

EXPANDING



Vision

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

Mission

TACC is committed to become a leading company offering beverage and lifestyle products both in B2B and B2C model focusing on CLC group of countries Cambodia, Laos and China. We will solidify our position as a leader by contributing 4 types of benefits as follow:

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

Business Goal

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





T-TEAM WORK



A-ACHIEVEMENT & ATTITUDE

UT.A.C.C.
C O R E V A L U E



C-CREATIVITY



C-CUSTOMER & CONSUMER FOCUS

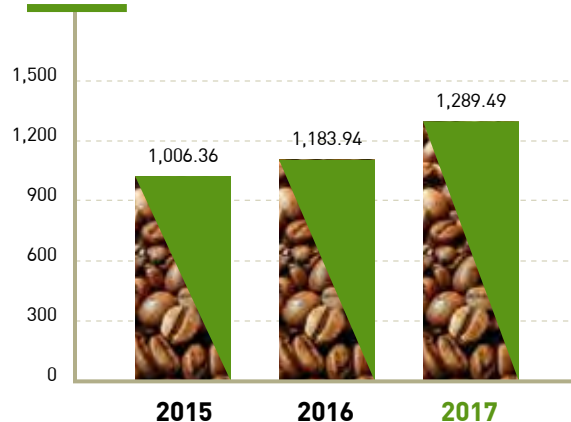
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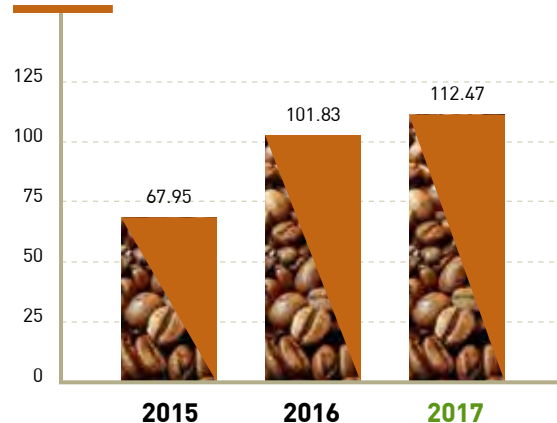
Total Revenues

(Million Baht)



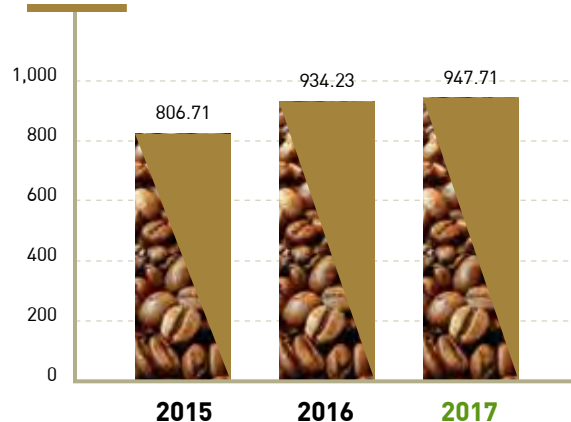
Profit for the Years

(Million Baht)



Total Assets

(Million Baht)



Financial Highlight

	Unit	2015	2016	2017
Statements of Comprehensive Income				
Total Revenues	Million Baht	1,006.36	1,183.94	1,289.49
Total Expenses	Million Baht	918.82	1,056.35	1,149.17
Profit Before Income Tax Expense	Million Baht	86.23	126.91	140.02
Profit for the Years	Million Baht	67.95	101.83	112.47
Statements of Financial Position				
Total Assets	Million Baht	806.71	934.23	947.71
Total Liabilities	Million Baht	191.67	278.16	282.53
Shareholders' Equity	Million Baht	615.04	656.07	665.18
Statements of Cash Flows				
Cash Flow from Operating Activities	Million Baht	81.32	133.40	-20.34
Cash Flow from Investing Activities	Million Baht	-28.28	-396.97	61.00
Cash Flow from Financing Activities	Million Baht	430.27	-67.46	-105.45
Increase in Cash and Cash Equivalents-Net	Million Baht	483.30	-331.02	-64.78
Financial Ratio				
Current Ratio	X	4.05	3.06	3.05
Account Receivable Turnover	X	5.92	5.95	4.46
Average Collection Period	Day	60.76	60.52	80.74
Average Sale Period	Day	10.12	8.95	11.29
Account Payable Turnover	X	6.09	6.01	5.32
Average Payment Period	Day	59.14	59.87	67.66
Gross Profit Margin	%	30.66	30.35	30.22
Operating Profit Margin	%	8.52	10.25	10.34
Net Profit Margin	%	6.75	8.60	8.72
Return on Equity : ROE	%	19.37	16.02	17.03
Return on Assets : ROA	%	12.50	11.70	11.95
Asset Turnover	X	1.85	1.36	1.37
Debt to Equity Ratio : D/E	X	0.31	0.42	0.42
Interest Coverage Ratio	X	75.64	221.82	26.58
Cash Basis	X	0.68	1.40	-0.14
Dividend Payout	%	90.18	83.59	97.30

GLOBAL CAPABILITY BY LOCAL EXPERT

T.A.C.C. focuses on expanding into the country group that has the potential for high economic growth, the CLC group, Cambodia, Laos and China as well as the country with the largest consumer base like China.

With our strong marketing and consumer research team, we understand consumer needs within the region and are well prepared to cater to those needs as our ambition is to become “the proud Thai product” in the ASEAN market.



The heart to business is creating a Strategic Partnership with Partners, Customers, OEMs and suppliers of raw materials and packaging.



The distribution via domestic channel and international channel.



14% Growth rate

Export value of beverages
for CLC Group (Cambodia, Laos, China).



The Distribution of international
channel via Importer, Distributor
and Online.



The Developing unique and
different products

TACC focus the production of quality products
to satisfy consumers need



Sales growth ongoing
form the past year.

The Change and Key Mile stone 2017



▷ The Company has launched new products in Cambodia. They are energy drinks under brand "Jump Start" with key ingredients - Ginseng green tea and multivitamin; provide in two flavors, mixed fruits and pomegranate in 245 ml aluminum can.



