
- Death
- Resignation
- Removed from office by law except for negligent or petty offence wrong doing
- Being sentenced to prison or court order
- Being incompetent or quasi-incompetent
- Became bankrupt
- In cases where an audit director wishes to resign before the term of office ends, the director shall notify the Company at least 1 month in advance with reasoning for resignation. The Board of Director shall appoint a new director and notify the changes to the Securities and Exchange Commissions and the Stock Exchange of Thailand.

2. Executive Committee

As of 31 December 2016, the Executive Committee consists of 7 Directors as follows:

No.	Names		Position
1.	Mr.Pricha	Songwatana	Chairman of the Executive Committee
2.	Mr.Benyiam	Songwatana	Executive Committee Director
3.	Mrs.Chortip	Songwatana Vhudhibhong	Executive Committee Director
4.	Ms. Nisanee	Songwatana	Executive Committee Director
5.	Mr. Sorachat	Jaikid	Executive Committee Director
6.	Mrs.Songvilai	Jiraphothong	Executive Committee Director
7.	Mrs.Napaporn	Triphayak	Executive Committee Director

Duties and Responsibility of the Executive Committee

- 1) Conduct the business of the Company according to the management policy, guideline, and business plan which are set by the Board of Directors.
- 2) Consider and review the business plan and annual budget plan before they are proposed to the Board of Directors.
- 3) Consider and specify the business direction and management strategy to ensure that they are in line with Company's policies.
- 4) Consider and approve the investment plan, the purchase and sales of assets, procurement, lending and borrowing of asset, as well as the review the spending plan as approved by the Board of Directors.
- 5) Consider and approve the management structure of the Company in all levels below executive level.
- 6) Consider and appoint executives in all levels below the CEO and specify the remuneration.
- 7) Approve policies and guidelines used in the Company and the summarized table of approval power of each level of management.
- 8) Oversee the actions of the executives and ensure that they are in line with policies, guidelines, and business plan that have been set and approved by the Board of Director.
- 9) Review and give recommendations on issues to be presented to the Board of Directors.
- 10) Complete other tasks as the Board of Directors may assign.

Duty and responsibility delegation does not include approval power that the person or delegated person may have conflict of interest (as defined in the Security Exchange Commissions Guideline). Such approval will have to be presented to the Board of Directors and/or Shareholders' Meeting as defined in Company's Guideline, Regulation, and related Laws.

The Term of Office of the Executive Committee

- 1) The Executive Committee holds a 3-year term in the position or not more than to the remaining term of the director that he/she replaced.
- 2) The Board of Directors may re-appoint the member of the Executive Committee after the term ends.

3. Nomination and Remuneration Committee

As of 31 December 2016, the Nomination and Remuneration Committee consists of 3 members as follows

No.	Names	Position
1.	Mr.Poolsak Tansitthipun	Chairman of the Nomination and Remuneration Committee
2.	Mr.Voravat Tantranont	Nomination and Remuneration Director
3.	Mrs.Pratana Mongkolkul	Nomination and Remuneration Director

Duties and Responsibility of the Nomination and Remuneration Committee

- 1) Consider the policy and criteria for the search, selection, and nomination of appropriate persons to be appointed as directors, chairman, and CEO. Determine the appropriate remuneration and benefits for the directors of the Company. As well as asses the performance of the CEO and propose the remuneration to the Board of Directors and/or Shareholders approval.
- 2) Assess the performance, as well as the appropriateness of the annual remuneration and long term incentives of the CEO.

The Term of Office of the Nomination and Remuneration Committee

- 1) The Nomination and Remuneration Committee holds a 3-year term in the position. The term of office of each member of the Committee shall be equal to that of the member of the Board of Directors. For policy continuity, members of the nomination and remuneration committee may be re-appointed after the term ends.
- 2) The term of office of the directors ends in the following cases:
 - End of term
 - End of term in the Board of Director
 - Resignation
 - Death
 - Removed by the Board of Directors.

4. Risk Management Committee

As of 31 December 2016, the Risk Management Committee consists of 3 members as follows

No.	Names		Position
1.	Mrs.Pratana	Mongkolkul	Chairman of the Risk Management Committee
2.	Mr.Benyiam	Songwatana	Risk Management Director
3.	Mrs.Saowanee	Kamolbutr	Risk Management Director

Duties and Responsibility of the Risk Management Committee

- 1) Formulate the Risk Management Policy, consider the risk appetite of the Company, and propose to the Board of Directors for approval.
- 2) Regulate and uphold the approved Risk Management Policy
- 3) Continuously improve the Risk Management Framework to reduce risk and ensure that the risk management system is efficient and implemented.
- 4) Review the Risk Management Activities in order to monitor the risks and ensure that the risk management system is adequate and appropriate.
- 5) Communicate and exchange with the Audit Committee on important risk issue to ensure that the risk management system of the Company is adequate and appropriate for the operation of the Company.
- 6) Report about important risks and risk management to the Board of Directors.
- 7) Advise and supervise the Company, working groups, and teams on how to manage risk, as well as consider an appropriate approach to develop the risk management system.
- 8) Appoint employees or working group to work on risk management as appropriate. And specify the duties and responsibilities of the working group to ensure that they meet the objective of risk management.
- 9) Complete other tasks as the Board of Directors may assign.

The Term of Office of the Risk Management Committee

- 1) The Risk Management Committee holds a 3-year term in the position. If the Board of Directors sees fit, members of the Committee can be re-appointed.
- 2) In addition to reaching the end of the term, a member of the Risk Management Committee may end the term of office by resigning. The Board of Directors shall elect a new director to replace the one that resign. The newly-appointed director shall hold office only for the remaining term of office of the director whom he or she replaces

5. Good Corporate Governance Committee

As of 31 December 2016, the Good Corporate Governance Committee consists of 3 members as follows:

No.	Names		Position
1.	Mrs.Saowanee	Kamolbutr	Chairman of the Good Corporate Governance Committee
2.	Mrs.Pratana	Mongkolkul	Good Corporate Governance Director
3.	Mrs.Chortip	Songwatana Vhudhibhong	Good Corporate Governance Director

Duties and Responsibility of the Good Corporate Governance Committee

- 1) Consider, review, and propose the Corporate Governance Policy, Business Ethics, Code of Conduct, Social Responsibility Policy, and Anti-corruption Policy to the Board of Directors and support the implementation of such policies.
- 2) Encourage, inspect, and support the Company, employees, and stakeholders to follow the Corporate Governance Policy, Business Ethics, Code of Conduct, Social Responsibility Policy, and Anti-corruption Policy
- 3) Follow-up and review the operation system of the Company to ensure that they follow the Corporate Governance Policy, Business Ethics, Code of Conduct, Social Responsibility Policy, and Anti-corruption Policy.
- 4) Formulate policies regarding Corporate Governance Policy and regulate business operations of the Company and Subsidiaries to follow such policy, as well as review the policy to ensure that it is in accordance with the guidelines of the Stock Exchange of Thailand

The Term of Office of the Good Corporate Governance Committee

- 1) The Good Corporate Governance Committee holds a 3-year term in the position. The term of office of each member of the Committee shall be equal to that of the member of the Board of Directors. For policy continuity, members of the good corporate governance committee may be re-appointed after the term ends.
2. The term of office of the directors ends in the following cases:
 - End of term
 - End of term in the Board of Director
 - Resignation
 - Death
 - Removed by the Board of Directors.

The Performance Assessment of the Board of Directors, Sub-committees, and Chief Executive Officer

Board of Directors manages to assess Board of Directors, Sub-committees, and CEO at least once a year to be consistent with a good governance of listed company. Assessment form of Board of Directors includes topics as follow: Structure and Qualification of director, Meeting of Director, and Role, Function and Responsibility of director. Assessment form of Executive includes topics as follow: Work Performance and Development. Year 2016, the result of assessment is as follow:

Assessment Topic	Assessment Result*
Self-assessment of Board of Directors as a group	Good
Self-assessment of Board of Directors as individual	Good
Self-assessment of Sub-committees as a group	Good
Self-assessment of Sub-committees as individual	Good
Self-assessment of CEO	Good

Remark: * Assessment result uses scoring method which is defined of score as follow:
 1 = Disagree or such topic is rarely done. (Poor)
 2 = Agree or such topic is reasonably done. (Fair)
 3 = Mostly agree or such topic is well done. (Good)
 4 = Strong agree or such topic is excellently done. (Excellence)

Nomination of the Board of Directors, Sub-committees, and Executives

Individuals nominated for the position of directors and executives must possess the qualifications as prescribed in Clause 68 of the Public Limited Companies Act B.E. 2535, and the Notification of the Capital Market Supervisory Board No. 28/2551 regarding the Application for and Approval of Offer for Sale of Newly Issued Shares dated 15 December 2008. Nominated individuals must have no prohibited characteristics as prescribed in the Notification of the Securities and Exchange Commission regarding the Company's Directors and Executives. Directors and Executives must not have criminal record in the past 10 years prior to the filing, must not have been in the state of bankruptcy, nor violated the rules, regulations, notifications, orders, resolution of the boards, or agreement with the Stock Exchange of Thailand, nor have been in an allegations for legal actions. The Company has set the criteria regarding the composition and nomination of each committee and executive as follows:

Composition and Nomination of the Board of Directors

- 1) The Company has the Board of Directors to conduct all matters of the Company. The Board of Directors must consist of at least five directors. At least half of the directors must have his/her residency in Thailand. The directors must possess the qualifications as required by the laws.

- 2) At least one-third of the total number of directors, but not less than three directors, must be independent directors with qualifications as required by the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 3) The Shareholders' Meeting must appoint directors according to the following criteria:
 - a. One share equals one vote.
 - b. Each shareholder must execute all votes to select one or several directors. The votes may be split among different candidate in any ratio.
 - c. Those individuals receiving the highest number of votes shall be elected to serve as directors depending on the number of vacancies available at the time. In the event of more than one person receiving the same number of votes for the last vacant position, the chairman of the meeting shall have a second and casting vote.
- 4) The Board of Directors selects one director as the chairman. And in the case where the Board deem necessary, the Board may appoint one (or more) director(s) as the Vice Chairman(s). The Vice Chairman has the duties as delegated by the Chairman according to the Company's Regulations.

Composition and Nomination of the Audit Committee

The Audit Committee is appointed by the Board of Directors and possesses the qualifications as required by the Securities and Exchange Law, as well as announcements, notifications, and regulations of the Stock Exchange of Thailand. The Audit Committee comprises of at least 3 directors with at least 1 director with the expertise of accounting and finance. The Board of Director selects and appoints one director in the Audit Committee as the chairman. The term of office of the Audit Committee is 3 years, beginning from the date of appointment.

Qualification of Independent Directors

- Entitled to less than 1 percent of the total value of voting shares of The Company, The Company Group, Subsidiaries, and affiliated companies. Share ownership includes the ownership of related persons of the independent directors.
- Independent directors must not be involved with any management and must not be employees, advisors with monthly salary, or any other types of advisor. Nor are they the persons with authority over the Company, affiliated and associated companies, and legal entities which may have conflicts of interest. They must not have benefits or stakes in such manner for at least 2 years before the filing with the Securities and Exchange Commission. Such prohibition does not include the cases where the independent directors were government officials or advisors of a government agency who hold share or have authority over the Company.
- Independent directors must not be relatives with a relationship as father, mother, spouse, siblings, and children of the executives, major shareholders, persons with authority over the Company or persons who nominated as executives or have authority over the Company or Subsidiaries.

- Independent directors must not have any business relationships with the Company, The Company Group, Subsidiaries, and affiliated companies in the way that may obstruct his/her independent judgment. They must not be significant shareholders or have power over the companies with business relationships with the Company, The Company Group, Subsidiaries, and affiliated companies for at least 2 years before the filing with the Securities and Exchange Commission.
- Independent directors must not be the financial auditor of the Company, The Company Group, Subsidiaries, and affiliated companies in the way that may obstruct his/her independent judgment. They must not be significant shareholders or have power over the company providing audit service to the Company, The Company Group, Subsidiaries, and affiliated companies for at least 2 years before the filing with the Securities and Exchange Commission.
- Independent directors must not be advisors, including legal and financial, who received the fees of more than 2 million Baht per year from the Company, The Company Group, Subsidiaries, and affiliated companies in the way that may obstruct his/her independent judgment. They must not be significant shareholders or have power over the company providing advisory services to the Company, The Company Group, Subsidiaries, and affiliated companies for at least 2 years before the filing with the Securities and Exchange Commission.
- Independent directors must not be appointed to represent or protect the benefits of any directors or major shareholder of the Company.
- Independent directors must not engage in the similar business and significantly competing with the business of the Company or subsidiary, or not being a significant partner in partnership or not being a director that has a management authority nor an employee, staff, advisor on regular retainer or holding shares exceed 1 percent of the total voting shares of other company which engage in the similar business and significantly competing with the business of the Company.
- Independent directors must not have any other impediments or impairments to express independent opinions concerning the operations of the Company
- Independent directors with the above qualification may be appointed by the Board of Directors to make decision on behalf of the Company, The Company Group, Subsidiaries, affiliated companies, major shareholders or person with power over the Company in the form of collective decision.

Qualification of the Audit Committee

Members of the Audit Committee must possess the same qualifications of the independent directors and must possess additional qualifications as follows:

- Is not appointed by the Board of Directors to make decisions regarding the operation of the Company, Holding Company, Subsidiary, and Affiliated Company, nor is a major shareholder, or the person with authority over the Company
- Does not hold a position in the Board of Director of any other listed company.

- Have sufficient knowledge and experience to provide beneficial insights as Audit Committee. At least one director must have knowledge and experience necessary to assess the credibility of the financial statements.
- Have the qualifications as required by the Securities and Exchange Commission and the Stock Exchange of Thailand regarding the qualifications and responsibilities of Company's Directors and Executives

Composition and Nomination of the Executive Committee

- The Executive Committee comprises of at least 2 member of the Board of Directors and/or the Chief Executive Officer and/or Executives and/or the Chief Operating Officer and/or the Chief Marketing Officer and/or the Chief Financial Officer and/or the Chief Investment Officer and/or the Vice president Human Resources and Organization Service.
- The Chief Executive Officer and the Executive Committee are appointed by the Board of Directors.
- The Executive Committee must possess the qualifications, and have no prohibited characteristics, as prescribed by the regulations of the Securities and Exchange Commission.
- The Executive Committee must not hold or be a involved with business that is competing with the Company.

Composition and Nomination of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee must be nominated by the Board of Directors. The Committee comprises of no less than 3 members, the majority of which must be Independent Directors who do not hold executive positions. The Board of Directors appoints 1 Committee member to be the Chairman.

Composition and Nomination of the Risk Management Committee

The Risk Management Committee must be nominated by the Board of Directors. The Committee comprises of no less than 3 members, the majority of which, or other proportion as the Board of Directors deem fit, must be Independent Directors who do not hold executive positions. The Board of Directors appoints 1 Committee member to be the Chairman.

Composition and Nomination of the Good Corporate Governance Committee

- The Board of Directors nominates Good Corporate Governance Committee comprising of no less than 3 members.
- The Board of Directors nominates Good Corporate Governance Committee with at least 1 out of 3 Independent Member.
- Good Corporate Governance Committee selects 1 member to be the Chairman.

Nomination of the Chief Executive Officer

The candidates for Chief Executive Officer are nominated by the Board of Directors. The selection is made by the Nomination and Remuneration Committee.

Supervision of Subsidiaries

The Board of Directors have set a mechanism for the supervision of subsidiaries in order to protect The Company's benefits by assigning The Company's representatives to work in its subsidiaries as Directors, Executives, and Controlling Persons. The supervision includes setting the duties and responsibilities in the guideline of management, mandating the disclosure of financial statement, as well as having transactions with the Subsidiary under the regulations of related agencies. In addition, The Company evaluates and reviews the performance through the internal audit to ensure that the business of subsidiaries is done for the benefit of the Company.

The Supervision of the Internal Share Purchase and the Use of Internal Information

The Company has a policy prohibiting employees, executives, and those who have the knowledge of internal information, from selling or buying shares of the Company until such formation was released. Unpublished information shall not be used to build the price of stock, especially buying and selling shares within the 1 month period before the financial statements are released to the public.

The Company also has a policy to regulate the use of internal information. The Board of Directors, executives, and employees in all level are prohibited from using the information for personal benefits, whether for direct or indirect benefits. Such information is information that may have effects on the share price, undisclosed information, information that are for internal usage, information from the financial statement that have not been submitted to the Stock Exchange of Thailand, information on dividend payment, merger and acquisition, or important trade deals.

In addition, the Board of Directors and executives have the duty to prepare the Report on Sale and Purchase of Stock whenever changes due to the sale and purchase of stocks occur within 3 days after the transaction. The report must be submitted to the Securities and Exchange Commission and the Company. The Secretary of the company is responsible for preparing the report and send it to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 days after he/she receives the report.

Audit Committee Report

The Board of Directors has appointed the Audit Committee which is comprised of three independent directors and at least one of the member of the Audit Committee shall have knowledge, understanding and experience in the field of accounting or finance and shall possess updated knowledge about the causes of changes in financial reports in order to review the quarterly and annual separated and consolidated financial statements of the Company and its subsidiary, internal control systems, internal audit, related-party transactions, risk management, regulatory and legal compliance, corporate governance practices, including the nomination of the Company's auditor and the determination of audit fee.

The Audit Committee has performed duties in accordance with the Charter of the Audit Committee and the scope of authority and duties assigned by the Board of Directors. In 2016, the Audit Committee held eight meetings. The Audit Committee met with the auditor without participation of the management team, and had discussions with the auditor to deliberate on material matters of the Company within the scope of duties and responsibilities assigned by the Board of Directors. Highlights of the Audit Committee's performance are as follows:

1. The Audit Committee reviewed the quarterly and 2016 annual separated and consolidated financial statements of the Company and its subsidiary which had been reviewed and audited by the Company's auditor. The Audit Committee met with the auditor and the management team to review the quality of financial reports, the accounting policies, the accounting estimates and the evidence and accounting system. The Audit Committee also met with the auditor to promote open and independent discussion. The auditor were able to independently perform their duties and exercised their independent and fair judgment within the framework of auditing standards. The Audit Committee also reviewed the quality of audit works to ensure the reliability and creditability of financial statements in all material respects in accordance with the accounting standards and the financial reporting standards with adequate disclosure of information in the notes to the financial statements in light of the Company's operations before proposing the financial statements to the Board of Directors for consideration and subsequently to the meeting of shareholders for approval.
2. The Audit Committee reviewed the internal controls and internal audit. The Company has appointed P&L Internal Audit Company Limited as the Company's internal auditor and the internal auditor revealed that the Company's internal controls were adequate and suitable in light of the Company's business operations. In addition, the Company's internal controls in different parts were materially adequate and met the standards specified in the Internal Control Adequacy Assessment of the Office of Securities and Exchange Commission. The Audit Committee reviewed the structure and budget of the Internal Audit program for 2017 to ensure its ability to effectively carry out the internal control system audit and monitoring plan in line with the Company's future business directions.

3. The Audit Committee conducted the reviews to ensure that related-party transactions executed in 2016 and potentially involving conflicts of interest were appropriately and adequately examined with an aim to promote compliance with the laws and the requirements under the notifications of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee also recommended the management team to escalate transactions that related-party transactions that were not normal business transactions or were not conducted on an arm's length basis to the Audit Committee for consideration and opinion prior to proposal thereof to the Board of Directors or the shareholders for approval in advance of transaction execution. These transactions were adequately disclosed in this Annual Report.
4. The Audit Committee reviewed the approval authority within the organization to promote operational agility and empowerment. The Audit Committee also deliberated on risks associated with financial management and advised that the Financial Management Policy be reviewed and the framework for short-term financial management planning be formulated to promote the effectiveness of the short-term financial management plan of the Company prior. The Policy and the framework were proposed to the Board of Directors for approval and subsequently adopted by the Company.
5. The Audit Committee arranged for reviews of work processes in accordance with the laws, rules, regulations and corporate governance principles and required the organization-wide compliance with the requirements under the notifications of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, accounting standards and policies of the Company. The Audit Committee also encouraged the adoption of the corporate governance principles and the anti-corruption practices and provided whistleblowing channels, through which non-compliance with the laws, rules, regulations and codes of conduct, with a view to promoting transparency and operational efficiency.
6. The Audit Committee nominated the Company's auditors and determined the audit fee by taking into consideration the auditor's qualifications, independence, insights into the Company's businesses and operations, and the results of the auditor performance evaluation. In this regard, the Audit Committee endorsed the nomination of M.R. & Associates Company Limited as the Company's auditor and the audit fee for 2017 which was at the same rate as that of the prior year in view of the scope of duties and responsibilities of the auditor as well as proposed the matter to the Board of Directors for consideration prior to proposal thereof to the meeting of shareholders of the Company for approval.