▷ The Company has launched new flavor of Japanese style Donut, Chocolate flavor, sold exclusively to 7-Eleven under brand "A Smile".

▷ The Company was award "SME Sustainable 2016" Organized by CP ALL Public Company Limited cooperate The Office of SMEs Promotion (OSMEP) and Department of Industrial Promotion set "The 7- Eleven Thai SMEs Sustainable 2016. They were award to SMEs partners who sell products through the channels of 7-Eleven and 24 shopping. There are 8 categories, 13 award such as SME Sustainable, Rising star SME, Agriculture, SME, community goods.



Jan.

Feb.

Jul.

Aug.

Oct.

Nov.



▷ The Company has launched new Instant Powder Drink "Apple Yogurt Smoothie" in fresh corner coffee under "All Café" in 7-Eleven to welcome rainy season.



▷ TACC was rating in ESG 100 by Thaipat Institute announcement 100 Listed Companies outstanding environment, Social and Corporate Governance. It is an investment option that provides returns. "More profit"



▷ The Company has launched new Japanese style donut "Snowy Twist Donut" by the retail price 15 Baht

▷ TACC was award "Total Innovation Management 2017" Organized by Stock Exchange of Thailand (SET), Market for Alternative Investment (MAI) and National Innovation Agency (Public Organization).



▷ TACC was celebration 10th Anniversary Zenya in Cambodia by Big Campaign and set celebrity "Pancake Khemanit Jamikorn" as a Brand Ambassador.



▷ TACC received Corporate Governance Report of Thai Listed Companies 2017 was a good score (79% from previous years 70%) from institute of Director and support by Stock Exchange of Thailand.



► The Company has launched new beverage “Zenya Mocktail” So, feel fun and refreshing drink by zip lock bag in two new flavor; “Magarita Mocktail” and “Mai Tai Mocktail”. The retail price is 30 Baht per bag at 7-Eleven convenience store to welcome the summer season.

► The Company has launched new Instant Powder Drink “Mango Yogurt Smoothie” in fresh corner coffee under “All Café” in 7-Eleven to welcome summer season.



► TACC was excellent score (98 of 100 Point) in AGM checklist program from Thai Investor Association and Securities and Exchange Commission, Thailand.

Mar.

Apr.

Jun.

Nov.

Dec.



► TACC received the rights to manufacture and distribute products using the five cartoons character include Hello Kitty, My Melody, Kerokerokeroppi, Pompompurin and Bad badtzmaru by 7-Eleven convenience stores in Thailand. Product of the Company to receiving the rights mostly 5 major group such as 1) Non-Food such as Bottle, Cotton Bud box and Magnet 2) Cosmetic such as Hand Cream, Hand Jel and Lip Balm

► The Company has launched new flavor Cold Beverage Dispenser Chocolate Hershey's Freeze® in cooperation with Sunny Sky Products, LLC, the holders of the rights to produce and distribute the chocolate beverage. Hershey's Freeze® will be distributed at 7-Eleven stores throughout the nation in time for year-end celebrations.

► The Company has launched “Easy Dip sauce” by eat with food & bakery in 3 flavor such as Sour Cheese, Korea Spicy and Chocolate in 7-Eleven nationwide.

► The Company has signed the Memorandum of Understanding for cooperation between the Company and Quanjian Group Co., Ltd. This business cooperation has been derived due to a well-matched combination of different strengths that each party owns in order to prosper and explore the business potentials.

► TACC was award “Outstanding Investor Relations 2017” from The Stock Exchange of Thailand cooperation Money & Banking Magazine in SET Award 2017 to announcement an honor Listed Companies, Securities companies Asset Management Companies and Financial Advisor was excellent and outstanding from operation 2016.

► The Company has launch “Cheese Foam” for Instant powder drink such as Lemon Tea Cheese, Thai Tea Cheese and Matcha Green Tea Cheese by add price 15 Bath in fresh corner coffee under “All Café” in 7-Eleven.



Message from the Chairman of the Board of Director



ADM Apichart Pengsritong

ADM Apichart Pengsritong
The Chairman of the Board of Director

Transitioning into digital age occur rapidly in the year 2017. The Company has adapted by utilizing new innovations and technologies to enhance the competitiveness which is in comply with “Thailand 4.0”, a policy vision of Thailand’s economic development.

The Company had a satisfactory operating performance for the year 2017. The total revenue was at 1,289.49 million baht, increased by 8.91% compare to the previous year where the total revenue was at 1,183.94 million baht which is considered to be a continuous and significant growth.

The Board of Directors has established prudent policies on operating business where information has been disclosed to shareholders accurately, completely, transparently and timely. The Board of director and Executives have plan strategies and delivered them into practice effectively. According to the Corporate Governance Report of Thai Listed Companies 2017, conducted by the Thai Institute of Directors (IOD), under the support from the Stock Exchange of Thailand and The Securities and Exchange Commission, Thailand; the Company has received, a “good” score, which is a

continued from the previous year, where the score has increased from 70% to 79%. The Company has as well obtained a “very good” score in the Annual General Shareholders’ Meeting Assessment for the year 2017. I would like to congratulate the Company’s working team that has received the Outstanding Investor Relations Awards 2017 from Stock Exchange of Thailand in collaboration with Money & Banking Magazines at the SET Award 2017. The Company will continue to maintain and work its best to increase the level of these assessments for the coming years. Moreover, the Company as well emphasizes on the accountability for all stakeholders equally, along with social contribution and environmental care.

On behalf of the Board of Directors, I would like to express my gratitude to our shareholders for consistently having confidence in TACC. I would also like to express my gratitude to all of our employees for performing their task with dedication, fortitude and honesty to maintain this good performance standard. Such aforementioned factors are the significant forces that help drive TACC’s business to become successful. I ensure that the Board of directors will adhere and oversee the Company operations to be in accordance with the principle of corporate governance. Moreover, I strongly believe that our executives’ determination and dedication will lead the Company to grow sustainably further in the future.

Message from the Chairman of the Executive Committee



Chatchawe Vattanasuk
Chairman of the Executive Committee



TACC Public Company Limited is committed to operate its business in procuring, producing and distributing beverage and lifestyle products to progress steadily, sustainably and contain good governance. The Executive Committee is well aware of their roles and perform with responsibilities to accomplish the goals and vision set, in order to create the best benefit for shareholders, society and the country's economic.