(Mr. Poolsak Tansitthipun)
Chairman of the Audit Committee
28 February 2017

Nomination and Remuneration Committee Report

The Board of Directors has appointed the Nomination and Remuneration Committee which is comprised of three independent directors to deliberate on policies and criteria applicable to the screening, selection and nomination of qualified persons to serve as directors, the Chairman of the Executive Committee and the Chief Executive Officer of the Company, including to determine remunerations and benefits of the Company's directors, to evaluate the performance and determine the annual remuneration of the Chief Executive Officer in accordance with the principles of transparency and the good corporate governance standards.

The Nomination and Remuneration Committee has performed duties in accordance with the Charter of the Nomination and Remuneration Committee and the scope of authority and duties assigned by the Board of Directors. In 2016, the Nomination and Remuneration Committee held two meetings to deliberate on material matters of the Company within the scope of duties and responsibilities assigned by the Board of Directors as summarized below:

1. The Nomination and Remuneration Committee screened the qualifications of candidates to be nominated as the Company's directors in replacement for those retiring by rotation. In doing so, the Nomination and Remuneration Committee took into account the candidates' credentials, experiences, knowledge and abilities that were beneficial and relevant to the Company's businesses and their suitability as the Company's directors. In 2016, there were three directors retiring by rotation. As the qualifications, knowledge and abilities of the three outgoing directors were considered suitable for the position of the Company's directors, the re-election of the three directors as the Company's directors for another term was proposed to the Board of Directors for endorsement and the annual general meeting of shareholders for approval.
2. The Nomination and Remuneration Committee nominated a new independent director to serve as the Chairman of the Board in accordance with the good governance principles which stipulated that the Chairman of the Board should be an independent director. Following the appointment, the number of the Company's directors increased from nine to ten.
3. The Nomination and Remuneration Committee deliberated on the remuneration of the directors and the members of the Sub Committees for the year 2016 in light of their scope of duties and responsibilities, the comparable industry benchmarks, the Company's performance, and the business growth. The remuneration for the year 2016 was then proposed to the Board of Directors for endorsement and subsequently to the annual general meeting of shareholders for approval.

4. The Nomination and Remuneration Committee reviewed the 2016 performance and annual remuneration of the Chief Executive Officer by benchmarking with comparable companies with similar revenue in the same industry and taking into account the scope of duties and responsibilities of the Chief Executive Officer and the Company's performance before proposing the matter to Board of Directors.

The Nomination and Remuneration Committee performed duties with prudence, transparency, fairness and independence in accordance with the good corporate governance principles for the best interests of the Company and all stakeholders.



(Mr. Poolsak Tansitthipun)

Chairman of the Nomination and Remuneration Committee

28 February 2017

Good Corporate Governance Committee Report

The Board of Directors has appointed the Good Corporate Governance Committee which has the duties and responsibilities to formulate the Good Corporate Governance Policy, oversee the Company's compliance, reinforce the Company's conformity to the good corporate governance principles, and perform other duties as assigned. The Good Corporate Governance Committee shall also report relevant matters to the Board of Directors and/or the meeting of shareholders, as applicable, to promote the Company's transparency and sustainability.

The Good Corporate Governance Committee has supported the Company's adherence to the corporate governance principles and compliance with the requirements stipulated by the Office of Securities and Exchange Commission and the Stock Exchange of Thailand. In 2016, the Good Corporate Governance Committee held two meetings to deliberate on material matters of the Company within the scope of duties and responsibilities assigned by the Board as summarized below:

1. The Good Corporate Governance Committee reviewed the Company's good corporate governance practices against the criteria under the Corporate Governance Report of Thai Listed Companies (CGR). It was found that the Company's practices were in line with the criteria in most categories.
2. The arrangements for the 2017 annual general meeting of shareholders (AGM) were guided by the Good Corporate Governance Policy and the Company attached importance to the rights of shareholders in accordance with the good corporate governance principles. These were evident in the Company's invitation to shareholders to propose matters to be included on the agenda of the 2017 AGM in advance and/or to nominate qualified candidates for directorship, including to submit their questions for the 2017 AGM in accordance with the guideline stipulated by the Company and published on the Company's website.
3. The Good Corporate Governance Committee arranged for the evaluation of the performance of the Board of Directors, the Sub-Committees and the Chief Executive Officer at least annually to offer the Directors a forum to jointly review the prior year's performance of the Board of Directors, the Sub-Committees and the Chief Executive Officer and identify areas for improvement. This also promoted the Company's adoption of the good corporate governance principles applicable to listed companies.

The Company recognized the significance of the good corporate governance principles and was encouraged to operate business in accordance with ethical standards. Disclosures of the Company's operations have been properly and regularly made in the best interest of all stakeholders.



(Mrs. Saowanee Kamolbutr)

Chairman of the Good Corporate Governance Committee

28 February 2017

Risk Management Committee Report

The Board of Directors has established the enterprise risk management policies and frameworks that are based on integrative risk management approaches. Also, the Board of Directors has appointed the Risk Management Committee which is in charge of drafting the risk management policies, overseeing compliance with the risk management policies approved by the Board, and dynamically refining the Company's risk management frameworks to ensure effective risk management and enterprise-wide compliance therewith to foster the confidence of stakeholders in the Company's operations.

The Risk Management Committee has performed duties in accordance with the Charter of the Risk Management Committee and the scope of authority and duties assigned by the Board of Directors. In 2016, the Risk Management Committee held three meetings to deliberate on material matters of the Company within the scope of duties and responsibilities assigned by the Board of Directors as summarized below:

1. The Risk Management Committee reviewed the Charter of the Risk Management Committee to ensure its appropriateness and alignment with the requirements stipulated by the Securities and Exchange Commission and the Stock of Exchange of Thailand, including the good corporate governance principles.
2. The Risk Management Committee developed the enterprise risk management framework and arranged the workshops which were facilitated by experts. All functional units were involved in the enterprise-wide risk assessment to identify possibilities and impact of risks and develop the Company's risk management plan accordingly.
3. The Risk Management Committee deliberated on risks associated with the Company's investments, such as the branch network expansion in Phra Nakhon Sri Ayutthaya and the amalgamation of Save Now 2494 Company Limited (a subsidiary), and monitored performance and risk factors that might arise and adversely affect the Company's strategy, goals, operations, etc.

Based on the aforementioned activities, the Risk Management Committee is of the opinion that the Company has comprehensively identified and addressed risk issues associated with its business operations and has adequately, appropriately and continuously managed its risks.



(Mrs. Pratana Mongkolkul)

Chairman of the Risk Management Committee

28 February 2017



Internal Control and Risk Management

Summary of Opinion of Board of Directors on Internal Control

In the Board of Directors meeting No.1/2560 on 28 February 2017, on which three members of the Audit Committee also serve, assessed and reviewed the adequacy of the internal controls using the Internal Control Adequacy Assessment form of the Office of Securities and Exchange Commission by inquiry information from management for five topics: 1) Organization control and environment, 2) Risk management, 3) Management control, 4) Information and Communication and 5) Monitoring. The Board of Directors was of the view that the Company's internal controls were adequate and suitable in light of the Company's business operations.

The Audit Committee has reviewed the internal controls and operational system of the Company through the communication with auditor, internal auditor and management team in order to adequacy and accuracy disclose in the financial statement as well as to conform to the roles and regulation of The Stock Exchange of Thailand. The Board of Directors also vigorously encourage the Good Corporate Governance throughout the Company.

Part 1. Organization Control and Environment

The Company has established the Corporate Governance Policy and the Code of Conduct as operating framework with which employees at all levels of the Company must comply. In addition, Corporate Governance Policy and the Code of Conduct are published on the Company's website to promote proper understanding and compliance among directors, executives and employees at all levels. The Board of Directors is independent of the management and the charters of the Board of Directors and the sub committees have been developed to clearly define their roles, duties and responsibilities. The Audit Committee is involved in the development of the Company's internal controls and is in charge of reviewing the Company's internal controls and internal audit to ensure their suitability and effectiveness. The management team is led by the Chief Executive Officer who has the power to direct and manage as well as to determine the scope of work and authority of executives in support of the Company's achievements of the vision and mission approved by the Board of Directors. The Company commits to motivate, develop and retain talented employees at all levels and these efforts are supported by annual training plan and suitable employee welfare and benefit scheme.

Part 2. Risk Management

The Company has adopted effective risk management processes to minimize potential risks from internal and external factors. To promote enterprise-wide risk management, the Risk Management Committee has been appointed to supervise compliance with the Risk Management Policy approved by the Board of Directors, to review the risk management reports, including monitoring, evaluating and reporting material risk issues to the Board of Directors to ensure that the Company's risks are adequately and properly managed. The Company regularly reviewed risk management plans and reported the update to the Risk Management Committee.

Part 3. Management Control

The Board of Directors has appointed five sub committees comprising of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Good Corporate Governance Committee and Executive Committee. In which, all sub-committees performs their roles, duties and responsibilities as listed in the Charters

The Company has clearly defined the authority, duties and responsibility of the management and developed the approval authority framework in writing. The framework has been approved by the Board of Directors and provides detailed information about the approval authority applicable to general and significant activities relating to key work processes of the Company, including the procedures and sequences of actions, such as review, sign-off and approval, and the approval limits. The management is delegated to execute acts within the scope of authority and duties assigned by the Board of Directors and such empowerment has led to extra operational agility, the decentralization based on functional duties of the delegates, and the alignment and auditability of operations. The Company requires that the approval authority framework be regularly reviewed and updated in light of its current business operations.

The Company has also defined the job descriptions which depict the functional roles, duties and responsibilities of employees in different positions, as well as workflows for optimized operational effectiveness.

Part 4. Information and Communication

The Company has placed great importance on the information and communication systems and has conducted IT general controls audits which reveal that the Company's IT general controls are satisfactory and adequate. The Company's important information, such as the separated and consolidated financial statements of the Company and its subsidiary, including financial information, which has been prepared in accordance with the generally accepted standards, are accurately and completely communicated. Significant information is adequately disclosed in the notes to the financial statements. The Company has also made available on its website a communication channel through which shareholders can submit their proposals of meeting agenda items and/or the nomination of qualified persons for directorship and questions submitted in advance for the 2017 AGM, and the general public can use as a whistle blowing and complaint reporting channel.

Part 5. Monitoring

As a mechanism for proper and ongoing monitoring and supervision, the Company engaged Board of Director's Meeting totally seven times to monitor the management's operation to serve the specify target and strategy. In addition, the Company has appointed P&L Internal Audit Company Limited as an internal auditor of the Company. The internal auditor has developed an internal control audit plan for the Company, monitored and prepared internal control audit reports and presented reports to the Audit Committee as independency to discuss key issues than have material impact on the Company's operations and solutions to such issues prior to present to the Board of Director's Meeting.

The Company arranges Executive Committee Meeting in each month to consider the Company's operating results whether that it is compiled with strategy and business goal, and determine the directions, solutions and monitoring processes.

Head of Internal Audit Team

The Company has appointed P&L Internal Audit Company Limited as the Company's internal auditor, led by Mr. Thanapat Wongwit. The Audit Committee reviewed the qualifications of P&L Internal Audit Company Limited and Mr. Thanapat Wongwit and was of the view that they possessed qualifications that were suitable and adequate for the position given their independence, audit knowledge and abilities, and insights into the Company's business. The Company has engaged P&L Internal Audit Company Limited as its internal auditor since November 2014.

Details of Head of Internal Audit Team

The Company has used outsource company, P&L Internal Audit Company Limited as the Company's internal auditor. The qualification, Education, background and work experience of head of internal auditor are as

Work Experience in past 5 years						
No.	Name/ Position	Age (Years)	Identification number	Education	Family Relationship with Executive	Shareholding in the Company (%)
1.	Mr. Thanapat Wongvit	30	150100090277	- Bachelor of Accountancy (B.Acc), Dhurakij Pundit University - Certificate Professional Internal Audit of Thailand CPIAT (21) - Member of the Institute of Internal Audit of Thailand (IAT)	-	-
	Assistant Internal Audit Manager.					

Responsibilities of Head of Internal Audit Team

1. Allocate team of auditors divided by audit responsibilities
2. Review and control standard of internal auditors to whether that it is complied with standard
3. Create annual audit plan for propose consideration and approval from audit committees
4. Prepare information for internal audit, make appointment with company and announce of all information
5. Review each audit program according to objectives of annual internal audit and organization
6. Check sufficiency, reliability and accuracy of internal audit system
7. Review result of audit and follow up operation according to suggestion
8. Prepare internal audit report and submit to executives and audit committees
9. Improve knowledge of all level of internal audit team and evaluate operation of auditors
10. Consult and suggest about internal control and risk in every department

Related-Party Transactions

The Company has entered into transactions with parties with potential conflicts of interest and related parties which have common shareholders or common directors or have related parties of executives, directors and shareholders of the Company as their directors, persons with controlling interest or shareholders. In this regard, the Audit Committee conducted audits and reviewed the appropriateness and reasonableness of these transactions, including their pricing and conditions which should be on an arm's length basis. Transactions between the Company and related parties with potential conflicts of interest in the fiscal year of 2016 are as follows:

Related Party	Type of Business	Relationship
1 Keypoint Construction Company Limited	Construction contractor and construction material distribution	<ul style="list-style-type: none"> Have a common shareholder with the Company, namely QIU Asset Company Limited which owns the equity totaling 99.99% of Keypoint Construction Company Limited's registered capital. Have a common director and authorized signatory with the Company, namely Mrs. Chortip Songwatana Vudhibhong. In this regard, Mrs. Chortip Songwatana Vudhibhong owns shares worth 0.005% of Keypoint Construction Company Limited's registered capital.
2 QIU Asset Company Limited	Real estate development	<ul style="list-style-type: none"> Be a major shareholder of the Company owning shares equivalent to 31.49% of the Company's registered capital. Have common directors and authorized signatories with the Company, namely Mrs. Chortip Songwatana Vudhibhong and Mr. Benyiam Songwatana who own shares equivalent to 33.33% and 33.33% of QIU Asset Company Limited's registered capital, respectively.
3. Pre-Proud Company Limited	Real estate development	<ul style="list-style-type: none"> Have common shareholders with the Company, namely QIU Asset Company Limited and Mr. Varachai Songwatana owning shares worth 42.00 % and 19.00% of Pre-Proud Company Limited's registered capital, respectively. Have common directors and authorized signatories with the Company, namely Mr. Varachai Songwatana and Mrs. Chortip Songwatana Vudhibhong.

Related Party	Type of Business	Relationship
4. CRC Creation Public Company Limited	Real estate leasing	<ul style="list-style-type: none"> The Company's major shareholder, namely Mr. Somchai Songwatana, is an executive of an entity having indirect control over CRC Creation Public Company Limited.
5. Ka-Nomjeen Bangkok Company Limited	Restaurant	<ul style="list-style-type: none"> Have common directors and authorized signatories with the Company, namely Mrs. Chortip Songwatana Vudhibhong and Mr. Benyiam Songwatana who own shares equivalent to 35.00% and 35.00% of Ka-Nomjeen Bangkok Company Limited's registered capital, respectively.
6. Be Wise (Thailand) Company Limited	Restaurant and beauty product	<ul style="list-style-type: none"> Have common directors and authorized signatories with the Company, namely Mr. Varachai Songwatana and Mrs. Chortip Songwatana Vudhibhong. QIU Asset Company Limited, holds shares of Be Wise (Thailand) Company Limited through Pre-Proud Company Limited at 96.00% of its registered capital.
7. At Bangkok Co., Ltd	Design and distribution of ready-to-wear clothes branded "FLYNOW"	<ul style="list-style-type: none"> Have common shareholders, namely Miss Chutinart Songwatana, Miss Reeve Songwatana and Mr. Omar Songwatana who own shares equivalent to 58.35%, 11.75%, and 8.56% of At Bangkok Company Limited's registered capital, respectively. Spouse of Mr. Varachai Songwatana, the Company's shareholder and director, holds shares equivalent to 11.75% of At Bangkok Company Limited's registered capital.
8. Health Water Company Limited	Drinking water production and distribution	<ul style="list-style-type: none"> Have a common shareholder with the Company, namely QIU Asset Company Limited which owns shares equivalent to 39.25% of Health Water Company Limited's registered capital. Spouse of Mrs. Chortip Songwatana Vudhibhong, the Company's director, is a director of Health Water Company Limited and holds shares equivalent to 10.00% of Health Water Company Limited's registered capital.
9. Neo Key Company Limited	Furniture distributor	<ul style="list-style-type: none"> Mother of the Company's major shareholders, namely Miss Reeve Songwatana, Mrs. Keerada Songwatana, and Mr. Omar Songwatana, is a director of Neo Key Company Limited and holds shares equivalent to 99.98% of Neo Key Company Limited's registered capital.

Related Party	Type of Business	Relationship
10. Pro-Proud Company Limited	Distribution of ready-to-wear clothes branded “Missy”	<ul style="list-style-type: none"> Have a common shareholder with the Company, namely Miss Chutinart Songwatana who owns shares equivalent to 26.00% of Pro-Proud Company Limited’s registered capital. Spouse of Mr. Varachai Songwatana, the Company’s shareholder and director, is a director of Pro-Proud Company Limited and holds shares equivalent to 42.00% of Pro-Proud Company Limited’s registered capital.
11. White Magnolia Company Limited	Distribution of ready-to-wear clothes branded “A-Dress” and “Perform”	<ul style="list-style-type: none"> Have a common shareholder with the Company, namely Mr. Varachai Songwatana who owns shares equivalent to 2.10% of White Magnolia Company Limited’s registered capital. Spouse of Mr. Varachai Songwatana, the Company’s shareholder and director, is a director of White Magnolia Company Limited and holds shares equivalent to 97.12% of White Magnolia Company Limited’s registered capital.
12. Santa Factory Company Limited	Wooden toy distribution	<ul style="list-style-type: none"> Spouse of Mr. Benyiam Songwatana, the Company’s director, owns shares equivalent to 0.83% of Santa Factory Company Limited’s registered capital.
13. Thai Ha Public Company Limited	Agricultural product manufacturing and distribution	<ul style="list-style-type: none"> Have common directors with the Company, namely Mr. Visuth Vitayatanagorn and Mr. Pricha Songwatana.
14. Save Now 2494 Company Limited ¹	Retail distribution through department store with a Save Now store in Hat Yai District of Songkhla Province	<ul style="list-style-type: none"> An indirect shareholder of Save Now 2494 Company Limited is a major shareholder of the Company, namely QIU Asset Company Limited which holds 42.00% shares of Pre-Proud Company Limited and indirectly holds shares equivalent to 99.97% of Save Now 2494 Company Limited’s registered capital.

Related Party	Type of Business	Relationship
		<ul style="list-style-type: none"> The Extraordinary General Meeting of Shareholders No. 1/2016 on 9 May 2016 resolved to approve the Company's investment in ordinary shares of Save Now 2494 Company Limited with a view to expanding the customer base to middle-to-low income earners in major cities. The Company acquired the shares from Save Now 2494 Company Limited's existing shareholder being a related party of the Company's shareholders, directors and executives at 99.97% of Save Now 2494 Company Limited's registered capital. Therefore, operating results of Save Now 2494 Company Limited have been included in the Company's consolidated financial statements since the second quarter of 2016.

¹ On 17 May 2016, the Company entered into a share sale and purchase agreement with Pre-Proud Company Limited (the seller) to acquire the shares of Save Now 2494 Company Limited (SN) at the book value as of 11 May 2016, i.e. Baht 0.16 million. The purpose of the acquisition is to restructure companies under common control. The seller undertakes that if there are any misstatements in the financial statements as of the said date that cause the actual book value to be lower than the paid price, the seller will pay the difference to the Company. Subsequently, the Company's examination reveals that the book value of SN was Baht -2.67 million (deficit net worth). Thus, the seller is obligated to return the payment of Baht 0.16 million made by the Company for the share acquisition as well as pay the deficit of Baht 2.67 million to the Company, totaling Baht 2.83 million. The amount was paid by the seller to the Company in the third quarter of 2016.

Details of the transactions between the Company and related parties with potential conflicts of interest in the fiscal year of 2016 are as follows:

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
1. Key Point Construction Company Limited	Construction service fee: The Company engaged Key Point Construction Company Limited in the construction of additional works of its office, namely Rama 9 office, and other construction projects	12.52	<ul style="list-style-type: none"> The Company engaged Key Point Company Limited in the construction of the shrine of guardian spirit, the fountain system installation and the ventilator installation at Baht 0.12 million in total. These were general, additional works of the Rama 9 Head Office construction project and management thus opined that the Company should hire the contractor of Rama 9 Head Office construction project to do the additional works given the contractor's familiarity with and knowledge of the building layout and the site plan. The Company engaged Key Point Company Limited in the construction of Phra Nakhon Sri Ayutthaya Branch at Baht 12.40 million in total, divided into the construction service fee of Baht 1.40 million and the labor, machinery and supply cost of Baht 11.00 million. In this regard, the Company had already conduct a comparative analysis of the service proposals of three construction service providers before entering into the transaction with Key Point Company Limited. <p>Audit Committee's Opinion The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 1/2016 on 10 May 2016 (the first meeting after the status conversion), No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017 acknowledged the said transactions between the Company and the entity with potential conflicts of interest</p>

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
2. QIU Asset Company Limited	Property leasing: The Company leased land from QIU Asset Company Limited for use as its current head office.	2.68	<ul style="list-style-type: none"> On the construction of the shrine of guardian spirit, the fountain system installation and the ventilator installation, the Audit Committee acknowledged the transaction and opined that the said transaction was a supporting activity in the Company's ordinary course of business. It was also normal to engage its former contractor to do additional works of the existing building improvement or addition project given the contractor's familiarity with and knowledge of the building layout and the site plan which were beneficial to the accelerated completion of the works. On the construction of Phra Nakhon Sri Ayutthaya Branch, , the Audit Committee acknowledged the transaction and opined that the said transactions were supporting activities in the Company's ordinary course of business. In this regard, the Company had already conduct a comparative analysis of the service conditions and proposals of three construction service providers and concluded that Key Point Construction Company Limited offered the lowest fees with the best terms and conditions as compared to other construction service providers. The Company leased land of 2-0-0 rai on Rama 9 Road from QIU Asset Company Limited for use as an office under a 30-year lease agreement from 1 March 2016 to 28 February 2046 at the rate of Baht 230,000 per month. The lease fee is increased annually based on the Bank of Thailand's inflation rate forecast. The lease fee was based on the appraisal conducted by Modern Property Consultant Company Limited, an appraiser on the SEC's approved list. Mr. Wasant Kongjan, appraiser registration no. WorTor. 003, conducted the appraisal on 28 January 2016.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Security deposit: The Company entrusted the security deposit for the land lease with QIU Asset Company Limited	0.23	<ul style="list-style-type: none"> Previously, the Company made a three-year land lease agreement with QIU Asset Company Limited from 1 October 2014 to 1 October 2017 at the rate of Baht 190,000 per month. Both parties agreed to terminate the land lease agreement and enter into a new land lease agreement, effective from 1 March 2016 onwards. <p>Audit Committee's Opinion The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, and No. 4/2016 on 20 October 2016, acknowledged the said transactions between the Company and the entity having potential conflict of interest and opined that the transactions were related to assets or services classified as leasing of assets from a related party. The transactions were necessary for the Company as the property is used as an office for the Company's business operations and the fee rate was appropriate, reasonable and in line with the appraisal conducted by an independent appraiser from Modern Property Consultant Company Limited, an appraiser on the SEC's approved list.</p>

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
3. Pre-Proud Company Limited	Property leasing: The Company leased land from Pre-Proud Company Limited	2.40	<ul style="list-style-type: none"> The Company leased land of 17-3-52 rai in Bang Phra Sub-district, Sriracha District, Chon Buri, from Pre-Proud Company Limited for use as the location of Sriracha Branch under a 30-year lease agreement from 1 March 2016 to 28 February 2046 at the rate of Baht 190,000 per month (increasing from Baht 140,000 per month). The lease fee is increased annually based on the Bank of Thailand's inflation rate forecast. The lease fee was based on the appraisal conducted by Modern Property Consultant Company Limited, an appraiser on the SEC's approved list. Mr. Wasant Kongjan, appraiser registration no. WorTor. 003, conducted the appraisal on 29 January 2016.
	Security deposit: The Company entrusted the security deposit for the land lease with Pre-Proud Company Limited	0.19	<ul style="list-style-type: none"> The Company leased land of 25-0-45.2 rai in Ban Wa Sub-district, Bang Pa-in District, Phra Nakhon Sri Ayutthaya, from Pre-Proud Company Limited under a 30-year lease agreement from 15 May 2016 to 14 May 2046 at the rate of Baht 150,000 per month. The lease fee is increased annually based on the Bank of Thailand's inflation rate forecast. The lease fee was based on the appraisal conducted by Panns Integrated Property Company Limited, an appraiser on the SEC's approved list. Mr. Prapas Boonmasong, appraiser registration no. WorTor. 258, conducted the appraisal on 5 January 2016. The lease agreement specifies that the Company shall pay lease fees from the construction completion date onwards.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
4. CRC Creation Public Company Limited	Property leasing: The Company leased property from CRC Creation Public Company Limited for use as its former head office	0.008	<p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity having potential conflict of interest and opined that the transactions were related to assets or services classified as leasing of assets from a related party. The transactions were necessary for the Company as the property is used as the Company's place of business in accordance with the Company's business plan and the fee rate was appropriate, reasonable and in line with the appraisal conducted by an independent appraiser from Modern Property Consultant Company Limited and Panns Integrated Property Company Limited, an appraisers on the SEC's approved list. The leased land was sub-leased to a third party at the lease fee rate that is not lower than the Company's cost of leasing.</p> <ul style="list-style-type: none"> The Company leased two units of a rowhouse building with the area of 254 sqm, located at no. 35, Soi Charan Sanitwong, Bang Phlat Sub-district, Bang Phlat District, Bangkok, from CRC Creation Public Company Limited, for use as its office building at the lease fee rate of Baht 2,000 per month. CRC Creation Public Company Limited was liable for the utility bills of the leased property. The Company has a new head office on Rama 9 Road and thus no longer needs to lease the property. The Company notified the lessor of the lease agreement termination on 1 May 2016.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Property leasing: The Company leased out the factory building to CRC Creation Public Company Limited	2.41	<ul style="list-style-type: none"> The Company leased land with building (two factory buildings), located at 99/9, Maphrao Sub-district, Mueang Phetchaburi District, Phetchaburi, with the total area of 3,360 sqm to CRC Creation Public Company Limited at the lease and service fee rate of Baht 201,600 per month (increasing from Baht 100,000 per month) under a three-year lease agreement from 1 January 2016 to 31 December 2018. The lease and service fee rate was based on the appraisal conducted by Panns Integrated Property Company Limited, an independent appraiser on the SEC's approved list. Mr. Suvit Tantrakook, appraiser registration no. WorTor. 123, conducted the appraisal on 22 December 2015. The service fees charged included the security service, the trash removal service, the toilet cleaning service, and the car park service. CRC Creation Public Company Limited is responsible for the utility expenses as actually incurred. The Company collected the security deposit from CRC Creation Public Company Limited at the rate equivalent to six-month lease fee.
	Security deposit: The Company received security deposit from CRC Creation Public Company Limited	1.21	
	Other revenue: The Company's sale of office supplies	0.56	

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
			<p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, and No. 4/2016 on 20 October 2016, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On the property (rowhouse building) leasing and the utility expenses, the Audit Committee opined that the transactions were related to assets or services classified as leasing of assets from a related party. The transactions were necessary for the Company as the property was used as the Company's former place of business. However, the Company no longer has transactions of this type. The Audit Committee admonished that if the Company was to enter into similar transactions in the future, such transactions must be conducted in strict compliance with the Stock Exchange of Thailand's Notification on Disclosure and Execution of Related-Party Transaction by Listed Companies B.E. 2546. On the factory building (land and building) leasing transaction, the Audit Committee viewed that the transaction was related to assets or services classified as leasing of assets to a related party and benefited the Company. The Audit Committee opined that the lease and service fee that the Company received from CRC Creation Public Company Limited was at a reasonable rate and was in line with the appraisal conducted by an independent appraiser, namely Panns Integrated Property Company Limited, an independent appraiser on the SEC's approved list. On the sale of office supplies, the Audit Committee opined that the transaction was related to the sale of assets to a related party and was conducted mainly for the Company's benefit as the assets were sold at the prices above the book value.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
5. Ka-Nomjeen Bangkok Company Limited	<p>Property leasing: The Company leases out space of Sing Buri Branch to Ka-Nomjeen Bangkok Company Limited</p> <p>Security deposit: The Company received security deposit from Ka-Nomjeen Bangkok Company Limited</p>	<p>2.91</p> <p>1.46</p>	<ul style="list-style-type: none"> Ka-Nomjeen Bangkok Company Limited leased space of 486.00 sqm of Sing Buri Branch for its restaurant “Ka-Nomjeen Bangkok” and the Company charged the lease and service fee at the rate of Baht 243,000 per month (increasing from Baht 12,560 per month) under a three-year lease agreement from 1 January 2016 to 31 December 2018. The lease and service fee rate was based on the appraisal conducted by Pannns Integrated Property Company Limited, an independent appraiser on the SEC’s approved list. Mr. Suvit Tantrakook, appraiser registration no. WorTor. 123, conducted the appraisal on 22 December 2015. The service fees charged included the security service, the trash removal service, the toilet cleaning service, and the car park service. Ka-Nomjeen Bangkok Company Limited is responsible for the utility expenses as actually incurred plus the processing fee². The Company collected the security deposit from Ka-Nomjeen Bangkok Company Limited at the rate equivalent to six-month lease fee. As of 31 December 2016, other accounts receivable associated with undue utility expenses of Ka-Nomjeen Bangkok Company Limited amounted to Baht 0.035 million and the payment is due in January 2017.

² Processing fee refers to the costs from the conversion of high-voltage electricity to 220-watt electricity that the lessor charged to the tenant plus other expenses from the maintenance of electricity and water supply system.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Other revenue: Ka-Nomjeen Bangkok Company Limited paid utility expenses to the Company	0.26	
	Other accounts receivable: Ka-Nomjeen Bangkok Company Limited owed utility expenses to the Company	0.035	
	Product purchase: The Company purchases products of Ka-Nomjeen Bangkok Company Limited	0.002	
		<ul style="list-style-type: none">The Company purchased goods of Ka-Nomjeen Bangkok Company Limited for re-sale at Phetchaburi Branch. The product purchased was coconut ice cream (at present, the product is available at branches of Ka-Nomjeen Bangkok restaurant) to offer a wider range of products to visiting customers.	

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Other expenses: The Company purchase of food and beverage from Ka-Nomjeen Bangkok Company Limited	0.06	<ul style="list-style-type: none"> The Company purchased food and beverage from Ka-Nomjeen Bangkok Company Limited for the Company's merit-making ceremony. The transactions were conducted on an arm's length basis. <p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No.2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On leasing of Sing Buri Branch's space, the Audit Committee viewed that the transaction was related to assets or services classified as leasing of assets to a related party and benefited the Company. The Audit Committee opined that the lease and service fee that the Company received from Ka-Nomjeen Bangkok Company Limited was at a reasonable rate and was in line with the appraisal conducted by an independent appraiser, namely Panns Integrated Property Company Limited, an independent appraiser on the SEC's approved list. On product purchase, the Audit Committee opined that the transaction was in an ordinary course of the Company business and classified as the purchase of products from a related party for resale. Also, the transaction was conducted on arm's length basis and the Company also had the same type of transactions with other parties.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
6. Be Wise (Thailand) Company Limited	Property leasing: The Company leased out warehouse in Phetchaburi and space of Pak Chong Branch, Pattaya Branch, Hua Hin Branch and Ayutthaya Branch to Be Wise (Thailand) Company Limited	10.72	<ul style="list-style-type: none"> On food and beverage purchase, the Audit Committee opined that the transaction was in an ordinary course of the Company business and classified as the purchase of products from a related party for the Company's merit-making ceremony. Also, the transaction was conducted on arm's length basis and the Company also had the same type of transactions with other parties. The Company leased properties to Be Wise (Thailand) Company Limited as detailed below: <ol style="list-style-type: none"> Warehouse leasing: Be Wise (Thailand) Company Limited leased some area of 30 sqm of the Company in Ton Maphrao Sub-district, Muang Phetchaburi District, Phetchaburi under a three-year lease from 1 January 2016 to 31 December 2018 at the lease and service fee rate of Baht 5,100 per month (increasing from Baht 5,000 per month). The lease and service fee rate was based on the appraisal conducted by Panns Integrated Property Company Limited, an appraiser on the SEC's approved list. Mr. Suwit Tantrakook, appraiser registration no. WorTor. 123, conducted the appraisal on 22 December 2015. The service fee charged includes the security service, the trash removal service, the toilet cleaning service, and the car park service. Be Wise (Thailand) Company Limited is responsible for the utility expenses as actually incurred plus the processing fee.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness																																											
		2016 (Consolidated Financial Statements)																																												
	Security deposit: The Company received security deposit from Be Wise (Thailand) Company Limited	5.47	2) The Company partially leased out space of its outlet branches to Be Wise (Thailand) Company Limited as detailed below: 2.1)																																											
	Other revenue: Be Wise (Thailand) Company Limited paid utility expenses to the Company	3.33	<table><tr><th colspan="4">Pak Chong Branch</th><th colspan="2">Pattaya Branch</th><th colspan="2">Hua Hin Branch</th></tr><tr><th>Size</th><th>434.70 sqm</th><th>464.00 sqm</th><th>381.00 sqm</th><th>220.00 sqm</th><th>220.00 sqm</th><th></th></tr><tr><td>Use</td><td>Suzette restaurant</td><td>Fin Shabu restaurant</td><td>Suzette restaurant</td><td>Tea House tea shop</td><td></td><td></td></tr><tr><td>Lease term</td><td>3 years from 1 January 2016 to 31 December 2018</td><td>3 years from 1 January 2016 to 31 December 2018</td><td>3 years from 1 January 2016 to 31 December 2018</td><td>3 years from 1 May 2016 to 30 April 2019</td><td></td><td></td></tr><tr><td>Lease and service fee</td><td>Baht 230,391 per month</td><td>Baht 255,200 per month</td><td>Baht 266,700 per month</td><td>Baht 154,000 per month</td><td></td><td></td></tr><tr><td>Reference rate</td><td colspan="6">The fee was based on the appraisal conducted by Panns Integrated Property Company Limited, an appraiser on the SEC’s approved list. Mr. Suvit Tantrakook, appraiser registration no. WorTor. 123, conducted the appraisal on 22 December 2015.</td></tr></table>	Pak Chong Branch				Pattaya Branch		Hua Hin Branch		Size	434.70 sqm	464.00 sqm	381.00 sqm	220.00 sqm	220.00 sqm		Use	Suzette restaurant	Fin Shabu restaurant	Suzette restaurant	Tea House tea shop			Lease term	3 years from 1 January 2016 to 31 December 2018	3 years from 1 January 2016 to 31 December 2018	3 years from 1 January 2016 to 31 December 2018	3 years from 1 May 2016 to 30 April 2019			Lease and service fee	Baht 230,391 per month	Baht 255,200 per month	Baht 266,700 per month	Baht 154,000 per month			Reference rate	The fee was based on the appraisal conducted by Panns Integrated Property Company Limited, an appraiser on the SEC’s approved list. Mr. Suvit Tantrakook, appraiser registration no. WorTor. 123, conducted the appraisal on 22 December 2015.					
			Pak Chong Branch				Pattaya Branch		Hua Hin Branch																																					
			Size	434.70 sqm	464.00 sqm	381.00 sqm	220.00 sqm	220.00 sqm																																						
			Use	Suzette restaurant	Fin Shabu restaurant	Suzette restaurant	Tea House tea shop																																							
			Lease term	3 years from 1 January 2016 to 31 December 2018	3 years from 1 January 2016 to 31 December 2018	3 years from 1 January 2016 to 31 December 2018	3 years from 1 May 2016 to 30 April 2019																																							
	Lease and service fee	Baht 230,391 per month	Baht 255,200 per month	Baht 266,700 per month	Baht 154,000 per month																																									
Reference rate	The fee was based on the appraisal conducted by Panns Integrated Property Company Limited, an appraiser on the SEC’s approved list. Mr. Suvit Tantrakook, appraiser registration no. WorTor. 123, conducted the appraisal on 22 December 2015.																																													
Other accounts receivable: Be Wise (Thailand) Company Limited owed lease fees for warehouse and restaurants to the Company	1.40																																													

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness				
		2016 (Consolidated Financial Statements)					
			2.2)	Phra Nakhon Sri Ayutthaya Branch			
			Size	139.00 sqm	210.00 sqm	195.00 sqm	
			Use	Sabadchor Noodle Shop	Kin Koong Kan restaurant	Suzette restaurant	
			Lease term	3 years from 17 November 2016 to 16 November 2019			
			Lease and service fee	Baht 69,500 per month	Baht 105,000 per month	Baht 97,500 per month	
			Reference rate	The fee was based on the appraisal conducted by Modern Property Consultant Company Limited, an appraiser on the SEC’s approved list. Mr. Wasant Kongjan, appraiser registration no. WorTor. 003, conducted the appraisal on 18 November 2016.			
			Remark: The service fee charged includes the security service, the trash removal service, the toilet cleaning service, and the car park service. Be Wise (Thailand) Company Limited is responsible for the utility expenses as actually incurred plus the processing fee.				
			The Company collected the six-month security deposit from Be Wise (Thailand) Company Limited. As of 31 December 2016, other accounts receivable associated with undue lease fee as detailed in 1) and 2) above payable by Be Wise (Thailand) Company Limited amounted to Baht 1.40 million and the payment is due in January 2017.				