Operating performance for the year 2017, is a continuous success from the year 2016 where the Company's net profit was 113.81 million Baht, with net profit margin ratio of 8.83% increased by 11.98 million Baht or 11.76% in comparison to the previous year, which had net profit of 101.83 million Baht, with net profit margin ratio of 8.60%. This is mainly due to the increased in gross profit margin, which is a result from the continuous increase in revenue.

Apart from the ability to maintain the operating performance to grow continuously under the challenging situation, the Company as well succeeded in several respects in the year 2017 such as:

▶ Outstanding Investor Relations Awards 2017 from Stock Exchange of Thailand in collaboration with Money & Banking Magazines at the SET Award 2017

▶ Sustainable SME Awards in 7-Eleven Sustainable SME Award Project, organized by CP All PLC. together with Office of Small and Medium Enterprise Promotion (OSMEP) and Department of Industry Promotion (DIP), Ministry of Industry

▶ Total Innovation Management Awards 2017 organized by Stock Exchange of Thailand, the Market for Alternative Investment in collaboration with the National Innovation Agency.

▶ TACC securities is rated in the ESG 100 by Thaipat Institute, the 100 most prominent listed companies on environmental, social and governance issues.

On behalf of the Chairman of the Executive Committee, I would like to express my gratitude to our shareholders, customers, partners, business alliances, the board of directors, our employees and all related parties for the ongoing good cooperation, confidence and support in TACC Public Company Limited. I am confidence that we will commit to operate with transparency and efficiency under Good Corporate Governance Principles and to provide the best return for shareholders along with social responsibilities and environmental activities to foster all group of stake holders to be sustainable in the future.

Board of Directors



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



▶ **Mr. Somboon Prasitjutakul***
Chairman of the Audit Committee, Independent Director
and Nomination and Compensation Committee



▶ **Assoc.Prof.Kitti Siripullop**
Chairman of the Audit Committee and
Independent Director



▶ **Mrs. Paktra Suriyapee**
Audit Committee, Independent Director and Chairman
of the Nomination and Compensation Committee



▶ **Mr. Komsak Watanasiroj**
Audit Committee, Independent Director
and Nomination and Compensation Committee



▶ **Mr. Chatchawe Vatanasuk**
Director



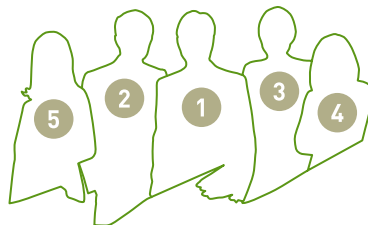
▶ **Mr. Chanit Suwanparin**
Director and Nomination and Compensation Committee



▶ **Mrs. Chirapan Khotcharit Choosang**
Director

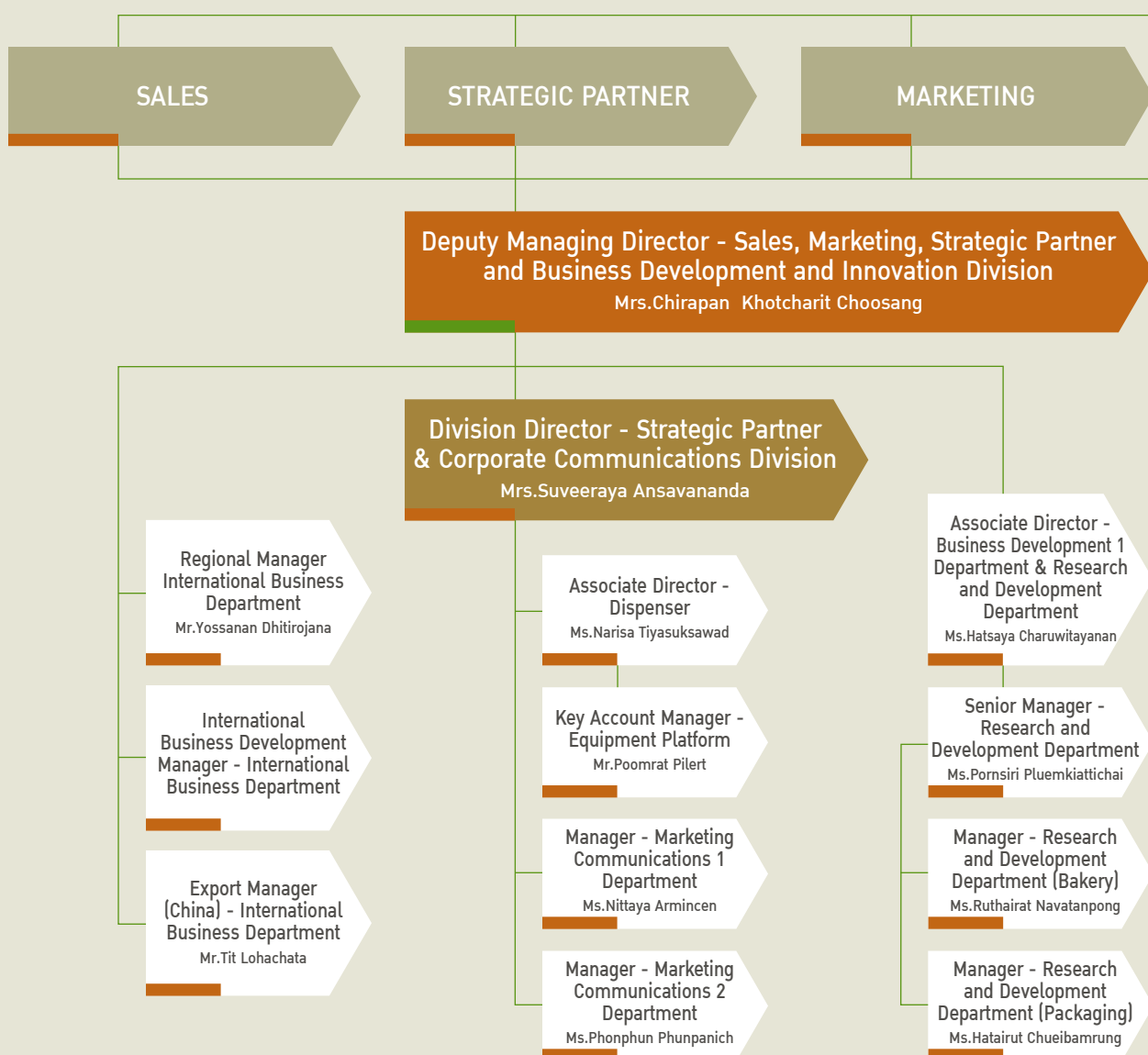
NOTE : Mr. Somboon Prasitjutakul has resigned from the position of Chairman of the Audit Committee, Independent Director and Nomination and Compensation Committee on May 1, 2017. The resolve of the Board of Director appoint Assoc.Prof.Kitti Siripullop as a Director. This will be effective on June 14, 2017 onward.

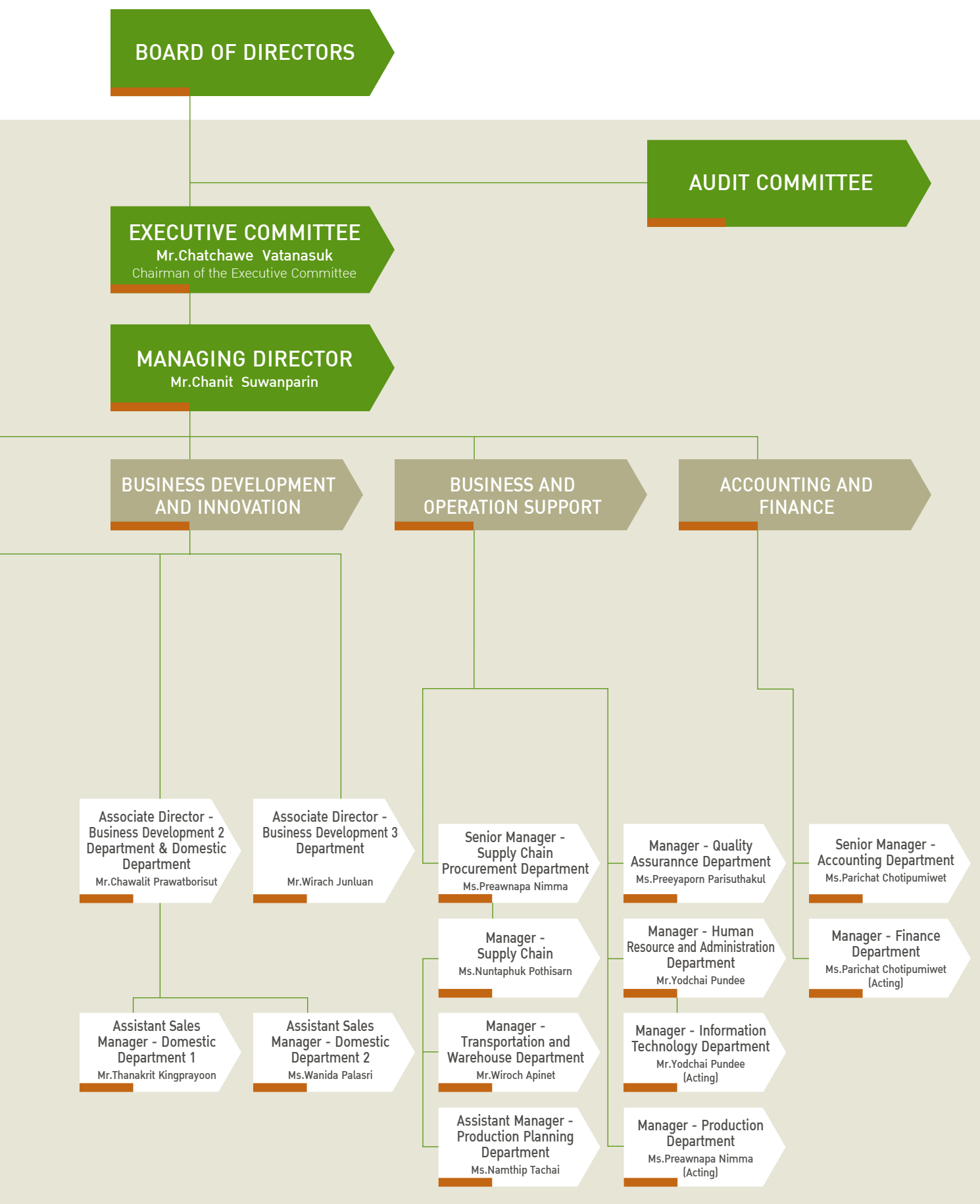
Executive Committee



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

Organization Chart





SUSTAINABILITY DEVELOPMENT



**BRING THE POWER
OF 13,000 CANCER SURVIVORS**



Awards and Recognition

▶ TACC was award “Outstanding Investor Relations 2017” from The Stock Exchange of Thailand cooperation Money & Banking Magazine in SET Award 2017.



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Nature of Business

Revenue Structure

TYPE OF REVENUE	YEAR 2015		YEAR 2016		YEAR 2017	
	MILLION BAHT	%	MILLION BAHT	%	MILLION BAHT	%
Revenue from sales of drink products						
▷ Business to Business : B2B	841.86	83.65	1,007.54	85.10	1,152.01	89.34
▷ Business to Customer : B2C	162.58	16.16	169.48	14.32	129.69	10.60
Total revenue from sales of drink products	1,004.44	99.81	1,177.02	99.42	1,281.70	99.40
Total revenue from sales	1,004.44	99.81	1,177.02	99.42	1,281.70	99.40
Other income ¹⁾	1.92	0.19	6.92	0.58	7.79	0.60
Total revenue	1,006.36	100.00	1,183.94	100.00	1,289.49	100.00

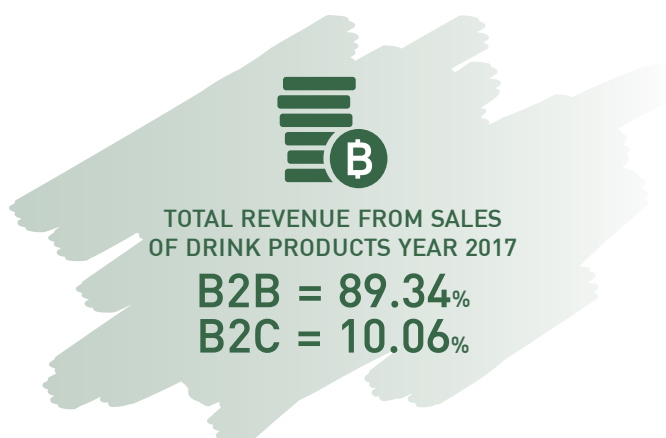
NOTE : ¹⁾ Other revenue include revenue from interest income and sales of raw material.