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Consignment: Be Wise (Thailand) Company Limited consigned its goods to the Company	6.03	<ul style="list-style-type: none"> Be Wise (Thailand) Company Limited produces and distributes skincare products for mother and child under the brand NAOBAY, Sofhie La Girafe and Anna Geddes that are available at Hua Hin Branch, Phetchaburi branch and Phra Nakhon Sri Ayutthaya Branch, including skincare products under the brand Bibury Coln which is exclusively available in the Company's outlets, Eve and Boy, Emporium and Paragon. The products of Be Wise (Thailand) Company Limited add a greater variety to the Company's product range and enable the Company to better cater to customers' needs. The Company earns fixed-rate commission based on the percentage of the value of the sale of these products and this revenue-sharing scheme is generally applied to all consignors of the Company in accordance with the Company's consignment policy. Be Wise (Thailand) Company Limited is responsible for the expenses from the goods delivery to the Company's outlets. The revenue from consignment is recorded only when goods have been sold. For 2016, the Company's revenue from the consigned products of Be Wise (Thailand) Company Limited accounted for 0.56% of the sales revenue.
	Product purchase: The Company purchased products of Be Wise (Thailand) Company Limited for resale Accounts payable: The Company owed payments for goods to Be Wise (Thailand) Company Limited	2.52 1.86	

³ According to the Company's consignment policy, the Company classified products into: 1) magnet products and 2) general products. The product selection and profit-sharing rates are based on such classification.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Product sale: The Company sold products to Be Wise (Thailand) Company Limited	0.40	<ul style="list-style-type: none"> The Company sold products i.e. uniforms, to Be wise (Thailand) Company Limited at the prices generally charged to other customers. <p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On the warehouse leasing in Phetchaburi and space of Pak Chong Branch, Pattaya Branch, Hua Hin Branch and Phra Nakhon Si Ayutthaya branch, the Audit Committee opined that the transactions were related to assets or services classified as leasing of assets to a related party and benefited the Company. The Audit Committee opined that the lease fee that the Company received from Be Wise (Thailand) Company Limited was at a reasonable rate and was in line with the appraisal conducted by an independent appraiser, namely Panns Integrated Property Company Limited and Modern Property Consultant Company Limited, an independent appraisers on the SEC's approved list. On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as consignment transactions with its related party. The transactions benefited the Company, added a greater variety to the Company's product range, and enabled the Company to better cater to the

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
7. At Bangkok Company Limited	Consignment: At Bangkok Company Limited consigned its goods to the Company and its Subsidiary	The Company 76.59 Subsidiary 1.26	<p>customers' needs. The transactions were conducted on an arm's length basis and the Company also had the same type of transactions with other parties.</p> <ul style="list-style-type: none"> On product purchase, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as the purchase of products from a related party for resale. The transactions were conducted on an arm's length basis and in accordance with the Company's purchasing policy. The Company also had the same type of transactions with other parties. On product sale the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as sale of products to its related party. The transactions were conducted on an arm's length basis and the Company also had the same type of transactions with other parties. At Bangkok Company Limited produces and distributes apparel products branded FLYNOW, which are available at the Company's outlets and department stores. FLYNOW has six sub-brands that are sold at the outlets, namely FLYNOW, FLYNOW III, Casually, Garden Beach, Page9 and Lady Now. These outlets stores are another channel for FLYNOW to manage inventory goods and the designs of FLYNOW products available at department stores are different from those sold at outlet stores. The consigned goods of

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Accounts payable: The Company and its Subsidiary owed payments for consigned and its Subsidiary goods to At Bangkok Company Limited	The Company 5.17 Subsidiary 0.16	<p>FLYNOW add a greater variety to the Company's product range offered at outlet stores and enable the Company to better cater to customers' needs given the fact that FLYNOW products are fashion goods in trendy styles while the Company's products focus on classic designs and simplicity. The Company and its Subsidiary earns fixed-rate commission based on the percentage of the value of the sale of these products and this revenue-sharing scheme is generally applied to all consignors. At Bangkok Company Limited is responsible for the expenses from the goods delivery to the Company's outlets and also included sales persons employee in each branch. The revenue from consignment is recorded only when goods have been sold. For 2016, the Company and its Subsidiary revenue from the consigned products of At Bangkok Company Limited accounted for 7.32% of the sales revenue. As of 31 December 2016, the outstanding amount of goods payment which the Company and its Subsidiary owed to At Bangkok Company Limited was Baht 5.33 million.</p> <ul style="list-style-type: none"> The Company sold products (sweaters) to At Bangkok Company Limited at the same prices charged to third-party customers. <p>Audit Committee's Opinion The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, and No. 4/2016 on 20 October 2016, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and Company also had the same type of transactions with other parties.
	Product sale: The Company sold products to At Bangkok Company Limited	0.11	

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
8. Health Water Company Limited	<p>Consignment: Health Water Company Limited consigned its goods to the Company</p> <p>Product purchase: The Company purchased products of Health Water Company Limited for resale</p>	<p>0.90</p> <p>0.25</p>	<p>classified as consignment transactions with its related party. The transactions benefited the Company and offered wider selection for the customers' needs. The transactions were conducted on an arm's length basis and in accordance with the Company's consignment policy. The Company also had the same type of transactions with other parties.</p> <ul style="list-style-type: none"> On product sale, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as sale of products to its related party. The transactions were conducted on an arm's length basis and the Company also had the same type of transactions with other parties. Health Water Company Limited produces and distributes drinking water for health under the brand Activ 120, which is currently available at Ton Kla shops located at the Company's outlets, Golden Place shops and Lemon Farm shops. The products add a greater variety to the Company's product range and enable the Company to better cater to customers' needs. The Company earns fixed-rate commission based on the percentage of the value of the sale of these products and this revenue-sharing scheme is generally applied to all consignors. Health Water Company Limited is responsible for the expenses from the goods delivery to the Company's outlets. The revenue from consignment is recorded only when goods have been sold. For 2016, the Company's revenue from the consigned products of Health Water Company Limited accounted for 0.08% of the sales revenue.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Accounts payable: The Company owed payment for goods to Health Water Company Limited	0.14	<ul style="list-style-type: none"> On 1 October 2016, the Company converted consignment agreements into purchase and sale agreements for alignment with the accounting standard on revenue recognition. As of 31 December 2016, the outstanding amount of goods payment which the Company owed to Health Water Company Limited was Baht 0.14 million.
	Product sale: The Company sold products to Health Water Company Limited	0.001	<ul style="list-style-type: none"> The Company sold products, mostly uniforms, to Health Water Company Limited at the same prices charged to third-party customers.
Audit Committee's Opinion The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity with potential conflict of interest.			
<ul style="list-style-type: none"> On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as consignment transactions with its related party. The transactions benefited the Company, added a greater variety to the Company's product range, and enabled the Company to better cater to customers' needs. The transactions were conducted on an arm's length basis and in accordance with the Company's consignment policy. The Company also had the same type of transactions with other parties. 			

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Accounts payable: The Company owed payment for goods to Neo Key Company Limited	1.40	<ul style="list-style-type: none"> On 1 October 2016, the Company converted consignment agreements into purchase and sale agreements for alignment with the accounting standard on revenue recognition. As of 31 December 2016, the outstanding amount of goods payment which the Company owed to Neo Key Company Limited was Baht 1.4 million. <p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as consignment transactions with its related party. The transactions benefited the Company, added a greater variety to the Company's product range, and enabled the Company to better cater to customers' needs. The transactions were conducted on an arm's length basis and in accordance with the Company's consignment policy. The Company also had the same type of transactions with other parties. On product purchase, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as the purchase of products from a related party for resale. The transactions were conducted on an arm's length basis and in accordance with the Company's purchasing policy. The Company also had the same type of transactions with other parties.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
10. Pro-Proud Company Limited	Consignment: Pro-Proud Company Limited consigned its goods to the Company	1.83	<ul style="list-style-type: none"> Pro-Proud Company Limited produces and distributes apparel products branded Missy which are available at the Company's outlets and The Mall department store. These products add a greater variety to the Company's product range offered at outlet stores and enable the Company to better cater to customers' needs given the fact they are fashion goods in trendy styles while the Company's products focus on classic designs and simplicity. The Company earns fixed-rate commission based on the percentage of the value of the sale of these products and this revenue-sharing scheme is generally applied to all consignors. Pro-Proud Company Limited is responsible for the expenses from the goods delivery to the Company's outlets. The revenue from consignment is recorded only when goods have been sold. For 2016, the Company's revenue from the consigned products of Pro-Proud Company Limited accounted for 0.17% of the sales revenue. On 1 October 2016, the Company converted consignment agreements into purchase and sale agreements for alignment with the accounting standard on revenue recognition. As of 31 December 2016, the outstanding amount of goods payment which the Company owed to Pro-Proud Company Limited was Baht 0.29 million.
	Product purchase: The Company purchased products of Pro-Proud Company Limited for resale	0.65	
	Accounts payable: The Company owed payment for goods to Pro-Proud Company Limited	0.29	

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
			<p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as consignment transactions with its related party. The transactions benefited the Company, added a greater variety to the Company's product range, and enabled the Company to better cater to customers' needs. The transactions were conducted on an arm's length basis and in accordance with the Company's consignment policy. The Company also had the same type of transactions with other parties. On product purchase, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as the purchase of products from a related party for resale. The transactions were conducted on an arm's length basis and in accordance with the Company's purchasing policy. The Company also had the same type of transactions with other parties.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
11. White Magnolia Company Limited	Consignment: White Magnolia Company Limited consigned its goods to the Company and its subsidiary	The Company 1.78 Subsidiary 0.02	<ul style="list-style-type: none"> White Magnolia Company Limited produces and distributes apparel products branded A-Dress and Perform which are available at the Company's outlets and The Mall department store. These products add a greater variety to the Company's product range offered at outlet stores and enable the Company to better cater to customers' needs given the fact they are fashion goods in trendy styles while the Company's products focus on classic designs and simplicity. The Company and its subsidiary earns fixed-rate commission based on the percentage of the value of the sale of these products and this revenue-sharing scheme is generally applied to all consignors. White Magnolia Company Limited is responsible for the expenses from the goods delivery to the Company's outlets. The revenue from consignment is recorded only when goods have been sold. For 2016, the Company and its subsidiary revenue from the consigned products of White Magnolia Company Limited accounted for 0.17% of the sales revenue.
	Product purchase: The Company purchased products of White Magnolia Company Limited for resale	0.74	
	Accounts payable: The Company owed payment for goods to White Magnolia Company Limited	0.45	

- On 1 October 2016, the Company converted consignment agreements into purchase and sale agreements for alignment with the accounting standard on revenue recognition. As of 31 December 2016, the outstanding amount of goods payment which the Company owed to White Magnolia Company Limited was Baht 0.45 million.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
12. Santa Factory Company Limited	Consignment: Santa Factory Company Limited consigned its goods to the Company	0.81	<p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as consignment transactions with its related party. The transactions benefited the Company, added a greater variety to the Company's product range, and enabled the Company to better cater to customers' needs. The transactions were conducted on an arm's length basis and in accordance with the Company's consignment policy. The Company also had the same type of transactions with other parties. On product purchase, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as the purchase of products from a related party for resale. The transactions were conducted on an arm's length basis and in accordance with the Company's purchasing policy. The Company also had the same type of transactions with other parties. Santa Factory Company Limited produces and distributes wooden toys branded Santoy's which are available at the Company's outlets and exported overseas. These products add a greater variety to the Company's product range offered at outlet stores and enable the Company to better cater to customers' needs. The Company earns fixed-rate commission based on the percentage of the value of the sale of these

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Product purchase: The Company purchased products of Santa Factory Company Limited for resale	0.21	products and this revenue-sharing scheme is generally applied to all consignors. Santa Factory Company Limited is responsible for the expenses from the goods delivery to the Company's outlets. The revenue from consignment is recorded only when goods have been sold. For 2016, the Company's revenue from the consigned products of Santa Factory Company Limited accounted for 0.08% of the sales revenue.
	Accounts payable: The Company owed payment for goods to Santa Factory Company Limited	0.14	<ul style="list-style-type: none"> On 1 October 2016, the Company converted consignment agreements into purchase and sale agreements for alignment with the accounting standard on revenue recognition. As of 31 December 2016, the outstanding amount of goods payment which the Company owed to Santa Factory Company Limited was Baht 0.14 million.
	Other expense: The Company hired Santa Factory to repair wooden products and make display shelves in outlets	0.027	<ul style="list-style-type: none"> The Company's wooden products were slightly damaged during inter-branch delivery and the Company hired Santa Factory Company Limited which is a business partner of the Company and possesses expertise in wooden products to fix the defects at the service fee of Baht 0.005 million. The Company also contacted other wooden product experts but, due to the small scale of the work, none of such service providers submitted quotations to the Company. Therefore, the Company proceeded with the engagement of Santa Factory Company Limited for the repair service in order that the products could be fixed and sold as soon as possible. In addition, the Company hired Santa Factory Company Limited to make additional display shelves for use at the Company's outlets.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Other accounts payable: The Company owed payment for display shelves to Santa Factory Company Limited	0.02	<p>The transactions were conducted on an arm's length basis.. As of 31 December 2016, the outstanding amount of transactions between the Company and Santa Factory Company Limited amounted to Baht 0.02 million.</p> <p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016, No. 4/2016 on 20 October 2016 and No.1/2017 on 28 February 2017, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as consignment transactions with its related party. The transactions benefited the Company, added a greater variety to the Company's product range, and enabled the Company to better cater to customers' needs. The transactions were conducted on an arm's length basis and in accordance with the Company's consignment policy. The Company also had the same type of transactions with other parties. On product purchase, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as the purchase of products from a related party for resale. The transactions were conducted on an arm's length basis and in accordance with the Company's purchasing policy. The Company also had the same type of transactions with other parties.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
13. Thai Ha Public Company Limited	Product purchase: The Company purchased products of Thai Ha Public Company Limited	1.88	<ul style="list-style-type: none"> On wooden product repair service and make display shelves, the Audit Committee opined that the transaction was a supporting activity in the Company's ordinary course of business and classified as service provided by its related party. The transaction involved the hiring of Santa Factory Company Limited, which is a business partner of the Company and possesses expertise in wooden products, and was necessary for the Company's business operations. <p>Thai Ha Public Company Limited produces and distributes jasmine rice products and processed agricultural products. At present, the Company purchases jasmine rice products and processed agricultural products from Thai Ha Public Company Limited for re-selling at Ton Kla shops at the Company's outlets (products of Thai Ha Public Company Limited are available at several department stores) to add a greater variety to the Company's product range and better cater to customers' needs. As of 31 December 2016, the outstanding amount of transactions between the Company and Thai Ha Company Limited amounted to Baht 0.41 million.</p>
	Accounts payable: The Company owed payment for goods to Thai Ha Public Company Limited	0.41	

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
14. Save Now 2494 Company Limited	<p>Consignment: The Company consigned its products to Save Now 2494 Company Limited (before the group restructuring in May 2016)</p>	7.2	<p>Audit Committee's Opinion The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016 and No. 4/2016 on 20 October 2016 acknowledged the said transactions between the Company and the entity with potential conflict of interest. The Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as the purchase of products from a related party for resale. The transactions were conducted on an arm's length basis and in accordance with the Company's purchasing policy. The Company also had the same type of transactions with other parties.</p> <p>Before the group restructuring – The Company purchased shares of Save Now 2494 Company Limited from Pre-Proud Company Limited in May 2016. The transactions between the Company and Save Now 2494 Company Limited were as follows:</p> <ul style="list-style-type: none"> The Company consigned products to Save Now store of Save Now 2494 Company Limited in Hat Yai District, Songkhla. The Company was liable for the shipping costs and was charged fixed-rate commission based on the percentage of the value of the sale of these products. The revenue from consignment is recorded only when goods have been sold. For 2016, the Company's revenue from the consigned products accounted for 0.68% of the sales revenue.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
	Other revenue: The Company sold assets to Save Now 2494 Company Limited (before the group restructuring in May 2016)	0.10	<ul style="list-style-type: none"> In the first quarter of 2016, the Company earned other revenue from the sale of the remaining POS machines to Save Now 2494 Company Limited. The selling price was based on the book value of the assets and was above the market price. The Extraordinary General Meeting of Shareholders No. 1/2016 on 9 May 2016 resolved to approve the Company's investment in ordinary shares of Save Now 2494 Company Limited (SN) with a view to expanding its customer base to middle-to-low income earners by using SN which targets a different customer segment as a fighting brand of to compete in major cities and cities having popular tourist attractions. The Company acquired SN shares at 9.97% of SN's registered capital from the existing shareholders being related parties of the Company's shareholders, directors and executives. As a result, SN is a subsidiary of the Company and SN's operating results have been included in the Company's consolidated financial statements since the second quarter of 2016.

Related Party	Transaction	Value of Related-Party Transaction (MB)	Necessity and Reasonableness
		2016 (Consolidated Financial Statements)	
			<p>Audit Committee's Opinion</p> <p>The Audit Committee, at its Meetings No. 1/2016 on 23 February 2016, No. 2/2016 on 9 August 2016 and No. 4/2016 on 20 October 2016, acknowledged the said transactions between the Company and the entity with potential conflict of interest.</p> <ul style="list-style-type: none"> On consignment, the Audit Committee opined that the transactions were in the Company's ordinary course of business and classified as consignment transactions with its related party. The Company had to execute the transactions for the benefit of distribution channel diversification. The transactions were conducted on an arm's length basis and the Company also had the same type of transactions with other parties. The Audit Committee instructed the Company to urge Save Now 2494 Company Limited to pay the sales proceeds from the consigned products to the Company without delay as well as to strictly comply with the sale policy. On asset sale, the Audit Committee opined that the transactions were related to assets and classified as sale of asset to its related party. The transactions were conducted mainly for the Company's benefit as the Company did not need the assets. The selling price was also compared to market rate and considered reasonable.

Related-Party Transaction Approval and Procedure

For transactions between the Company and its subsidiary or related parties or parties with potential conflicts of interest at present or in the future, if such transactions have the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances through a commercial negotiation that is not influenced by the status as a director, an executive or a related party, are based on an arm's length principle or the market price, are governed by reasonable conditions, are verifiable, and do not give rise to expropriation; the Company's management shall have the authority and power to execute such transactions as normal in accordance with the principles approved by the Board. A summary report on such transactions shall be prepared and submitted to the Audit Committee on a quarterly basis.

For related party transactions that are not ordinary transactions, the Company will solicit the Audit Committee's opinions on the necessity and reasonableness of such transactions. If the related-party transactions are outside the Audit Committee's areas of expertise, the Company will engage independent appraisers, independent experts or auditors in reviewing such transactions and share their opinions with the Audit Committee in order that the Audit Committee can make decisions or issue recommendations to the Board or the shareholders, as applicable, to support their decision-making on the transactions. The Company discloses information about related party transactions in the notes to the audited financial statements and discloses the related party transactions in the annual registration statement (Form 56-1) and the annual report (form 56-2) of the Company in accordance with the rules and the securities and exchange laws. Procedures applicable to the approval of related party transactions must be in compliance with the securities and exchange laws, including regulations, notifications, orders or requirements of the Stock Exchange of Thailand and persons with potential conflicts of interest in such transactions are not entitled to vote on such transactions.

Approved Principle governing Transactions with Arm's Length Commercial Terms between the Company and Director, Executive or Related Party

If it becomes necessary for the Company to enter into related party transactions with persons with potential conflicts of interest in the future, the Company will apply arm's length conditions and comparable market rates by referring to conditions and prices of transactions that the Company has made with third parties operating the same business. The Company will request the Audit Committee to render opinions on the prices, fees, necessity and reasonableness of the related party transactions. If the related party transactions are outside the Audit Committee's areas of expertise, the Company will engage independent appraisers, independent experts or auditors in reviewing such transactions and share their opinions with the Audit Committee in order that the Audit Committee can make decisions or issue recommendations to the Board or the shareholders, as applicable, to support their decision-making on the transactions. The Company discloses information about related party transactions in the notes to the audited financial statements and discloses the related party transactions in the annual registration statement (Form 56-1) and the annual report (form 56-2) of the Company in accordance with the rules and the securities and exchange laws, including regulations, notifications, orders or requirements of the Stock Exchange of Thailand.

Directors must handle related party transactions that may arise in the future in accordance with established regulations. Directors shall not be involved in any transactions that they or their related parties may have conflict of interest and shall report their conflicts of interest to the Board. The Company must strictly comply with the securities and exchange laws, the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, the requirements governing the disclosure of related party transactions and the acquisition or disposal of the assets of the Company and its subsidiary, including the accounting standards stipulated by the Federation of Accounting Professions. The Company shall refrain from related party transactions that are not in the Company's ordinary course of business.

Investor Protection

To protect investors, if related party transactions between the Company and parties with potential conflicts of interest arise in the future, the Company will present such transactions to the Board meeting with the presence of Audit Committee members to ensure that the transactions are fair and appropriately priced. The Board is mandated to perform its duties in accordance with the securities and exchange laws, the regulations, notifications, orders or requirements of the Stock Exchange of Thailand, and the requirements governing the disclosure of related party transactions and the acquisition or disposal of the assets of listed companies.

Report of the Board of Directors' Responsibilities for Financial Reporting

The Board of Directors is responsible for the Company's separated financial statements and the consolidated financial statements of the Company and its subsidiary, including financial information provided in this Annual Report. These financial statements were prepared in accordance with generally accepted accounting standards using appropriate accounting policies that are applied on a consistent basis. The financial statements are also prepared after careful consideration and, when applicable, use of appropriate estimates and judgments. Significant information is adequately disclosed in the notes to the financial statements in order to accurately and transparently reflect the financial positions, operating results and cash flow for the benefits of the shareholders and general investors. These financial statements have been audited by an external auditor being a certified public accountant from M.R. & Associates Company Limited and the auditor issued unqualified audit opinions on the financial statements. The Company provided the auditor with information and documents which enabled the auditor to conduct an audit and issue an audit opinion in accordance with the standards on auditing. The audit opinion is stated within the Auditor's Report which is part of this Annual Report.

The Board of Directors has ensured that the Company adopts and maintains appropriate and effective risk management, internal audit control and corporate governance systems to obtain reasonable assurance on the integrity, reliability and adequacy of the Company's accounting records for the safeguarding of the Company's assets and the prevention against frauds or material irregularities in its operations.

The Board of Directors has appointed the Audit Committee, consisting of independent directors, to oversee and review the quality of the Company's financial reports, accounting policies, the internal control system, the internal audit system and the risk management system, as well as to ensure that related-party transactions are completely, adequately and appropriately disclosed. In this respect, the Audit Committee's opinions with regard to these matters are stated in the Audit Committee's Report section of this Annual Report.

The Board of Directors is of the view that the Company's overall internal control system is adequate and appropriate, and can provide reasonable assurance that the Company's separated and consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2016 are reliable and in accordance with the generally accepted accounting standards and the applicable laws and regulations.



Mr. Visuth Vitayathanagorn

Chairman of the Board



Mr. Pricha Songwatana

Chairman of the
Executive Committee

Financial Position and Operating Result

Key Financial Information

Summary of Auditor's Report

Audited Financial Statements	: Financial statements for the three-month from 1 October 2014 (amalgamation date) to 31 December 2014
Auditor	: Mr. Methee Ratanasrimetha, Certified Public Accountant, license no. 3425, from M.R. & Associates Co.,Ltd. (being on the SEC's approved list of auditors)
Auditor's Opinion	: The auditor issued an unqualified opinion that FN Factory Outlet Company Limited's statement of financial position as of 31 December 2014 including the operating results and cash flows for the period from 1 October 2014 to 31 December 2014 were presented fairly, in all material respects, in accordance with the Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Audited Financial Statements	: Financial statements for the year 2015 ended 31 December 2015
Auditor	: Mr. Methee Ratanasrimetha, Certified Public Accountant, license no. 3425, from M.R. & Associates Company Limited (being on the SEC's approved list of auditors)
Auditor's Opinion	: The auditor issued an unqualified opinion that FN Factory Outlet Company Limited's statement of financial position as of 31 December 2015 including the operating results and cash flows for the year then ended were presented fairly, in all material respects, in accordance with the Thai Financial Reporting Standards.

Audited Financial Statements	: Financial statements for the year 2016 ended 31 December 2016
Auditor	: Mr. Methee Ratanasrimetha, Certified Public Accountant, license no. 3425, from M.R. & Associates Company Limited (being on the SEC's approved list of auditors)
Auditor's Opinion	: The auditor issued an unqualified opinion that FN Factory Outlet Public Company Limited's consolidated and separate statement of financial position as of 31 December 2016, the consolidated and separate operating results for the year then ended, and the consolidated and separate cash flows for the year then ended were presented fairly, in all material respects, in accordance with the Thai Financial Reporting Standards.

Formerly, the seven outlets were operated by the following five entities

1. The Boss Forum Company Limited : operating Kanchanaburi Branch and Pattaya Branch;
2. Pre-Tact Company Limited : operating Pak Chong Branch;
3. Nova Gen Company Limited : operating Sing Buri Branch and Hua Hin Branch;
4. Proof International Trading Company Limited : operating Phetchaburi Branch and Sriracha Branch; and
5. FN Factory Outlet Company Limited : owning land where Phetchaburi Branch is situated.

In 2014, the Extraordinary General Meetings of Shareholders of the five companies which operated the same type of business, namely 1) FN Factory Outlet Company Limited, 2) The Boss Forum Company Limited, 3) Pre-Tact Company Limited, 4) Nova Gen Company Limited, and 5) Proof International Trading Company Limited, resolved to approve the amalgamation of the five companies into FN Factory Outlet Company Limited, effective from 1 October 2014, to restructure the business group in a bid to prevent conflicts of interest that may arise in the future as well as to prepare for its listing on the Stock Exchange of Thailand.

The Company's 2015 operating results in terms of revenue and net profit presented changes from those of 2013 and 2014 following the merger of the five companies on 1 October 2014 to centralize the management of the seven outlets, which had previously been operated by five different entities, at FN Factory Outlet Public Company Limited which has led to greater effectiveness of internal operations, particularly the inventory management and accounting system, which facilitate the management to get the completely and accurate information. After the amalgamation, the Company's financial statements were prepared in accordance with standards applicable to publicly accountable entities (PAEs); and M.R. & Associates Company Limited, which is on the SEC's approved list of auditors, was appointed as the Company's auditor to audit the Company's financial statements for the accounting period of 1 October 2014 to 31 December 2014 (the auditor appointed by the Company before the amalgamation was not on the SEC's approved list of auditors) onwards. Therefore, the prediction of the Company's future performance should not be based on the pre- amalgamation financial information but should rely on the post- amalgamation financial statements which were prepared in accordance with the accounting standards for PAEs and were audited by the auditor being on the SEC's approved list of auditors.

Summary of Financial Position and Operating Result

Statement of Financial Position	Pro Forma Separated Financial Statements		Separated Financial Statements (Audited)		Consolidated Financial Statements ² (Audited)	
	31 Dec 14 (Restated ¹)		31 Dec 15		31 Dec 16	
	MB	Proportion	MB	Proportion	MB	Proportion
Cash and cash equivalents	65.94	6.76%	42.39	4.12%	89.90	5.65%
Current investments	5.00	0.51%	0.06	0.01%	469.99	29.54%
Trade accounts receivable - net	3.70	0.38%	8.11	0.79%	6.89	0.44%
Merchandises	439.51	45.04%	444.13	43.22%	362.31	22.77%
Other accounts receivable - related parties	1.60	0.16%	2.73	0.27%	1.44	0.09%
Other current assets	23.54	2.41%	23.34	2.27%	21.20	1.33%
Total current assets	539.29	55.26%	520.76	50.68%	951.73	59.82%
Deposits at financial institutions under pledge	50.80	5.21%	0.80	0.08%	0.80	0.05%
Property, plant and equipment	369.69	37.89%	492.56	47.93%	616.83	38.77%
Deferred tax assets	0.17	0.02%	3.64	0.35%	3.46	0.22%
Other non-current assets	15.80	1.62%	9.90	0.96%	18.16	1.14%
Total non-current assets	436.46	44.74%	506.90	49.32%	639.25	40.18%
Total assets	975.75	100.00%	1,027.65	100.00%	1,590.98	100.00%
Short-term loans from financial institution	-	0.00%	98.23	9.56%	-	0.00%
Trade accounts payable	79.76	8.17%	56.57	5.50%	59.89	3.76%
Current portion of finance lease liabilities	-	0.00%	0.29	0.03%	0.50	0.03%
Current portion of long-term loans	-	0.00%	6.95	0.68%	-	0.00%
Short-term loans from related parties	435.13	44.59%	-	0.00%	-	0.00%
Other accounts payable - related parties	2.31	0.24%	0.14	0.01%	0.24	0.02%
Other accounts payable – others	-	0.00%	-	0.00%	-	0.00%
Income tax payable	13.53	1.39%	16.98	1.65%	6.25	0.39%
Accrued expenses and other current liabilities	37.83	3.88%	50.11	4.88%	44.26	2.78%
Total non-current liabilities	568.56	58.27%	229.27	22.31%	111.14	6.98%

Statement of Financial Position (cont.)	Pro Forma Separated Financial Statements		Separated Financial Statements (Audited)		Consolidated Financial Statements ^{/2} (Audited)	
	31 Dec 14 (Restated ^{/1})		31 Dec 15		31 Dec 16	
	MB	Proportion	MB	Proportion	MB	Proportion
Finance lease liabilities	-	0.00%	1.36	0.13%	1.45	0.09%
Long-term loans	-	0.00%	243.05	23.65%	-	0.00%
Liability for post-employment benefits	0.71	0.07%	1.08	0.11%	1.03	0.07%
Other non-current liabilities	3.39	0.35%	3.39	0.33%	12.29	0.77%
Total non-current liabilities	4.10	0.42%	248.88	24.22%	14.77	0.93%
Total liabilities	572.66	58.69%	478.15	46.53%	125.91	7.91%
Authorized share capital	315.00	32.28%	315.00	30.65%	500.00	31.43%
Issued and paid-up share capital	315.00	32.28%	315.00	30.65%	500.00	31.43%
Share premium	-	0.00%	-	0.00%	806.88	50.72%
Retained earnings - appropriated for legal reserve	-	0.00%	-	0.00%	19.37	1.22%
Unappropriated retained earnings	88.09	9.03%	234.50	22.82%	138.79	8.72%
Unrealized gain on remeasurement of fair value of current investments	0.00	0.00%	0.00	0.00%	0.03	0.00%
Total shareholders' equity	403.09	41.31%	549.50	53.47%	1,465.07	92.09%
Total liabilities and shareholders' equity	975.75	100.00%	1,027.65	100.00%	1,590.98	100.00%

Statement of Comprehensive Income	Pro Forma Separated Financial Statements		Separated Financial Statements (Audited)		Consolidated Financial Statements ^{/2} (Audited)	
	31 Dec 14 (Restated ^{/1})		31 Dec 15		31 Dec 16	
	MB	Proportion	MB	Proportion	MB	Proportion
Net sales	736.92	100.00%	1,102.20	100.00%	1,063.03	100.00%
Cost of goods sold	441.29	59.88%	587.75	53.33%	581.41	54.69%
Gross profit	295.63	40.12%	514.45	46.67%	481.62	45.31%
Other income ^{/3}	9.75	1.32%	18.99	1.73%	35.64	3.35%
Profit before expenses	305.38	41.44%	533.44	48.40%	517.26	48.66%
Selling expenses	43.77	5.94%	145.91	13.24%	143.48	13.50%
Administrative expenses	193.87	26.31%	201.93	18.32%	187.47	17.63%
Profit before financial costs and income tax expense	67.74	9.19%	185.60	16.84%	186.31	17.53%
Financial costs	0.01	0.00%	2.07	0.19%	14.68	1.38%
Profit before income tax expense	67.73	9.19%	183.53	16.65%	171.63	16.15%
Income tax expense	17.89	2.43%	37.10	3.37%	25.27	2.38%
Profit for the year *	49.84	6.76%	146.43	13.28%	146.36	13.77%

Remark : ^{/1} In 2014, the Extraordinary General Meetings of Shareholders of the five companies which operated the same type of business, namely 1) FN Factory Outlet Company Limited, 2) The Boss Forum Company Limited, 3) Pre-Tact Company Limited, 4) Nova Gen Company Limited, and 5) Proof International Trading Company Limited, resolved to approve the merger of the five companies into FN Factory Outlet Company Limited, effective from 1 October 2014, to restructure the business group in a bid to prevent conflicts of interest that may arise in the future as well as to prepare for its listing on the Stock Exchange of Thailand.

^{/2} The Extraordinary General Meeting of Shareholders No. 1/2016 which was held on 9 May 2016 resolved to approve the Company's investment in ordinary shares of Save Now 2494 Company Limited (SN) to expand its customer base to middle-to-low income earners. After the Company's acquisition of 99.97% of SN shares from the existing shareholders, SN is a subsidiary of the Company. Therefore, SN's operating results have been included in the Company's consolidated financial statements since the second quarter of year 2016.

^{/3} Other income of the Company comprises rental and service fee income, interest income from banks and employees' loans, and gain of exchange rate.

* % of net profit is derived from the division of the profit for the year by net sales and is different from the net profit shown on page 162 which uses the net sales plus other income as a divisor.

Summary of Cash Flows

Statement of Cash Flows	Pro Forma Separated Financial Statements	Separated Financial Statements (Audited)	Consolidated Financial Statements ^{/2} (Audited)
	31 Dec 14 (Restated ^{/1})	31 Dec 15	31 Dec 16
	MB	MB	MB
Cash flows from operating activities			
Profit for the year	49.84	146.43	146.36
Adjustments for			
Depreciation and amortization	16.73	27.14	42.40
Interest income	(0.33)	(0.18)	(0.41)
Interest expense	-	1.44	14.48
Increase in allowance for doubtful account	-	-	0.13
Increase (decrease) in allowance for devalue, slow-moving and obsolete of merchandises	0.15	16.59	(2.92)
Increase in allowance for impairment loss	-	-	0.56
Expenses (reversal) for post-employment benefits	0.16	0.35	(0.05)
Unrealized loss (gain) on exchange rate	-	-	0.01
Gain on sale of investments	-	-	(0.25)
Loss on written-off fixed assets	-	0.25	1.43
Gain on sale of fixed assets	-	(0.05)	(0.86)
Income tax expenses	17.89	37.10	25.28
Changes in operating assets and liabilities			
Trade accounts receivable	(3.70)	(4.41)	1.25
Merchandises	(100.34)	(21.22)	90.90
Other accounts receivable - related parties	(0.10)	-	-
Other current assets	(16.87)	(1.14)	7.09

Statement of Cash Flows (cont.)	Pro Forma Separated Financial Statements	Separated Financial Statements (Audited)	Consolidated Financial Statements ^{/2} (Audited)
	31 Dec 14 (Restated ^{/1})	31 Dec 15	31 Dec 16
	MB	MB	MB
Deposits at financial institutions under pledge	(50.80)	50.00	-
Other non-current assets	(7.97)	6.62	(3.32)
Trade accounts payable	(80.92)	(22.93)	0.60
Other accounts payable – related parties	2.31	(2.17)	(9.36)
Other accounts payable – others	(60.65)	-	-
Accrued expenses and other current liabilities	14.96	8.96	(14.56)
Other non-current liabilities	-	-	8.90
Income tax paid	(5.70)	(37.11)	(35.07)
Net cash provided by (used in) operating activities	(225.34)	205.67	272.59
Cash flows from investing activities			
Interest received	0.13	0.38	0.39
Proceeds from sale of investments	-	79.00	505.35
Proceeds from sale of fixed assets	-	-	1.66
Additions to current investments	(5.00)	(74.00)	(975.00)
Additions to property, plant and equipment	(85.52)	(145.37)	(158.42)
Additions to computer software	(7.05)	(0.79)	(4.38)
Net cash provided used in investing activities	(97.44)	(140.77)	(630.40)
Cash flows from financing activities			
Interest paid	-	(1.44)	(14.57)
Decrease in short-term loans from related parties	-	-	(14.00)
Increase (decrease) in overdraft and short-term loans from financial institutions	(44.63)	98.23	(98.23)
Increase (decrease) in loans from directors	417.02	(435.13)	-

Statement of Cash Flows (cont.)	Pro Forma Separated Financial Statements	Separated Financial Statements (Audited)	Consolidated Financial Statements ^{/2} (Audited)
	31 Dec 14 (Restated ^{/1})	31 Dec 15	31 Dec 16
	MB	MB	MB
Increase in long-term loans from financial institutions	-	250.00	130.00
Payment of finance lease liabilities	-	(0.11)	(0.50)
Repayment of long-term loans from financial institutions	-	-	(380.00)
Proceeds from capital increase	-	-	1,030.00
Expenses relating to capital increase	-	-	(38.12)
Dividend paid	-	-	(222.70)
Net cash provided by (used in) financing activities	372.39	(88.45)	391.88
Effect from currency exchange rate of cash and cash equivalents	-	-	-
Net increase (decrease) in cash and cash equivalents	49.60	(23.55)	34.07
Cash and cash equivalents at beginning of the year	16.34	65.94	55.83
Cash and cash equivalents at end of the year	65.94	42.39	89.90

Remark : ^{/1} In 2014, the Extraordinary General Meetings of Shareholders of the five companies which operated the same type of business, namely 1) FN Factory Outlet Company Limited, 2) The Boss Forum Company Limited, 3) Pre-Tact Company Limited, 4) Nova Gen Company Limited, and 5) Proof International Trading Company Limited, resolved to approve the merger of the five companies into FN Factory Outlet Company Limited, effective from 1 October 2014, to restructure the business group in a bid to prevent conflicts of interest that may arise in the future as well as to prepare for its listing on the Stock Exchange of Thailand.

^{/2} The Extraordinary General Meeting of Shareholders No. 1/2016 which was held on 9 May 2016 resolved to approve the Company's investment in ordinary shares of Save Now 2494 Company Limited (SN) to expand its customer base to middle-to-low income earners. After the Company's acquisition of 99.97% of SN shares from the existing shareholders, SN is a subsidiary of the Company. Therefore, SN's operating results have been included in the Company's consolidated financial statements since the second quarter of year 2016.

Summary of Key Financial Ratio

Financial Ratio		Pro Forma Separated Financial Statements	Separated Financial Statements (Audited)	Consolidated Financial Statements ^{/2} (Audited)
		31 Dec 14 (Restated ^{/1})	31 Dec 15	31 Dec 16
Liquidity Ratio	x	0.95	2.27	8.56
Quick Ratio	x	0.13	0.22	0.87
Operating Cash Flow Ratio	x	(0.52)	0.52	1.60
Account Receivable Turnover	x	398.34	186.63	140.46
Average Collection Period	Day	0.90	1.93	2.56
Inventory Turnover	x	1.15	1.34	1.42
Average Inventory Period	Day	313.25	269.08	254.30
Account Payable Turnover	x	3.67	8.62	9.99
Average Payable Period	Day	97.97	41.75	36.05
Cash Cycle	Day	216.18	229.26	220.81
Gross Profit Margin	%	40.12	46.68	45.31
Operating Profit Margin	%	9.19	16.84	17.53
Other Profit Margin	%	0.00	0.00	0.00
Cash to Profit Margin	%	(332.67)	110.81	146.31
Net Profit Margin	%	6.67	13.06	13.32
Return on Equity	%	13.17	30.74	14.53
Return on Assets	%	6.11	14.62	11.18
Return on Fixed Assets	%	19.93	39.56	33.41
Assets Turnover	x	0.92	1.12	0.84
Debt to Equity Ratio	x	1.42	0.87	0.09
Interest Coverage Ratio	x	(25,826.89)	118.28	21.29

Remark : ^{/1} In 2014, the Extraordinary General Meetings of Shareholders of the five companies which operated the same type of business, namely 1) FN Factory Outlet Company Limited, 2) The Boss Forum Company Limited, 3) Pre-Tact Company Limited, 4) Nova Gen Company Limited, and 5) Proof International Trading Company Limited, resolved to approve the merger of the five companies into FN Factory Outlet Company Limited, effective from 1 October 2014, to restructure the business group in a bid to prevent conflicts of interest that may arise in the future as well as to prepare for its listing on the Stock Exchange of Thailand.

^{/2} The Extraordinary General Meeting of Shareholders No. 1/2016 which was held on 9 May 2016 resolved to approve the Company's investment in ordinary shares of Save Now 2494 Company Limited (SN) to expand its customer base to middle-to-low income earners. After the Company's acquisition of 99.97% of SN shares from the existing shareholders, SN is a subsidiary of the Company. Therefore, SN's operating results have been included in the Company's consolidated financial statements since the second quarter of year 2016..

Management Discussion and Analysis For the Year Ended 2016

FN Factory Outlet Public Company Limited was founded in 2000 and has been operated the outlet business, featuring both house brand products, which are designed by the Company itself and manufactured by domestic and overseas manufacturers according to the Company's orders, and other brand products (consumable products) which are of high quality and uniqueness and sourced from across the globe. To date, the Company has eight outlets, i.e. Phetchaburi Branch, Kanchanaburi Branch, Pattaya Branch, Pak Chong Branch, Sing Buri Branch, Hua Hin Branch, Sriracha Branch, and Phra Nakhon Si Ayutthaya Branch (which started to operate since 17 November 2016). The Company plans to open at least four new outlets by 2008. The Company's ordinary shares were first traded in the Stock Exchange of Thailand on 14 November 2016.

Industry Overview

The retail industry recorded a flat growth in 2016 amid the weak recovery of the Thai economy due to pressure from high household debts, falling farm income as a result of drought crises, and the low commodity prices in the global market. However, the retail trade received boosts from the growing tourism sector and a series of tax incentive programs launched by the government that stimulated consumer spending to a certain degree.