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

1. PRODUCT GROUP WHICH THE COMPANY JOINTLY DEVELOPED WITH ITS BUSINESS PARTNER (BUSINESS TO BUSINESS : B2B)

The Company researches and develops products closely with its key strategic partner in order

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





Cold Beverage Dispenser (Core Flavor)



Instant Powder Drink

Cheese Foam

1) Cold Beverage Dispenser (Core Flavor)

This type of beverages generates the Company's main revenue in which a jointly research and development of this cold beverage dispenser since 15 years been conducted cooperatively with 7-Eleven convenience store under administration of the CPALL Public Company Limited. The product will be distribute to the 7-Eleven shop in the form of instant powder package of several size, i.e. 467 grams, 702 grams, etc., which the product will be merged in the dispenser and sold as cold drink to the customers.

In administering the cold beverage dispenser at the 7-Eleven convenience store, there will be both the core flavor, which is the main beverage that must be available in every 7-Eleven convenience store. The core flavor drinks that the Company jointly developed with 7-Eleven are ice-coffee with 7-Eleven trademark and milky ice-tea with the "Zenya" trademark of the Company.

Moreover, the jointly developed of the Company with 7-Eleven team. The Company has work plan

together for growth of cold beverage dispenser group. Now, CPALL is changed promotion media for clearly products such as coffee 7-select change to espresso coffee and change format promotion media for same products group.

2) Instant Powder Drink

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

2.1) Cheese Foam

Cheese Foam as a new format for cold beverage in fresh corner coffee All Café in 7-Eleven by cheese foam is a topping of ice tea menu such as Lemon Tea Cheese, Thai Tea Cheese and Matcha Green Tea cheese which additional and freshness of cold beverage and topping price 15 Baht.

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

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

Seasonal Drink as a choice of each 7-Eleven store which change cold beverage as a period. The product that the Company jointly developed to distribute of seasonal drink such as Honey lemon, Thai black coffee, Orange Yu-Su and Hershey's Freeze Milk Chocolate.



Seasonal Drink

4) Hot Beverage Dispenser

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

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

Moreover, the Company has arrange media of promotion, marketing activity by test at Chiang Mai, Ubonratchathani and Phuket for create awareness Hot Beverage Dispenser to target group.



Hot Beverage Dispenser



5) A Smile Donut

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

Since the product have especial formula and fresh for day to day sale. So, It affect to storage long time on shelf. The Company has developed change



A Smile Donut

new formula and launched the “Snowy Twist Donut” as Donut Japanese style, on shelf from August 28th, 2017 onwards. Snowy Twist Donut as a soft donut, split icing sugar for meet consumer need is low sugar. The retail price 15 Baht in 7-Eleven convenience store.

6) Character Product

The Company receiving the rights to manufacture and distribute products with Sanrio Wave Hong Kong Co., Ltd. using the 4 cartoons character include Hello Kitty, My Melody, Pompompurin and Bad badtzmaru by 7-Eleven convenience stores in Thailand. Product of the Company to receiving the rights mostly 2 major group; 1) Non-Food such as Bottle, Cotton Bud box and Magnet 2) Cosmetic such as Hand Cream, Hand Jel and Lip Balm. The Company receiving the rights Exclusive Distributor from CP ALL in distribute the rights products from Sanrio Wave Hong Kong Co., Ltd. in 7-Eleven Convenience Stores.

Cosmetic products group

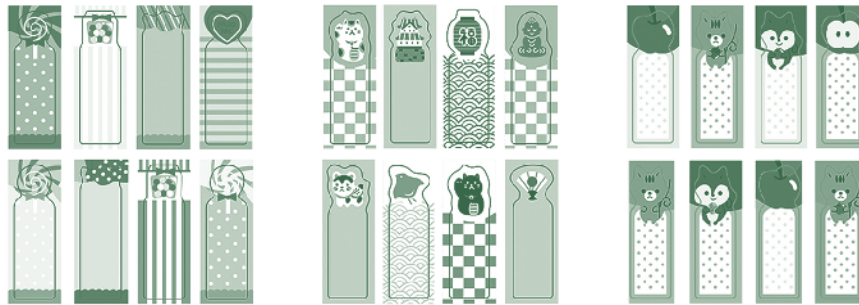


Non food products group



Character Product

Stationary products group



Zenya Mocktail

Sour Cheese

Korea Spicy

Chocolate



Easy Dip

Moreover, the Company has Stationary product group under own brand “TACC Stationary”. There are post it which pack up 15 sheet per one design, total 120 sheet and more design by sold through 7-Eleven Convenience store.

7) Zenya Mocktail

The Company has launched new beverage “Zenya Mocktail” So, feel fun and refreshing drink by zip lock bag package of size 250 ml, in two new flavor; “Margarita Mocktail” and “Mai Tai Mocktail”. The retail price is 30 Baht per bag at some 7-Eleven convenience store to welcome the summer season.

8) Easy Dip

The Company has developed “Easy Dip” as a sauce by eat with all food & bakery such as sausage, sandwich, bakery, burger or mix with noodle. Easy dip 3 flavor such as Sour Cheese, Korea Spicy and Chocolate in 7-Eleven nationwide. The packaging as a reduce plastic from regular to save natural resources.