Performance Analysis

	For the Year Ended 31 December 2015		For the Year Ended 31 December 2016		Change	
	MB	Proportion	MB	Proportion	MB	Proportion
Net sales	1,102.20	98.31	1,063.03	96.76	(39.17)	(3.55)
Other income	18.99	1.69	35.64	3.24	16.65	87.68
Total revenues	1,121.19	100.00	1,098.67	100.00	(22.52)	(2.01)
Cost of goods sold	587.75	53.33	581.41	54.69	(6.34)	(1.08)
Gross Profit	514.45	46.67	481.62	45.31	(32.83)	(6.38)
Selling and administrative expenses	347.84	31.02	330.95	30.12	(16.89)	(4.86)
Selling expenses	145.91	13.01	143.48	13.06	(2.43)	(1.67)
Administrative expenses	201.93	19.30	187.47	17.06	(14.46)	(7.16)
Earnings before interest and taxes (EBIT)	185.60	16.55	186.31	16.96	0.71	0.38

	For the Year Ended 31 December 2015		For the Year Ended 31 December 2016		Change	
	MB	Proportion	MB	Proportion	MB	Proportion
Financial costs	2.07	0.18	14.68	1.34	12.61	609.18
Income tax expenses	37.10	3.31	25.27	2.30	(11.83)	(31.89)
Net profit	146.43	13.06	146.36	13.32	(0.07)	(0.05)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	212.74	18.97	228.71	20.82	15.97	7.51
Depreciation and amortization	27.14	2.42	42.40	3.86	15.26	56.23

	For the Year Ended 31 December 2015	For the Year Ended 31 December 2016
Gross profit margin (%)	46.67	45.31
Selling and administrative expenses to total revenue (%)	31.02	30.12
Net profit margin (%)	13.06	13.32

1. Total revenues

The Company recorded the total revenue of Baht 1,121.19 million in 2015 and Baht 1,098.67 million in 2016, a decrease of 2.01% comparing with prior year. Despite the increase of other income, the total revenue declined mainly due to lower sales amid the weak economic recovery that slowed down the household consumption. However, the Company also had an additional source of revenue from Phra Nakhon Sri Ayutthaya Branch which was launched in mid-November and recorded the sales of Baht 41.38 million which accounted for 3.89% of the Company's sales.

Details of the revenue structure are as shown below:

	For the Year Ended 31 December 2015		For the Year Ended 31 December 2016		Change	
	MB	Proportion	MB	Proportion	MB	Proportion
A. House brand	726.14	65.88	702.36	66.07	(23.78)	(3.27)
Non-Apparel	473.95	43.00	488.91	45.99	14.96	3.16
Apparel	252.19	22.88	213.45	20.08	(38.74)	(15.36)
B. Other brand	376.06	34.12	360.67	33.93	(15.39)	(4.09)
Total sales	1,102.20	100.00	1,063.03	100.00	(39.17)	(3.55)
C. Other income	18.99		35.64		16.65	87.68
Total revenues	1,121.19		1,098.67		(22.52)	(2.01)

A. Sales from house brand product

For 2016, the Company's sales from house brand products was Baht 702.36 million, accounting for 66.07% of the total sales and decreasing by Baht 23.78 million or 3.27% comparing with prior year. The decline was attributable to the slow economic recovery and, as a consequence, weak household spending.

B. Sales from other brand product

For 2016, the Company's sales from other brand products was Baht 360.67 million, accounting for 33.93% of the total sales and decreasing by Baht 15.39 million or 4.09% comparing with prior year. The decline was attributable to the slow economic recovery.

C. Other income

For 2016, the Company's other income totaled Baht 35.64 million, accounting for 3.24% of the total revenue and increasing Baht 16.65 million or 87.68% comparing with prior year. The increase was mainly driven by income from rental and service fees which had been increased since March 2016, the larger rental areas of the existing branches, and the rental and service fees from Phra Nakhon Si Ayutthaya Branch which was newly opened in late 2016. The Company has a policy to increase its income from rental and service fees from new outlet branches to be opened in the future by increasing the rental area of each branch. The increase in the Company's other income was also from, among others, higher logistic service fees and short-term investment gains.

2. Cost of goods sold and gross profit

For 2015 and 2016, the Company's total cost of goods sold were Baht 587.75 million and Baht 581.41 million, respectively, accounting for 53.33% and 54.69% of the Company's sales, respectively. The Company's ability to maintain the ratio of cost of goods sold to sales at a stable level is attributable to its efforts to increase the proportion of house brand products and to effectively control the costs of goods.

For 2015 and 2016, the Company's gross profits were Baht 514.45 million and Baht 481.62 million, respectively, representing the gross profit margins of 46.67% and 45.31%, respectively. The Company's ability to maintain its gross profit margins at a stable level is attributable to its policy to focus on marketing campaigns, higher proportion of house brand products, and high profit-margin products.

3. Selling and administrative expenses

The Company's selling and administrative expenses for 2015 and 2016 were Baht 347.84 million and Baht 330.95 million, respectively accounting for 31.02% and 30.12% of the total revenue, respectively. Changes in the selling and administrative expenses are as shown below:

A. Selling expense

The Company's selling expenses for 2015 and 2016 were Baht 145.91 million and Baht 143.48 million, respectively, accounting for 13.01% and 13.06% of the total revenue, respectively. The increases in the percentages of the selling expenses to the total revenue were mainly due to increases in other selling expenses and the expenses of Ayutthaya Branch, such as land lease expenses, marketing expenses and utility expenses, in tandem with the Company's business expansion.

B. Administrative expenses

The Company's administrative expenses for 2016 totaled Baht 201.93 million, decreasing Baht 14.46 million or 7.16% comparing with prior year mainly due to the reversal of the inventory reserve as a result of better inventory management. The ratio of administrative expenses to total revenues stood at 17.06% in 2016, decreasing from the level of 19.30% recorded in 2015 on the back of the Company's stronger ability to control administrative expenses.

4. Finance cost

The Company's finance costs for 2016 amounted to Baht 14.68 million, increasing by Baht 12.61 million from 2015 as a result of the short-term and long-term loan facility utilization by the Company in 2016 to finance the dividend payment and the financial restructuring in readiness for the SET-listing. It is noted that all loans were fully repaid.

5. Net profit and net profit margin

The Company's net profits for 2015 and 2016 were Baht 146.43 million and Baht 146.36 million, respectively, representing the net profit margins of 13.06% and 13.32%, respectively. Despite the revenue decline, the Company could maintain the net profit margin at a stable level on the back of better cost control and the tax privileges under the government's domestic investment promotion program from November 2015 to December 2017 together with the Initial Public Offering (IPO) expenses which helped decrease the effective rate of corporate income tax applicable to the Company in 2016 to only 14.73%, lower than the normal rate of corporate income tax.

Financial Position Analysis

Unit: MB	For the Year Ended 31 December 2015	For the Year Ended 31 December 2016
Cash and cash equivalents	42.39	89.90
Current investment	0.06	469.99
Merchandises	444.13	362.30
Property, plant and equipment	492.56	616.83
Other assets	48.52	51.96
Total assets	1,027.66	1,590.98
Loans from financial institutions	348.23	-
Other liabilities	129.93	125.91
Shareholders' equity	549.50	1,465.07
Total liabilities and shareholders' equity	1,027.66	1,590.98

1. Assets

The Company's total assets as of 31 December 2016 were Baht 1,590.98 million, increasing by Baht 563.32 million or 54.82% from 2015 due to an increase of Baht 469.93 million in current investment from the remaining IPO proceeds before investment re-allocation, and the increase of Baht 124.27 million in fixed assets as a result of the construction of the new outlet, namely Phra Nakhon Si Ayutthaya Branch, and the renovation of Hua Hin Branch.

For 2016, the accounts receivable increased by Baht 0.76 million from 2015, mainly from credit card companies as a result of the credit card payments for the purchase of goods by the customers. As most of these credit card payments were settled within 1-2 days from the transaction dates, there was no long-outstanding accounts receivable.

The Company's inventories in 2016 amounted to Baht 362.30 million, decreasing by Baht 81.83 million from the previous year, as finished goods and goods in transit decreased by Baht 84.76 million and the allowance for inventories decreased by Baht 2.93 million from 2015. This was a result of enhanced effectiveness of the inventory management and the control of purchase orders at an appropriate level.

2. Liabilities

As at 31 December 2016, the Company's liabilities totaled Baht 125.91 million, decreasing by Baht 352.25 million or 73.67% from 2015 as a result of the full repayment of all loans in 2016.

3. Shareholders' equity

As at 31 December 2016, the Company's shareholders' equity was Baht 1,465.07 million, increasing by Baht 915.57 million or 166.62% from 2015, mainly due to the initial public offering (IPO).

Cash Flow Statement Analysis

1. Cash flow from operating activities

For 2016, the Company's net cash flow from operating activities was Baht 272.59 million, increasing by Baht 66.92 million or approximately 32.54% from 2015 on the back of enhanced effectiveness of inventory management.

2. Cash flow from investing activities

For 2016, the Company's net cash flow used in investing activities was Baht 630.40 million, increasing by Baht 489.63 million or approximately 347.82% from 2015 as a result of the short-term investment, the construction of the new outlet, namely Phra Nakhon Sri Ayutthaya Branch, and the renovation of Hua Hin Branch.

3. Cash flow from financing activities

For 2016, the Company's net cash flow from financing activities was Baht 391.89 million, increasing Baht 480.34 million or approximately 543.07% from 2015 as a result of the proceeds from capital increase and IPO which totally of Baht 1,030 million. At the same time, the Company's cash flow used in financing activities included, for example, the dividend payment, the repayment of loans to financial institutions, and the IPO expenses.

Key Financial Ratio Analysis

	2015	2016	Change	Reason
Liquidity Ratio (x)	2.27	8.56	6.29	The increases of the liquidity ratio and the quick ratio were attributable to the increases in cash and current investment from IPO proceeds, coupled with the decreases in current liabilities following the repayment of short-term loans to financial institutions
Quick Ratio (x)	0.22	0.87	0.65	
Return on Equity (%)	30.74	14.53	(16.21)	The lower ROE was a result of higher shareholders' equity following the Company's capital increase.
Debt-to-Equity Ratio (x)	0.87	0.09	(0.78)	The lower D/E ratio was a result of decreases in liabilities following the repayment of loans to financial institutions in 2016 and the higher shareholders' equity following the Company's capital increase.

Report of Certified Public Accountant

For the Year Ended December 31, 2016

M.R. & ASSOCIATES CO., LTD. **Certified Public Accountants**

Report of certified public accountant

To the Shareholders and the Board of Directors of FN Factory Outlet Public Company Limited
(Formerly FN Factory Outlet Co., Ltd.)

Opinion

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

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of FN Factory Outlet Public Company Limited and its subsidiary as at December 31, 2016, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with Thai Financial Reporting Standards. Also, the accompanying separate financial statements present fairly, in all material respects, the financial position of FN Factory Outlet Public Company Limited as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

Key audit matter is matter that, in my professional judgment, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

Inventory valuation and provisions

Risk Description

As at December 31, 2016, the Group held merchandises of Baht 362.3 million representing 22.8% of total assets. As described in the accounting policy in Note 3 to the financial statements, merchandises are carried at the lower of cost (moving average method) and net realizable value. As a result, Management apply judgment in determining the appropriate provisions for a) decline in value of merchandises based upon physical condition and detailed analysis of merchandise movements, and b) net realizable value below cost based upon plans for merchandises to go into sales (sell prices and economic conditions). The appropriateness of such valuation and provisions had significant impact on the accuracy and completeness of merchandises in the statement of financial position as well as expenses in the statement of comprehensive income of the Group.

Responses to the Risk

I have performed the following key audit procedures as responses to the identified and assessed significant risk in order that such risk shall be managed to appropriate and acceptable level and enable the consolidated and separate financial statements to be free from material misstatement:

- Inquired and understanding the policies on inventory valuation and provisions, and nature of business of the Company.
- Attended inventory counts at all eight (8) outlets of the Company.
- Tested the accuracy and completeness of information used in consider the net realizable value and provisions for merchandises as well as reviewed the Company's related accounting entries.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual registration statement and annual report, but does not include the financial statements and my auditor's report thereon. The annual registration statement and annual report are 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 will 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 identified above when it becomes available 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 registration statement and annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to audit committee.

Responsibilities of Management and Audit Committee for the Financial Statements

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

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

Audit committee is responsible for overseeing the Group's financial reporting process.
Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

I communicate with audit committee 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 audit committee 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 audit committee, I determine those matters that were of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe the matter 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.



(Mr. Methee Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.

Bangkok

February 28, 2017

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016 and 2015

ASSETS

		In Baht		
		Consolidated financial statements	Separate financial statements	
	Note	2016	2016	2015
CURRENT ASSETS				
Cash and cash equivalents		89,901,811	84,153,603	42,390,839
Current investments	5	469,992,754	469,992,754	55,431
Trade accounts receivable				
- Related parties	4	-	9,062,219	1,983,107
- Others	6	6,891,315	6,880,575	6,128,472
Short-term loans to and interest receivable from subsidiary	4	-	16,380,916	-
Merchandises	7	362,303,057	356,754,219	444,133,065
Other accounts receivable				
- related parties	4	1,439,345	1,439,345	2,733,403
Other current assets	8	21,200,269	20,073,009	23,335,366
Total current assets		951,728,551	964,736,640	520,759,683
NON-CURRENT ASSETS				
Deposits at financial institutions under pledge		800,000	800,000	800,000
Investment in subsidiary	1, 9	-	-	-
Property, plant and equipment	4, 10	616,826,324	611,264,865	492,561,275
Deferred tax assets	11	3,463,058	3,055,873	3,642,665
Other non-current assets				
- Computer software	12	12,666,035	11,979,595	7,935,985
- Others	4	5,496,477	4,556,477	1,956,474
Total non-current assets		639,251,894	631,656,810	506,896,399
TOTAL ASSETS		1,590,980,445	1,596,393,450	1,027,656,082

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2016 and 2015

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht		
		Consolidated financial statements	Separate financial statements	
	Note	2016	2016	2015
CURRENT LIABILITIES				
Short-term loans from financial institution	14	-	-	98,228,223
Trade accounts payable				
- Related parties	4	10,055,000	9,892,574	8,186,365
- Others		49,829,027	49,752,767	48,382,323
Current portion of finance lease liabilities	15	503,007	503,007	289,976
Current portion on long-term loan	16	-	-	6,950,000
Other account payable-related parties	4	243,800	243,800	140,000
Income tax payable		6,251,444	6,251,444	16,978,552
Accrued expenses and other current liabilities	17	44,263,494	43,554,765	50,111,589
Total current liabilities		111,145,772	110,198,357	229,267,028
NON-CURRENT LIABILITIES				
Finance lease liabilities	15	1,449,349	1,449,349	1,366,087
Long-term loan	16	-	-	243,050,000
Liability for post-employment benefits	18	1,030,177	1,030,177	1,083,283
Other non-current liabilities	4	12,287,344	12,287,344	3,391,500
Total non-current liabilities		14,766,870	14,766,870	248,890,870
Total liabilities		125,912,642	124,965,227	478,157,898

STATEMENTS OF FINANCIAL POSITION (Continued)

AS AT DECEMBER 31, 2016 and 2015

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Baht		
		Consolidated financial statements	Separate financial statements	
	Note	2016	2016	2015
SHAREHOLDERS' EQUITY				
Share capital	19			
Authorized share capital		500,000,000	500,000,000	315,000,000
Issued and paid-up share capital		500,000,000	500,000,000	315,000,000
Share premium	20	806,882,974	806,882,974	-
Retained earnings				
Appropriated for legal reserve	21	19,365,802	19,365,802	-
Unappropriated		138,789,652	145,150,072	234,497,575
Other components of shareholders' equity				
Unrealized gain on remeasurement of fair value of current investments		29,375	29,375	609
Total shareholders' equity		1,465,067,803	1,471,428,223	549,498,184
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
		1,590,980,445	1,596,393,450	1,027,656,082

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

		In Baht		
		Consolidated financial statements	Separate financial statements	
	Note	2016	2016	2015
REVENUES	4			
Net sales	22	1,063,025,920	1,055,684,513	1,102,204,693
Other income	23	35,642,116	34,025,224	18,985,361
Total revenues		1,098,668,036	1,089,709,737	1,121,190,054
EXPENSES	24			
Cost of goods sold	4, 22	581,406,811	577,219,714	587,748,433
Selling expenses	30	143,479,544	135,209,732	145,904,605
Administrative expenses	4, 30	187,469,238	185,015,222	201,933,737
Finance costs		14,679,256	14,679,256	2,073,981
Total expenses		927,034,849	912,123,924	937,660,756
Profit before Income Tax		171,633,187	177,585,813	183,529,298
Income Tax Expense	11	25,275,308	24,867,514	37,099,999
PROFIT FOR THE YEAR		146,357,879	152,718,299	146,429,299

STATEMENTS OF COMPREHENSIVE INCOME (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

		In Baht		
		Consolidated financial statements	Separate financial statements	
	Note	2016	2016	2015
OTHER COMPREHENSIVE INCOME FOR THE YEAR				
Items that will not be reclassified subsequently to profit or loss				
- Actuarial loss on defined benefit plan		-	-	(18,467)
Items that will be reclassified subsequently to profit or loss				
- Gain on remeasurement of investments		280,833	280,833	609
- Gain on sale of investments recognized in profit and loss		(252,067)	(252,067)	-
		28,766	28,766	609
Other comprehensive income for the year		28,766	28,766	(17,858)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		146,386,645	152,747,065	146,411,441
Earnings per Share		0.20	0.20	0.23
Weighted Average Number of Common Share (Shares)		746,821,917	746,821,917	630,000,000

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

In Baht						
Consolidated financial statements						
		Share premium	Appropriated for legal reserve	Unappropriated	Unrealized gain on remeasurement of fair value of current investments	Total shareholders' equity
Note	Issued and paid-up share capital					
Balance as at January 1, 2016	315,000,000	-	-	234,497,575	609	549,498,184
Capital increase	185,000,000	806,882,974	-	-	-	991,882,974
Appropriated for legal reserve	-	-	19,365,802	(19,365,802)	-	-
Profit for the year	-	-	-	146,357,879	-	146,357,879
Other comprehensive income for the year	-	-	-	-	28,766	28,766
Total comprehensive income for the year	-	-	-	146,357,879	28,766	146,386,645
Dividend	-	-	-	(222,700,000)	-	(222,700,000)
Balance as at December 31, 2016	500,000,000	806,882,974	19,365,802	138,789,652	29,375	1,465,067,803



B. Sangaranta

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Note	In Baht					
		Separate financial statements					
		Retained earnings					
		Issued and paid-up share capital	Share premium	Appropriated for legal reserve	Unappropriated	Unrealized gain on remeasurement of fair value of current investments	Total shareholders' equity
Balance as at January 1, 2016		315,000,000	-	-	234,497,575	609	549,498,184
Capital increase	19	185,000,000	806,882,974	-	-	-	991,882,974
Appropriated for legal reserve	21	-	-	19,365,802	(19,365,802)	-	-
Profit for the year		-	-	-	152,718,299	-	152,718,299
Other comprehensive income for the year		-	-	-	-	28,766	28,766
Total comprehensive income for the year		-	-	-	152,718,299	28,766	152,747,065
Dividend	21	-	-	-	(222,700,000)	-	(222,700,000)
Balance as at December 31, 2016		500,000,000	806,882,974	19,365,802	145,150,072	29,375	1,471,428,223

STATEMENTS OF CHANGE IN SHAREHOLDERS' EQUITY (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht					
	Separate financial statements					
	Retained earnings					
Note	Issued and paid-up share capital	Share premium	Appropriated for legal reserve	Unappropriated	Unrealized gain on remeasurement of fair value of current investments	Total shareholders' equity
Balance as at January 1, 2016	315,000,000	-	-	88,086,743	953	403,087,696
Profit for the year	-	-	-	146,429,299	-	146,429,299
Other comprehensive income for the year	-	-	-	(18,467)	609	(17,858)
Total comprehensive income for the year	-	-	-	146,410,832	609	146,411,441
Sale of investments	-	-	-	-	(953)	(953)
Balance as at December 31, 2016	315,000,000	-	-	234,497,575	609	549,498,184



B. Sangaranta

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Cash flows from operating activities			
Profit for the year	146,357,879	152,718,299	146,429,299
Adjustments for			
Depreciation and amortization	42,402,269	40,713,674	27,135,887
Interest income	(407,497)	(778,058)	(175,001)
Interest expense	14,479,256	14,479,256	1,436,836
Increase in allowance for doubtful account	133,800	133,800	-
Increase (decrease) in allowance for devalue, slow-moving and obsolete of merchandises	(2,925,000)	(2,925,000)	16,591,800
Increase in allowance for impairment loss	563,453	-	-
Expenses (reversal) for post-employment benefits	(53,106)	(53,106)	354,367
Unrealized loss (gain) on exchange rate	8,941	8,941	(2,934)
Gain on sale of investments	(252,067)	(252,067)	-
Loss on written-off fixed assets	1,432,073	1,432,073	248,609
Gain on sale of fixed assets	(857,449)	(857,449)	(54,822)
Income tax expense	25,275,308	24,867,514	37,099,999
	226,157,860	229,487,877	229,064,040
Changes in operating assets and liabilities			
Trade accounts receivable	1,254,009	(7,831,215)	(4,411,963)
Merchandises	90,904,370	90,303,846	(21,215,873)
Other current assets	7,093,131	4,440,494	(1,138,287)
Deposits at financial institutions under pledge	-	-	50,000,000
Other non-current assets	(3,320,003)	(2,600,003)	6,624,908
Trade accounts payable	602,737	3,067,199	(22,932,493)