2. PRODUCT GROUP DISTRIBUTE UNDER THE COMPANY’S BRAND (BUSINESS TO CUSTOMER : B2C)

The Company also develops products under its own brands which this group of products can be summarized in 5 category as follows;



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



Functional coffee under the brand “Vslim”

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

The kind of Zenya trademark product is the green tea made of the genuine green tea mixed with intense fruit juice, mineral and vitamins, making it completely unique and freshly taste of tea leaves and fruit juice and this particular feeling has been identified as “Zenya Super Power form Super Fruit”. It is produced in 3 different flavors; (1) Ready-to-Drink Green tea mixed with pomegranate juice with the benefit of double amount of anti-oxidant derived from green tea and pomegranate fruit. (2) Ready-to-Drink Green tea mixed with red grapes that helps lower the lever of body cholesterol, and (3) Ready-to-Drink Green tea mixed with green apple adds double antioxidants from green tea and apples. These ready-to-drink product are placed in the colorful plastic bottles of 500 milliliters, and are good for every consumer of all age and sexes, particularly the group of teenagers. This kind of product is sold in the general market as well as imported to the oversea, mainly in some ASEAN countries, particularly Cambodia. The retail price in the country’s general market is 20 baht per unit. As for the oversea market, it will be developed in terms of the product formula so as to be appropriate to the needs of customer as well as the requirement of each particular country. For example, the ready-to-drink green tea with less sugar is granted by the health promotion brand of the Singapore with guaranteed sign on the bottle containers

as the “Heathier Choice” and this is to confirm that the healthy drink product which can be put into sale in every school all over the Singaporean country.

2) Functional coffee under the brand “Vslim”

A Health and weight control coffee drink with high fiber, low fat and non-cholesterol. It also allows consumers to have a great shape from the benefits of 3 key active ingredients namely, Fiber, White Kidney Bean and L-Carnitine in responding to consumer’s awareness in health and beauty.

Vslim is one the ice coffees comprising the outstanding ingredients such as fiber, white kidney bean extracted and L carnitine. This kind of ready-to-drink coffee is packed up in 240 milliliter can and it come in 2 flavor such as (1) Espresso concentrate coffee and (2) Latte is aroma taste coffee. The Vslim is regarded as first outstanding brand of healthy choice coffee for losing weight being packed in the form of canned coffee that help make easier for the consumer to drink anywhere and any occasion. The Company produces this kind of ready-to-drink canned coffee for consumption both in the country and the outside group of Indo-China countries such Cambodia etc. The Company has concentrated on selling mainly through the convenience stores in which the retail selling price is only 20 baht per can.

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

A three-in-one drink mix containing 500 gram crates with 10 sachets per crate costing 1,000 baht. This kind of product is produced under the aim that the customers or consumer may be impressed on this particular kind of Thai taste the drink refreshment in which screenings of good quality ingredients are made for the benefit of the customers themselves. This kind of ready-to-drink instant powder is 3 mixed; 1) coffee latte produced in the form of sweet concentrate roasted instant with fresh aroma of Thai style instant coffee, 2) Thai milk tea instant with soft mellow flavor of Thai Style, 3) green tea sweet and concentrate ingredient of milk and green tea with jasmine smell flavor, 4) Chocolate, 5) Matcha green tea latte, 6) Thai lemon tea and 7) Thai tea honey lemon. The product is mainly sold in overseas market and also a great alternative for Thai restaurants and Asian grocery.

4) Instant powder drink under the brand “Sawasdee”

The kind of drink is regarded as the high quality product of ready-to-drink a premium instant powder and is produced with the aim of initiating different favorable need of consumption by using high quality

ingredients and flavors as well as packaging so as to be appropriate to Thai identity under the Thai brand of solution “Sawasdee”. This ready-to-drink brand produced in 3 flavors; 1) durian milk with natural chunks with “Sawasdee Bangkok Durian” trademark. It comes in the form of hot drink which makes the consumers feel the taste and smell of Thai Durian which is regarded as the outstanding king of the tropical fruit, 2) mango milk with natural chunks with “Sawasdee royal mango” trademark. It comes in the form of hot drink with nice smell of mango which helps make relieve of tension to the consumer, and 3) Thai milk tea with “Sawasdee Thai Milk Tea” trademark is the concentrate taste of sweet aroma Thai Style of tea mixed with milk. These Sawasdee Durian and mango flavors are packed in the crate of 30 grams weight with 5 sachets per crate, while Thai milk tea is packed in the crate of 10 sachets in which they are to be exported to overseas market mainly the group Chinese consumers.

5) Energy Drink “Jump Start”

The Company has launched new products in Cambodia. They are energy drinks under brand “Jump Start” with key ingredients - Ginseng green tea and multivitamin; provide in two flavors, mixed fruits and pomegranate in 245 ml aluminum can.



Instant powder drink under the brand “Na-Arun”



Instant powder drink under the brand “Sawasdee”



Energy Drink “Jump Start”

Marketing and Competition

COMPETITIVE STRATEGY

1. Establishing Business Partnership

The heart of Company's business is to build business partnership with all the business partner, including customers, original equipment manufacture (OEM), material, packaging suppliers. The Company has its policy to establish long-term relationship with partners under business alliance concept. Apart from common business transaction, the Company has been working closely with its partners in exchanging the idea, determining business plan, as well as developing product and package that could satisfy customer's needs and that could swiftly and effectively react to marketing situation. Moreover, the Company and its trade partners regularly exchange their views on new products and update the trend of beverage markets both in domestic and overseas market. Such business relationship is beneficial to not only the Company but also its partner and lead to sustainable long-term business relationship. The Company has been one of 7-Eleven key strategic partners which enable the Company to constantly develop and introduce new products to customer. This result in a steady growth of Company's revenue.

In 2013, the Company was granted the Partnership Award 2013 "Best of Business Growth" form CPALL. The award has been bestowed to the trade partners, mostly large corporations in recognition of continuous collaboration and excellent business growth. As a result, demonstrates that the Company has been accepted by its customers and has been on par with leading companies of the country.

In 2017, the Company was granted "SME Sustainable 2016" Organized by CP ALL Public Company Limited cooperate The Office of SMEs Promotion (OSMEP) and Department of Industrial

Promotion set "The 7- Eleven Thai SMEs Sustainable 2016. They were award to SMEs partners who sell products through the channels of 7-Eleven and 24 shopping. There are 8 categories, 13 award such as SME Sustainable, Rising star SME, Agriculture SME, community goods. Etc.

2. Developing unique and different products

Another factor contributing to the steady business growth is that the Company has placed its importance on product research and development, to create unique and distinct products both in appearance and taste; for example a green tea product without green color under the concept "The Colorful Green Tea" of which the idea has been further developed to "Super Power from Super Fruit" and a beverage with natural fruit chunk branded "Sawasdee". This allows the Company to react itself appropriately and promptly to business opportunities, gaps, and change that evolve all the time, while being able to focus itself more of specific target market in order to thoroughly meet diverse consumer's need and lifestyle. Such outcome stems from a cooperation among marketing team, business development team and research and development team. Initially, the marketing team will study and closely monitor beverage market trend both in domestic and oversea markets, as well as change in consumer's behaviors. The business development team will conduct project feasibility study and then the product research and development team will create, develop, and design product that could satisfy the need. Since the product research and development team having long been experience in beverage industry, they could constantly create and develop new unique and differentiated products to the market by differentiating its products, the Company could mitigate the risk from substitute products of the same category.

3. Maintaining Product Quality Standards

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

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

4. Continuous Public Relation and Sale Promotion

The Company places its great importance on sale promotion and public relation of products through its continuous arrangement of marketing activities in order to promote the products through its primary

channels; for examples, regularly participating in domestic and overseas food and beverage exhibitions which create opportunities for the Company to exchange its view with groups of targeted customers, both direct customers and groups of distributors, importers, and wholesalers from all over the world. This helps promoting the products and assisting in market expansion, as well as acting as a channel to receive customers' suggestion towards products which is crucial for product improvement and development to effectively satisfy customer's needs in each segment more precisely. Moreover, participating in such events also enables the Company to obtain information on food and beverage industry trend as well as innovate idea which allows the Company to timely evaluate and develop its product to satisfy customer's needs and lifestyles that evolve constantly.



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

- ▷ THAIFEX World of Food Asia, held in the month of May every year at Bangkok, Thailand.
- ▷ Thailand Retail, Food & Hospitality Services 2017 (TRAFS), held in the month of July every year at Bangkok Thailand.
- ▷ SIAL China, Asia's leading Food & Beverage Exhibition, held in the month of May every year at Shanghai, China.
- ▷ FHC China, China's Global Food Hospitality trade show, held in December every year at Shanghai, China.
- ▷ Gulf Food Dubai, The World's Biggest Annual Food Hospitality show, held in the month of February every year at Dubai, United Arab Emirates.
- ▷ Dubai Global Village, held in the month of October to March at Dubai, United Arab Emirates.
- ▷ Foodex Japan, held in the month of March every year at Tokyo, Japan.
- ▷ Taipei International Food Show, held in the month of June every year at Taiwai, China.

Nature of Customer and Target group

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

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

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

SALE	2015			2016			2017		
	MILLION BAHT	MIX (%)	GROWTH (%)	MILLION BAHT	MIX (%)	GROWTH (%)	MILLION BAHT	MIX (%)	GROWTH (%)
Domestic Sales	926.96	92.29	6.22	1,069.58	90.87	15.39	1,182.87	92.29	10.59
International Sales	77.48	7.71	(40.37)	107.44	9.13	38.67	98.83	7.71	-8.01
Total Sale	1,004.44	100.00	0.18	1,177.02	100.00	17.18	1,281.70	100.00	8.89

NOTE : International Sales sum to amount is Indirect Export

PRICE SETTING POLICY

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

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

Policy and Practice toward Customers, Trading Partners, and Competitors

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

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

CUSTOMER SATISFACTION LEVEL MANUFACTURER/IMPORTER OF RAW MATERIALS AND THE OEM.

Quality Assurance Department arrange performance of quality assurance assessment. This is an annual survey by Customers, Manufacturer/Importer

of raw materials and OEM responded to the satisfaction questionnaire. In order to improve the data and improve the efficiency of the various aspects of operations as follows.

Customer, Manufacturer/Importer of raw materials and OEM has satisfaction of the Quality Assurance department of the Company was rated Very satisfied with an average score of 4.5 point. The topic with the highest average score was first 3 sequence: The employees have responsibility and cooperation for make target goal, The employees have knowledge and understanding in quality system and safety food and understanding of product. They are help and support for operation work.

SALE AND DISTRIBUTION CHANNEL

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

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

1. Domestic Distribution Channels

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

A) Traditional Trade

▷ Van Sales : At present, the Company has four van sales accompanied by its sales staff. The sales staffs visit retail outlets to survey the market as well as promote and sell the Company's products in order to build new customer base. Product distribution coverage areas include Northeastern, Eastern, Western and Bangkok region. This sales channel focuses on product distribution through specific channels such as hospitals, factories, schools and golf courses. Nowadays, the Company has 2 van sales.

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

B) Modern Trade

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

2. Overseas Distribution Channels

The Company distributes products via importers and/or distributors. At present, the Company has two

distributors for overseas market. Overseas sales are conducted under an advance payment policy, whereby customers have to transfer in full payment before any product shipment.

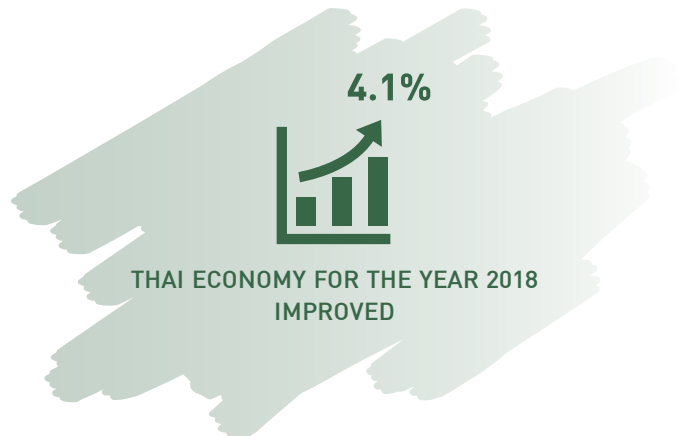
For expanding distribution channels to overseas markets, the Company will consider market condition, competition, opportunities and threats in each market including the Company's capacity and strength. Currently, Cambodia is considered to be a strategic market of the Company since its size and population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