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Other account payable-related parties	(9,359,738)	103,800	(2,168,806)
Accrued expenses and other current liabilities	(14,565,300)	(9,045,557)	8,962,480
Other non-current liabilities	8,895,844	8,895,844	-
Income tax paid	(35,071,642)	(35,015,174)	(37,114,379)
Net cash provided by operating activities	272,591,268	281,807,111	205,669,627
Cash flows from investing activities			
Interest received	389,618	379,263	383,779
Proceeds from sale of investments	505,350,854	505,350,854	79,000,000
Proceeds from sale of fixed assets	1,664,340	1,664,340	-
Additions to current investments	(975,000,000)	(975,000,000)	(74,000,000)
Additions to short-term loans to subsidiary	-	(16,000,000)	-
Additions to property, plant and equipments	(158,420,914)	(157,938,046)	(145,368,255)
Additions to computer software	(4,388,300)	(4,388,300)	(787,460)
Net cash used in investing activities	(630,404,402)	(645,931,889)	(140,771,936)
Cash flows from financing activities			
Interest paid	(14,567,407)	(14,567,407)	(1,436,836)
Decrease in short-term loans from related parties	(14,000,000)	-	(435,132,674)
Increase (decrease) in short-term loans from financial institutions	(98,228,223)	(98,228,223)	98,228,223
Increase in long-term loans	130,000,000	130,000,000	250,000,000
Payment of finance lease liabilities	(500,315)	(500,315)	(107,628)
Repayment of long-term loans from financial institutions	(380,000,000)	(380,000,000)	-

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	In Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Proceeds from capital increase	1,030,000,000	1,030,000,000	-
Expenses relating to capital increase	(38,117,026)	(38,117,026)	-
Dividend paid	(222,700,000)	(222,700,000)	-
Net cash provided by (used in) financing activities	391,887,029	405,887,029	(88,448,915)
Effect from currency exchange rate of cash and cash equivalents	513	513	2,934
Net increase (decrease) in cash and cash equivalents	34,074,408	41,762,764	(23,548,290)
Cash and cash equivalents at beginning of year	55,827,403	42,390,839	65,939,129
Cash and cash equivalents at end of year	89,901,811	84,153,603	42,390,839
Supplementary disclosures of cash flow information :			
a. Cash and cash equivalent at end of period			
Cash in hand	8,154,923	7,783,072	6,438,958
Saving deposits at banks	81,745,888	76,369,531	35,951,881
Current accounts at banks	1,000	1,000	-
	89,901,811	84,153,603	42,390,839
b. Non-cash transaction			
Purchases of property, plant and equipment for which no cash has been paid	15,553,827	15,521,827	12,944,943

Notes to the financial statements

December 31, 2016 and 2015

1. GENERAL

FN Factory Outlet Co., Ltd., “the Company”, (Registration No. 0105557145639) is incorporated in Thailand on October 1, 2014 from the amalgamation of the following 5 juristic companies:

1. Proof International Trading Co., Ltd.
2. The Boss Forum Co., Ltd.
3. Pre-Tact Co., Ltd.
4. Nova Gen Co., Ltd.
5. FN Factory Outlet Co., Ltd. (Registration No. 0105543109082)

The Company had been transferred all of the assets, liabilities, rights and obligations and commitments of these five companies on October 1, 2014. The amalgamation resulted in the dissolutions of the five companies on September 30, 2014.

On May 11, 2016, the Company registered the legal transformation of juristic person from being limited company under the Civil and Commercial Code to limited public company under the Limited Public Company Act B.E. 2535 with the Ministry of Commerce.

The Company is engaged in merchandising of clothing and consumer products in Thailand, therefore, management considers that the Company had only one business segment and one geographic segment.

The registered offices at the follows:

Head office	: 991 FN BUILDING Rama 9 Road, Suan Luang, Suan Luang, Bangkok
Branch 1	: 99/11 Moo 1, Tambol Ton Maphrao, Amphur Muang, Phetchaburi
Branch 2	: 33/3 Moo 3, Tambol Tha Lo, Amphur Tha Muang, Kanchanaburi
Branch 3	: 19/99 Moo 1, Tambol Naklua, Amphur Banglamung, Chonburi
Branch 4	: 99/9 Moo 9, Tambol Klang Dong, Amphur Pak Chong, Nakhon Ratchasima
Branch 5	: 111/1 Moo 1, Tambol Namtan, Amphur In Buri, Sing Buri
Branch 6	: 1999/99 Phetkasem Road (Sai Tai), Tambol Cha-am, Amphur Cha-am, Phetchaburi
Branch 7	: 111 Moo 8, Tambol Bangphra, Amphur Sriracha, Chonburi
Branch 8	: 65/8 Moo 6, Tambol Baan-wha, Amphur Bang Pa-in, Phra Nakhon Si Ayutthaya

On May 12, 2016, the Company had invested 99.97% in share capital of Save Now 2494 Co., Ltd., which is ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory, at book value price of net assets.

The book value of assets and liabilities of Save Now 2494 Co., Ltd. at the acquisition date were as follows:

	In Thousand Baht
Cash and cash equivalents	13,470
Inventories	6,149
Other current assets	4,539
Property, plant and equipment	7,289
Computer software	800
Other non-current assets	220
Trade and other accounts payable	(5,569)
Accrued expenses and other current liabilities	(15,562)
Long-term loans	(14,000)
Net assets as at May 12, 2016	(2,664)

The details of operations of Save Now 2494 Co., Ltd. for the year ended December 31, 2016 were as follows:

	In Thousand Baht
REVENUES	
Net sales	29,960
Other income	2,965
Total revenues	32,925
EXPENSES	
Cost of goods sold	24,004
Selling expenses	15,459
Administrative expenses	8,645
Finance costs	381
Total expenses	48,489
Net loss before income tax	(15,564)
Income tax income	(407)
Net operations before control by the Company	(8,796)
Net loss	(6,361)

The Company prepared the consolidated financial statements for the subsidiary with ownership interest of 99.97% as holding of 100%.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The Group disclosed information for the year ended December 31, 2015 for being the comparative information in the financial statements for the year ended December 31, 2016 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

Revision and issuance of new accounting standards, financial reporting standards, and interpretations

The Federal of Accounting Professions (FAP) issued several Notifications regarding the revision and issuance of new Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC) with the effective for the accounting period beginning on or after January 1, 2016. Adoption of the new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect to the financial statements of the Group.

FAP issued several Notifications regarding the revision and issuance of new TAS, TFRS, TSIC, and TFRIC with the effective for the accounting period beginning on or after January 1, 2017 whereby the Group has not yet adopted in the preparation of the accompanying financial statements and have no policy to early adopt before the effective period, which are as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture

TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for investments in Debt and Equity Instruments
TAS 107 (revised 2016)	Presentation and Disclosures of Financial Instruments
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases – Incentives
TSIC 25 (revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 “Financial Reporting in Hyperinflationary Economies”
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 “Financial Reporting in Hyperinflationary Economies”
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

Management of the Group has preliminarily assessed and believed that there will be no material effect to the financial statements of the Group upon adoption of the aforesaid new and revised TAS and TFRS as well as TSIC and TFRIC.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the “Group”).

Significant intra-group transactions between the Company and its subsidiary are eliminated on consolidation.

Subsidiary

Subsidiary is the company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company as well as the variable returns from a company so as to obtain benefits from its activities. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of the subsidiary were necessarily transformed for uniformity with the Company’s policies.

Accounting for acquisitions of non-controlling interests

Changes in a parent’s ownership interest in subsidiary that do not result in the loss of control are accounted for within equity. When an entity loses control of subsidiaries, any gain or loss is recognized in the profit or loss. Any investment retained in the former subsidiaries is measured at its fair value at the date when control is lost.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

Cash at banks which have restrictions in use are presented separately as “Deposits at financial institutions under pledged” under non-current assets in the statement of financial position.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable is stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Merchandises

Merchandises are valued at the lower of cost (moving average method) and net realizable value. Net realizable value is the selling price in the ordinary course of business, less marketing, distribution and other expenses which are necessary for sale of goods.

An allowance for loss is made for all deteriorated, damaged, obsolete and slow-moving inventories.

Current Investment

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments and are stated at fair value, with any resultant gain or loss recognized in other comprehensive income.

Property, Plant and Equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Leased assets

Leases in terms of which the Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalized at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Depreciation

Depreciation computed on cost or revalued amount is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

	Years
Land improvements	10
Buildings	20 and 30
Building improvements	5, 10 and 20
Tools, equipment and Furniture	5
Vehicle	5

No depreciation is provided on land and assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Computer software

Computer software is stated at cost less accumulated amortization and impairment losses.

Amortization

Amortization is charged to profit or loss on a straight-line basis over the estimated useful life of 10 years.

Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts (the higher of an asset's net selling price or value in use) are estimated. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses by reducing the carrying value of the asset to be at its recoverable amount and recording the devaluation in profit or loss. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased.

Employee benefits

Salaries, wages, bonuses and contributions to social securities fund are recognized as expense upon their occurrences and on accrual basis.

The Company's obligation in respect of post-employment benefits, which are compensations under labor protection acts, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method by a qualified actuary. Expenses from the estimated liability for post-employment benefits comprise current service cost and interest cost. Actuarial gain/loss is recognized in other comprehensive income. This employee benefit plan is unfunded and has no any incurred plan asset.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Revenue Recognition

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue from sales of goods

Revenue from sales of goods is recognized in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rental and service income

Rental income is recognized as income in the accounting period in which they are earned, service income is recognized as services are provided.

Interest and other income

Interest and other income are recognized on an accrual basis.

Expenses

Operating leases

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

Finance costs

Interest expense and similar costs are charged to profit or loss in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in profit or loss using the effective interest rate method.

Use of Estimates

In order to prepare financial statements in conformity with financial reporting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Foreign Currency Transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Income Tax

Income tax expense for the year comprises current and deferred tax.

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

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

4. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties controlled by the Group or have power control over the Group, directly or indirectly, or have significant influence over the financial or operating policies of the Group.

The related parties consisted of:

Company and party	Relationships	Percentage of Holding	
		2016	2015
Save Now 2494 Co., Ltd.	Subsidiary *	99.97	-
Key Point Construction Co., Ltd.	Co-shareholders and director	-	-
Be Wise (Thailand) Company Limited	Co-shareholders and director	-	-
Pre-Pround Co., Ltd.	Co-shareholders and director	-	-
Power Now Co., Ltd.	Co-shareholders and director	-	-
ProPound Co., Ltd.	Co-shareholders and director	-	-
White Magnolla Company Limited	Co-shareholders and director	-	-
Thai HA Public Company Limited	Co-shareholders and director	-	-
Living Etcetera Company Limited	Co-shareholders and director	-	-
Arting Co., Ltd.	Co-shareholders and director	-	-
Bonne Sante Company Limited	Co-shareholders and director	-	-
The F1 Company Limited	Co-shareholders and director	-	-
QIU Asset Co., Ltd.	Co-director	-	-
KA-Nomjeen Bangkok Co., Ltd.	Co-director	-	-
Q Farm Co., Ltd.	Co-director	-	-
P. Villa Company Limited	Co-director	-	-
Chareanchai and Son Agriculture Company Limited	Co-director	-	-
Management and Psychology Co., Ltd.	Co-director	-	-
Thai Vegetable Oil Public Company Limited	Co-director	-	-
At Bangkok Co., Ltd.	Co-shareholders	-	-
Health Water Company Limited	Co-shareholders	-	-
Fix & Wash Et Cetera Co., Ltd.	Co-shareholders	-	-
Santa Factory Co., Ltd.	Indirect controlled by related party	-	-

Company and party	Relationships	Percentage of Holding	
		2016	2015
CRC Creation Public Company Limited	Indirect controlled by related party	-	-
Neo Key Co., Ltd.	Indirect controlled by related party	-	-
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive otherwise) of the Company.	-	-

*Before May 12, 2016, is entity under common control.

The pricing policies for particular types of transactions are explained further below:

Type of Transactions	Pricing Policies
Revenue from sales of goods	Market price
Rental income / expense	Negotiated agreement
Other income	Negotiated agreement
Purchase of merchandises	Price determined based on condition in the normal course of business
Management fee expense	Agreed prices
Purchase of fixed assets	Negotiated agreement / market price
Interest income/interest expense	Referenced to lenders' cost of fund plus 0.1%

Significant transactions for the years ended December 31, 2016 and 2015 with related parties were as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Subsidiary			
Revenue from sales of goods	-	7,944	-
Interest income	-	381	-
Related parties			
Revenue from sales of goods	7,711	7,711	2,437
Rental income	16,054	16,054	4,318
Other income	4,260	4,260	1,223
Purchase of merchandises	97,011	95,730	94,960
Management fee expense	-	-	300
Rental expense	5,088	5,088	4,472
Purchase of fixed assets	12,492	12,492	12,464
Other expense	120	120	890
Remuneration of key management			
Short-term benefits			
Salary, bonus and others	19,358	18,855	15,377
Meeting remuneration	1,420	1,420	-
Total short-term benefits	20,778	20,275	15,377
Expenses for post-employment benefits	19	19	12
Total	20,797	20,294	15,389

Balances as at December 31, 2016 and 2015 with related parties were as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Trade accounts receivable			
Subsidiary			
Save Now 2494 Co., Ltd.	-	9,062	1,948
Related party			
Be Wise (Thailand) Company Limited	-	-	35
Total	-	9,062	1,983

The trade accounts receivable are aged as follows:

Current	-	946	1,983
Overdue:			
- Not over 3 months	-	2,944	-
- Over 3 months to 6 months	-	3,600	-
- Over 6 months to 12 months	-	1,572	-
Total	-	9,062	1,983

Other accounts receivable

Be Wise (Thailand) Company Limited	1,404	1,404	942
Pre-Proud Co., Ltd.	-	-	1,500
Others	35	35	291
Total	1,439	1,439	2,733

Short-term loans to and interest receivable from subsidiary

Save Now 2494 Co., Ltd.			
Short-term loans	-	16,000	-
Interest receivable	-	381	-
Total	-	16,381	-

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Deposit for rental (included in "Other non-current assets")			
QIU Asset Co., Ltd.	230	230	-
Pre-Proud Co., Ltd.	190	190	-
Total	420	420	-
Trade accounts payable			
At Bangkok Co., Ltd.	5,328	5,167	5,293
Be Wise (Thailand) Company Limited	1,885	1,885	1,228
Others	2,842	2,841	1,665
Total	10,055	9,893	8,186
Other accounts payable			
Pre-Proud Co., Ltd.	220	220	-
Others	24	24	140
Total	244	244	140
Retention for rent (included in "Other non-current liabilities")			
Be Wise (Thailand) Company Limited	5,468	5,468	-
KA-Nomjeen Bangkok Co., Ltd.	1,458	1,458	-
CRC Creation Public Company Limited	1,210	1,210	-
Total	8,136	8,136	-

Agreements with related parties

In March 2016, the Company has entered into land rental agreements for Head Office and Sriracha branch with two related parties for a period of 30 years expiring in February 2046. Under the new agreement, the Company is committed to pay a monthly rental at Baht 420,000.

In May 2016, the Company has entered into a new land rental agreement for Ayutthaya branch with a related party for a period of 30 years expiring in May 2046. Under the new agreement, the Company is committed to pay a monthly rental at Baht 150,000.

5. CURRENT INVESTMENTS

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Fixed deposit 4 months	150,000	150,000	-
Marketable securities - Open-end funds	319,993	319,993	55
Total	469,993	469,993	55

6. TRADE ACCOUNTS RECEIVABLE - OTHERS

As at December 31, 2016 and 2015, the Group had outstanding balance of trade accounts receivable - others, aged as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Current	6,891	6,881	6,129

7. MERCHANDISES

	In Thousand Baht		
	Consolidated	Separate financial statements	
	financial statements	2016	2015
Merchandises	371,414	365,865	449,990
Goods in-transit	4,709	4,709	10,888
Total	376,123	370,574	460,878
Less allowance for devalue, slow-moving and obsolete of merchandises	(13,820)	(13,820)	(16,745)
Net	362,303	356,754	444,133

8. OTHER CURRENT ASSETS

	In Thousand Baht		
	Consolidated	Separate financial statements	
	financial statements	2016	2015
Advance payment	6,941	6,922	4,546
Deposit for purchase of merchandises	6,924	6,923	11,494
Input value added tax	3,412	3,345	3,579
Others	3,923	2,883	3,716
Total	21,200	20,073	23,335

9. INVESTMENT IN SUBSIDIARY

As at December 31, 2016, detail of investment in the separate financial statements was as follow:

	Ownership	In Thousand Baht		
	Interest	Paid-up	Dividend	
	(%)	Capital	At Cost	Income
Save Now 2494 Co., Ltd.	99.97	10,000	-	-

On May 17, 2016, the Company (“the Buyer”) has entered into the Share Purchase Agreement of Save Now 2494 Co., Ltd. (“Save Now”) with Pre Proud Co., Ltd. (“the Seller”) totaling 99,970 shares, equivalent to 99.97% of authorized share capital of Save Now at book value price as at May 11, 2016 which equal to Baht 163 thousand and the Seller has guaranteed that if the Buyer determine that the financial statements on such date has a mistake, the resulted in the book value is lower than purchasing price, the Seller agrees to pay the difference to the Buyer with details as follows:

	In Thousand Baht	
	May 11, 2016	
	Financial information provided by the Seller	Audited by the Buyer
Share capital	10,000	10,000
Deficit	(9,837)	(12,664)
Shareholders' equity (Capital deficiency)	163	(2,664)

On June 8, 2016, payment had been made to the seller at Baht 163 thousand. The audited booked value of Save now by the buyer equal to (Baht 2,664 thousand).

As at June 30, 2016, the Company has recorded receivable from Pre Proud Co., Ltd. (the Seller) comprise of payment for share purchase amounted to Bath 163 thousand and capital deficiency amounted to Bath 2,664 thousand, totaling Baht 2,827 thousand. On September 23, 2016 the receivable has already refunded such amount to the Company.

10. PROPERTY, PLANT AND EQUIPMENT

	In Thousand Baht					
	Consolidated financial statements					
	Land and land improvements	Buildings and building improvements	Tools, equipment and furniture	Vehicle	Construction in progress	Total
Cost						
Balance as at January 1, 2016	122,343	345,893	126,625	24,024	103	618,988
Business combination	-	6,082	1,572	503	-	8,157
Additions	1,177	510	2,760	1,341	155,936	161,724
Disposal	-	(2,409)	(1,919)	(944)	-	(5,272)
Transfers – net	3,441	102,491	48,055	-	(153,987)	-
Balance as at December 31, 2016	126,961	452,567	177,093	24,924	2,052	783,597
Accumulated depreciation						
Balance as at January 1, 2016	15	59,855	50,105	16,451	-	126,426
Business combination	-	707	122	39	-	868
Depreciation charge for the year	284	18,535	19,729	3,395	-	41,943
Disposal	-	(1,129)	(989)	(911)	-	(3,029)
Balance as at December 31, 2016	299	77,968	68,967	18,974	-	166,208

	In Thousand Baht					
	Consolidated financial statements					
	Land and land improvements	Buildings and building improvements	Tools, equipment and furniture	Vehicle	Construction in progress	Total
Allowance for impairment loss						
Balance as at January 1, 2016	-	-	-	-	-	-
Increase	-	563	-	-	-	563
Balance as at December 31, 2016	-	563	-	-	-	563
Net book value						
At December 31, 2016	126,662	374,036	108,126	5,950	2,052	616,826

	In Thousand Baht					
	Consolidated financial statements					
	Land and land improvements	Buildings and building improvements	Tools, equipment and furniture	Vehicle	Construction in progress	Total
Cost						
Balance as at January 1, 2015	120,812	184,676	63,148	21,824	79,844	470,304
Additions	485	432	34,758	2,200	112,414	150,289
Disposal	-	-	(1,484)	-	-	(1,484)
Transfers – net	1,046	160,785	30,203	-	(192,155)	(121)
Balance as at December 31, 2015	122,343	345,893	126,625	24,024	103	618,988
Additions	1,177	510	2,553	1,341	155,732	161,313
Disposal	-	(2,409)	(1,919)	(944)	-	(5,272)
Transfers – net	3,441	102,491	48,055	-	(153,987)	-
Balance as at December 31, 2016	126,961	446,485	175,314	24,421	1,848	775,029

In Thousand Baht

	Separate financial statements					
	Land and land improvements	Buildings and building improvements	Tools, equipment and furniture	Vehicle	Construction in progress	Total
Accumulated depreciation						
Balance as at January 1, 2015	-	48,411	39,074	13,126	-	100,611
Depreciation charge for the year	15	11,444	12,267	3,325	-	27,051
Disposal	-	-	(1,236)	-	-	(1,236)
Balance as at December 31, 2015	15	59,855	50,105	16,451	-	126,426
Depreciation charge for the year	284	17,233	19,521	3,330	-	40,368
Disposal	-	(1,130)	(989)	(911)	-	(3,030)
Balance as at December 31, 2016	299	75,958	68,637	18,870	-	163,764
Net book value						
At December 31, 2015	122,328	286,038	76,520	7,573	103	492,562
At December 31, 2016	126,662	370,527	106,677	5,551	1,848	611,265

The gross carrying amounts of fully depreciated fixed assets that are still in use as at December 31, 2016 and 2015 amounted to Baht 43.7 million and Baht 37.8 million, respectively.

11. INCOME TAX

As at December 31, 2016 and 2015 details of deferred tax assets were as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Allowance for devalue, slow-moving and obsolete of merchandises	2,764	2,764	3,349
Others	699	292	294
Total	3,463	3,056	3,643

Income tax expense

Income tax recorded as expense for the years ended December 31, 2016 and 2015 consists of:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Income tax computed from accounting profit regarding the announced income tax rate (20%)	34,327	35,517	36,706
Effects from non-deductible expenses	283	283	4,048
Effects from additional deductible expenses	(11,512)	(11,512)	(242)
Net loss of subsidiary	1,191	-	-
Income tax expense of prior year (before amalgamation)	-	-	54
Income tax on taxable profit	24,289	24,288	40,566
Decrease (Increase) in deferred tax assets	986	579	(3,466)
Income tax presented in statement of comprehensive income	25,275	24,867	37,100

12. COMPUTER SOFTWARE

	In Thousand Baht		
	Consolidated financial statements		
	Computer software		
	Computer Software	under installation	Total
Cost			
Balance as at January 1, 2016	1,360	7,053	8,413
Business combination	887	-	887
Additions	3,514	875	4,389
Balance as at December 31, 2016	5,761	7,928	13,689
Accumulated amortization			
Balance as at January 1, 2016	477	-	477
Business combination	87	-	87
Amortization charge for the year	459	-	459
Balance as at December 31, 2016	1,023	-	1,023
Net book value			
At December 31, 2016	4,738	7,928	12,666

	In Thousand Baht		
	Separate financial statements		
	Computer Software	Computer software under installation	Total
Cost			
Balance as at January 1, 2015	573	7,053	7,626
Additions	787	-	787
Balance as at December 31, 2015	1,360	7,053	8,413
Additions	3,514	875	4,389
Balance as at December 31, 2016	4,874	7,928	12,802
Accumulated amortization			
Balance as at January 1, 2015	411	-	411
Amortization charge for the year	66	-	66
Balance as at December 31, 2015	477	-	477
Amortization charge for the year	345	-	345
Balance as at December 31, 2016	822	-	822
Net book value			
At December 31, 2015	883	7,053	7,936
At December 31, 2016	4,052	7,928	11,980

13. CREDIT FACILITIES

As at December 31, 2016, the Group has agreement with a local financial institution for the following credit facilities:

	In Thousand Baht
Bank overdraft	10,000
Letter of credit and trust receipts	150,000
Letter of guarantee and pre-settlement limit	40,000
Total	200,000

14. SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Trust receipts	-	-	21,228
Short-term loans from financial institution	-	-	77,000
Total	-	-	98,228

As at December 31, 2015, short-term loans from financial institutions comprise of promissory notes from a local bank and bear interest at the rate of Money Market Rate (MMR) per annum.

15. FINANCE LEASE LIABILITIES

Finance lease liabilities are payable as follows:

	In Thousand Baht					
	2016			2015		
	Principal	Interest	Payments	Principal	Interest	Payments
Within one year	503	128	631	290	142	432
After one year but within five years	1,449	154	1,603	1,366	218	1,584
Total	1,952	282	2,234	1,656	360	2,016

The Company entered into hire-purchase contracts with two local companies covering its transportation. Under the terms of the contract, the Company must comply with certain conditions covering the leased assets.

As of December 31, 2016 and 2015, the Company had future minimum lease payment under the hire-purchase contract as follows:

Years	In Thousand Baht	
	2016	2015
2016	-	432
2017	631	432
2018	631	432
2019	631	432
2020	341	288
Total	2,234	2,016

16. LONG-TERM LOAN

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Current portion	-	-	6,950
Due after 1 year but within 5 years	-	-	243,050
Total	-	-	250,000

On December 25, 2015, the Company entered into a loan agreement with a local bank amounting to Baht 250 million for financial restructuring. The loan bears interest at the rate 1-M BIBOR plus 2.74% per annum up to October 2016, 1-M BIBOR plus 3.14% per annum up to June 2017, and 1-M BIBOR plus 4% per annum for the remaining period. The loan principal is repayable in 36 monthly installments at Baht 6.95 million per installment. The first installment shall be made within December 2016. However, in November 2016, the Company has already refunded the principal and interest.

17. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Accrued expenses	18,837	16,877	20,393
Payable for purchase of fixed assets	15,554	15,522	12,945
Accrued salary and bonus	3,592	3,592	11,170
Other	6,280	7,564	5,604
Total	44,263	43,555	50,112

18. LIABILITY FOR POST-EMPLOYMENT BENEFITS

Movements of liability for post-employment benefits for the years ended December 31, 2016 and 2015 are as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Liability for post-employment benefits			
as at January 1,	1,083	1,083	706
Current service cost	455	455	312
Interest cost	62	62	42
Expense recognized in the statements			
of comprehensive income	517	517	354
Transaction recognized in other			
comprehensive income			
- Actuarial loss	-	-	23
Reversal of employee benefits	(570)	(570)	-
Liability for post-employment benefits			
as at December 31,	1,030	1,030	1,083

Actuarial loss recognized in other comprehensive income arising from:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Change in financial assumptions	-	-	81
Change in demographic assumptions	-	-	(600)
Experience adjustments	-	-	542
Total	-	-	23

Significant assumptions used in calculation of liability for post-employment benefits are as follows:

Discount rate	4% per annum in 2016 and 2015
Salary increase rate	5.55% per year in 2016 and 2015
Employee turnover rate	0%-52% per year in 2016 and 2015
Mortality rates	Based on Thai Mortality Table (year 2008)
Disability rates	10% of Thai Mortality Table (year 2008)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	In Thousand Baht	
	Increase	Decrease
Defined benefit obligation at December 31, 2016		
Discount rate (0.5% change)	(23)	24
Salary increase rate (0.5% change)	28	(27)
Employee turnover rate (0.5% change)	(36)	38

19. SHARE CAPITAL

	In Baht	In Thousand Shares / In Thousand Baht			
		2016		2015	
	Par value	Number	Amount	Number	Amount
Authorized - ordinary shares					
At January 1,	0.50	630,000	315,000	630,000	315,000
- Increase share capital	0.50	370,000	185,000	-	-
At December 31,	0.50	1,000,000	500,000	630,000	315,000
Issued and paid - up					
- Ordinary shares					
At January 1,		630,000	315,000	630,000	315,000
- Increase of new shares		370,000	185,000	-	-
At December 31,		1,000,000	500,000	630,000	315,000

At the annual general meeting of the shareholders of the Company held on April 20, 2016, the shareholders passed the resolution to increase authorized share capital from Baht 315,000,000 (3,150,000 ordinary shares at Baht 100 par value) to Baht 375,000,000 (3,750,000 ordinary shares at Baht 100 par value). The Company registered the increase authorized share capital with the Ministry of Commerce on April 29, 2016.

At the extraordinary meeting of the shareholders of the Company held on May 9, 2016, the shareholders passed the following resolutions:

- change the par value from Baht 100 per share to Baht 0.50 per share, and
- increase authorized share capital from Baht 375,000,000 (3,750,000 ordinary shares at Baht 100 par value) to Baht 500,000,000 (1,000,000,000 ordinary shares at Baht 0.50 par value). The Company registered the increase authorized share capital with the Ministry of Commerce on, May 11, 2016.

Accordingly, as at December 31, 2015 the number of paid-up share capital has been changed from 3,150,000 shares to 630,000,000 shares.

- to list the Company's securities on SET in order to support the Company's expansion in the future.

On May 19, 2016, the Company submitted a registration statement to the Office of Securities Exchange Commission of Thailand for offering 250,000,000 ordinary shares at Baht 3.88 par value to the public. The Company was allowed to offer its securities to the public on October 5, 2016 and the Stock Exchange of Thailand issued an order accepting the ordinary shares of the Company as registered securities on October 6, 2016 and first trading day on November 14, 2016.

In November 2016, the Company offered the newly issued 250,000,000 ordinary shares to the public. As a result, the Company received the proceeds of Baht 970 million which was separately recorded as its share capital of Baht 125 million and share premium of approximately Baht 806.88 million (net of related expenses incurred for the offering of ordinary shares of approximately Baht 38.12 million) under the “Shareholders’ equity” in the statement of financial position as at December 31, 2016. The Company registered the increase in paid-up share capital with the Ministry of Commerce on November 10, 2016.

20. SHARE PREMIUM

The share premium is set up under the provisions of Section 51 of the Public Companies Act B.E. 2535, which requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). The share premium is not available for dividend distribution.

21. LEGAL RESERVE AND DIVIDEND

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

At the annual general meeting of the shareholders of the Company held on April 20, 2016, the shareholders passed the resolution to provide 5% of unappropriated retained earnings as legal reserve amounted to Baht 11.7 million and pay the dividend from unappropriated retained earnings as at December 31, 2015 totaling Baht 222.7 million (Baht 70.7 per share) to the shareholders.

22. REVENUE FROM SALE AND COST OF GOODS SOLD

Revenue from sale and cost of goods sold of consignment presented in the part of revenue from sale and cost of goods sold in statement of comprehensive income for the years ended December 31, 2016 and 2015 as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Revenue from sale	161,467	159,636	190,373
Cost of goods sold	138,573	136,983	156,604
Net	22,894	22,653	33,769

23. OTHER INCOME

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Rental and service income	33,544	31,601	18,360
Others	2,098	2,424	625
Total	35,642	34,025	18,985

24. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Changes in merchandises	87,979	87,379	(10,736)
Purchase of merchandises	491,899	488,451	595,693
Employee costs	162,875	157,816	162,537
Depreciation and amortization	42,402	40,713	27,136
Electricity	31,204	31,163	30,980
Sale promotion expenses	21,507	21,355	28,644

25. Fair Value Measurement

This standard applies when another TFRS requires or permits fair value measurements or disclosures about fair value measurement and requires disclosures about fair value measurements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (“Level 1 inputs”), secondary priority to other observable inputs (“Level 2 inputs”), and the lowest priority to unobservable inputs (“Level 3 inputs”).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

As at December 31, 2016 and 2015, the Company had the following asset that is measured at fair value (both on a recurring or non-recurring basis) in the statements of financial position;

- Current investments amounting to Baht 469,993 Thousand for 2016 and Baht 55 Thousand for 2015. (level 1 inputs)

However, the Company has financial assets and liabilities not measured at fair value in the statements of financial position as at December 31, 2016 and 2015 but for which the fair value is disclosed in Note 26.

26. DISCLOSURE FOR FINANCIAL INSTRUMENTS

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not issue derivative financial instruments for trading purposes.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases of goods which are denominated in foreign currencies.

As at December 31, 2016, the Group had no outstanding balance of short-term forward purchase contract.

The outstanding unhedge foreign currency liabilities due within one year amounted to U.S. Dollars 82 Thousand.

Management believes that said foreign currency risk is minimal.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the reporting date.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair value of financial assets and liabilities

The Company used level 2 inputs, which are inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly, to estimate the fair value of each class of financial assets and liabilities:

Cash and cash equivalents, trade accounts receivable and other receivables - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

Trade accounts payable and other payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

Investments in subsidiary and liabilities under finance lease agreements are not practicable to be estimated the proper fair value without incurring the excessive costs.

27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that its have an appropriate financial structure and preserves the ability to continue its business as a going concern.

As at December 31, 2016, the Group's debt-to-equity ratio was 0.09 : 1 and the Company's debt-to-equity ratio was 0.08 : 1 (2015 : 0.87 : 1)

28. COMMITMENTS

As at December 31, 2016,

- a) the Company had land and building rental agreements for a period from 2 years to 30 years up to May 2046 and the subsidiary had a land and structure rental agreement for a period of 2 years up to January 2019. The Company and subsidiary are committed to pay rental fees on the above agreements as follows:

	In Thousand Baht		
	Consolidated financial statements	Separate financial statements	
	2016	2016	2015
Within 1 year	15,433	12,463	11,987
After 1 year but within 5 years	41,859	37,989	19,568
After 5 years	178,914	178,914	1,888
Total	236,206	229,366	33,443

- b) the Company had unused letters of credit totaling U.S. Dollars 0.3 million (equivalent to Baht 9.9 million), and
- c) the Group had contingent liability for letters of guarantee issued by a local bank in favor of a state enterprise and local companies totaling Baht 7.9 million.

29. OTHER

During the year ended December 31, 2016, the Company has started its wholesale business with turn over amounted to Baht 9.4 million.

30. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the separate statements of comprehensive income for the year ended December 31, 2015, were reclassified to conform to the presentation of the separate statements of comprehensive income for the year ended December 31, 2016, in the part of selling expenses and administrative expenses.

	In Thousand Baht		
	Before		After
	Reclassify	Reclassify	Reclassify
Selling expenses	110,590	35,314	145,904
Administrative expenses	237,248	(35,314)	201,934
		-	

31. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 28, 2017, the Board of Directors passed the resolution to pay the dividend from the operation of 2016 totaling Baht 60 million (Baht 0.06 per share) to the shareholders. The dividend payment will be further proposed to the Annual General Meeting of the Company's shareholders for approval on April 2017.

32. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for dissemination by the Company's board of directors on February 28, 2017.

Audit Fee

Audit Fee

The Company paid the audit fee and/or review the financial statements for the fiscal year 2016 to the Auditors as follows:

	2016 (Baht)
Annual Audit Fee	1,050,000
Interim Financial Review Audit Fee	750,000
Total	1,800,000

Non Audit Fee

- None -

Corporate Social Responsibility

The Company has an initial idea to support communities surrounding FLYNOW factory in Phetchaburi province by opening a shop for selling local products such as food and handicrafts. The Company further developed the shop according to the concept of “Ton-Kla” meaning “Sprout” of the Community and “Branch” of the Royal Project. The Company has helped local producers improve the quality, packaging, and marketing strategy of the products. By polishing and incubating these local producers, The Company has created a better growth prospect of the community. Currently, these local products are sold in “Ton-Kla” shop, which is a shop for selling quality products from communities and Royal Project in order to be responsible for social and organization’s environment or Corporate Social Responsibility (CSR). This shop has the objective to increase social and environmental benefit instead of shareholder’s benefit as the objective of regular enterprises. Through “Ton-Kla” shop, The Company shares entrepreneurial knowledge with local startups and help them grow to become strong local businesses.

In addition, The Company collaborates with local government agencies and government travel promotion agencies to organize special cultural events or public events to conform the intention of the Company’s start-up such as initiatives to help flood victims who live nearby the Company’s branch, supporting local economies, supporting Ramathibodi Hospital Foundation under the “Endless Giving” Campaign to raise funds for patients who cannot afford their medical costs. The Company has not deducted any cost of every activities.

Overall Policy

With transparency and accountability, The Company upholds ethical and good governance standards in all its business endeavors as prescribed by the Stock Exchange of Thailand. Corporate governance standard comprises of eight items : fair business practice, anti-corruption policy, respect for human rights, fair treatment of labor, responsibility to consumer, environmental protection, involvement in community development, and innovation promotion. These practices result in practices that are responsible to society, environment, and all related stakeholders.

Practices and Reporting

The Company’s corporate social responsibility standards are as follows

Fair Business Practice

- 1) The Company runs its business practice with honesty and integrity. The Company upholds great responsibilities to individuals, society, communities, and environment, both legally and ethically. Business is run with high standards and supervision.

- 2) The Company does not achieve its advantages through giving special gifts to government officials or other related parties.
- 3) As for trade partner relations, The Company always gives fair treatment to its trade partners without requiring special unfair payments from the customers. Whenever an agreed condition cannot be met, The Company will notify its trade partners to find a commonly agreed solution.
- 4) As for competitors, The Company honors fair competition and does not seek secret information of its competitors.

Anti-Corruption Policy

The Company holds a Zero-Tolerance Policy for corruption. The Company complies with all laws and regulations related to corruption prevention in Thailand. The Company does not participate in bribery and corruption activities, whether directly or indirectly. The Company uses management system to effectively prevent bribery and corruption activities. All board members, executives, and employees are forbidden to be involved with corruption and bribery to/from government officials and other related parties.

Respect for Human Rights

The Company respects human rights for all individuals. All human deserves an equally dignified living regardless of race, color of the skin, gender, language, religion, political alignments, beliefs, nationalities, wealth, birth, or social background.

Fair Treatment of Labor

Managements are obligated to treat all labors fairly and without biases. The Company supports capacity building and efficiency enhancement. In addition, The Company promotes integrity among employees and arrange for proper and adequate welfare supports for its employees.

Responsibility to Consumer

The Company gives equal and fair treatment to all of its customers. The Company does not disclose customers' information that The Company received from business practice to a third-party, unless such disclosure is required by the law. The Company honors all agreements and agreed terms with customers. Whenever an agreed condition cannot be met, The Company will notify its customers to find a commonly agreed solution.

Environmental Protection

The Company recognizes the importance of environmental protection. Therefore, Offices and every outlet are importantly designed and built with energy saving materials. The Company also fosters and encourages employees at all level to save energy and protect the environment through notices and announcements.

Involvement in Community Development

The Company ensures compliance to all laws and regulations. The Company gives cooperate, help, support and to community development initiatives that will benefit nearby community and society.

Innovation Promotion

The Company promotes innovation creation in all level of work, both within our organization and through cooperation with other organizations. We strive for process improvements, new thought process, as well as new production method in order to increase value to our products. The aim is to bring about positive changes which will be beneficial to both the company and the society.

Corporate Social Responsibility Activities

The Company gives support to several activities for the society and the environment. This includes community improvement projects in the nearby areas of The Company's outlets to enhance livelihood of the people in those areas.

Anti-Corruption Policy

The Company conducts its business with honesty, integrity, transparency, responsibility to the society, and responsibility to all related parties. The Company plans to join Thailand Private Sector Collective Action against Corruption (CAC) to support all anti-corruption measures. With dedication to this cause, The Company has established and promoted anti-corruption policy in every department of the company to build anti-corruption culture. Board members, executives, and all employees acknowledge and comply with this policy. The policy guideline is as follows:

- 1) The Board of Directors has the responsibility to establish anti-corruption policy and communicate the policy to employees and all related parties including have an auditing compliance of anti-corruption policy. In addition, the Board will set up guideline for process review in all work procedures to ensure compliance with policy, regulations, announcements, and related laws.
- 2) The Company holds anti-corruption training sessions for executives, and employees. The main objective is to promote honesty, integrity, and responsibility in work, as well as strictly reinforce the anti-corruption policy and corporate governance policy for all works to express the Company's intention.
- 3) Directors, executives, and employees will not be involved with or give support to any kind of corruption activities, directly and indirectly. Anti-corruption policy is to be followed rigorously. No bribery is tolerated.

- 4) Directors, executives, and employees will cooperate with government agencies and private organizations in the fight against corruption accordingly.
- 5) Directors, executives, and employees will not tolerate and allow corruption activities. Supervisors or related department will be informed to inspect and report to the Board of Directors, in case of the significance case. Moreover, they give a cooperation to inspect fact or respond to question.
- 6) Audit Committee has the responsibility to review financial reporting, internal control and internal audit system to ensure that safeguarding measures are adequate and appropriate to prevent corruption incident that may arises.







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