PRODUCTS	DISTRIBUTION CHANNEL	
	DOMESTIC	OVERSEA
1. Cold & Hot Beverage Dispenser	✓	-
2. Ready to drink Green tea "Zenya"	✓	✓
3. Health and weight control coffee "VSlime"	✓	✓
4. Instant powder drink "Na Arun"	✓	✓
5. Instant powder drink "Sawasdee"	✓	✓
6. Japanese Style Donut "A Smile"	✓	-
7. Character Products	✓	-
8. Zenya Mocktail	✓	-
9. Easy Dip	✓	-
10. Jump Start	-	✓

Thai Economic Performance

According to a report by the Fiscal Policy Office, Thai economy in the year 2017 is expected to expand at 3.8%, accelerated from the previous year's expansion of 3.2%, exceeding the previous projection as a result from delivery of goods and services which is expected to expand continuously to 6.2% according to the trading partner country's economic that clearly expanding; by ongoing expansion of export goods in various categories and in almost all export market. While the revenue from tourism sector continue to rise in comply with the high number of foreign tourists entering Thailand in 2017, at 35.4 million people. Moreover, private expenditures continued to expand as the consumption of private sector is projected to expand by 3.2% driven by the increased in the labor income in export manufacturing and tourism sector. This includes beneficial from measures such as helping low-income earners measure through government welfare card scheme, tax reduction measure to stimulate spending in the fourth quarter and the private investment; where it is expected to recover from the previous year and expand at 2.1% which is in line with the Industries Sentiment Index that increased in accordance with the clarity of government's policy performance such as Infrastructure Investment Project and the promulgation of the draft Act on the Special Economic East Zone. Ongoing Government stimulus drive the Government consumption to expand and accelerate from previous year at 2.0%. However, government investment is expected to shrink by -1.1%.

For domestic economic stability, headline inflation in the year 2017 was at a low level of 0.7%, rose from the previous year which is in line with the recovery of domestic demand and the rising cost of crude oil in the global market. For import product value is projected to grow at 14.7%, while export value is expected to expand at 9.7%.



Thai economy for the year 2018 is projected to expand by 3.6-4.6% (average projection 4.1%), improve from expansion at 3.9% and 3.2% in 2017 and 2016, respectively. Inflation rate is expected to be between 0.9-1.9% and current account surplus of 8.1% of GDP.

With the trend to expand well and accelerate slowly by receiving continuous support factors from expansion of global economic and export. Which drive the industrial production to have a clear recovery trend and support the economic expansion more. As well as the overall investment trend accelerate in line with the continued improvement trend of private investment sector that is supported by the reduction of excess manufacturing capacity in major industry and improvement on the confidence in the economic system. Including the accelerated expansion of public investment in accordance with the progress of major infrastructure investment projects and the increase in the expenditure framework investment. Meanwhile, other major economic fields are likely to continue to expand well, a continuous from the previous year.

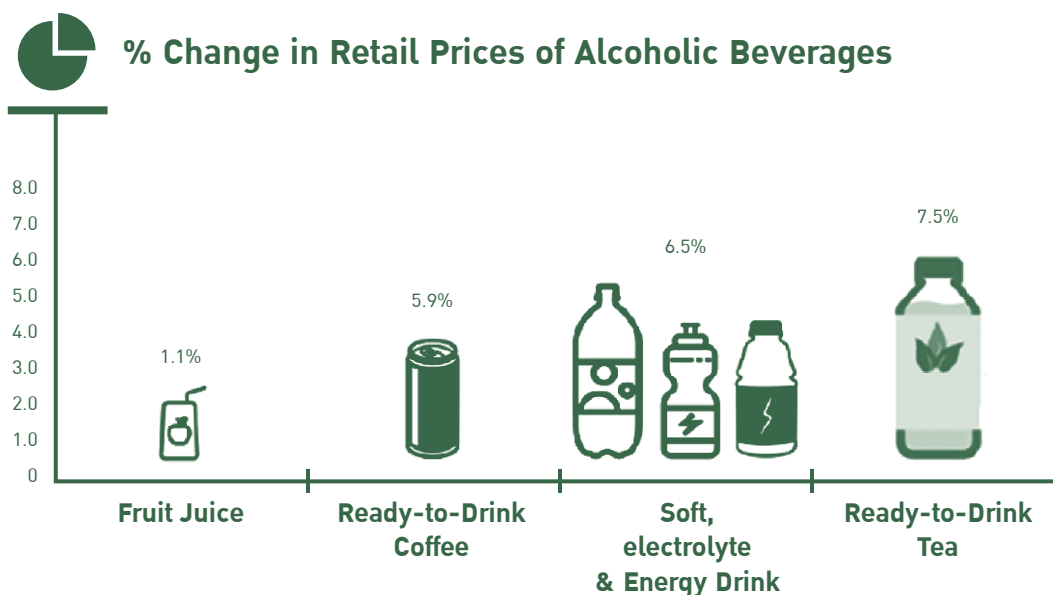
Beverage Industry

THAI BEVERAGE BUSINESS TAKE A CAUTIOUS PATH AMID VARIOUS PRESSURES AND NEW EXCISE TAX

Kasikorn Research Center provided because of large consumer base, Thailand's beverage market has an extensive variety of products on offer, leading to a situation where most beverages can be substituted by those of competitors. Therefore, competition is intense as a producers must work hard to capture market share, and continuously launch new products to maintain their competitiveness. Contrary to the high market value of the overall beverage industry, its growth prospects are not very encouraging. The main reasons for this are that the public's spending behavior is changing along with their spending power, changes in consumer trends and regulations to control the consumption of some productions. More recently, new tax rates were put in place by the Excise Department on September 16, and by coming into effect, could place some limitations on the growth of this industry.

The highest jump in retail prices for non-alcoholic beverage has been seen in ready-to-drink teas, rising around 7.5% over their pervious prices, though the rates vary with the proportion of their sugar content. This is the first time that government has imposed excise taxes on ready-to-drink teas ensure fairness in the beverage industry and discourage the consumption of beverages with high sugar content. The increases represent tax burdens on beverage producers, but whether they will pass on them to consumers or not depends on a number of factors.

KResearch is of the view that, amid sluggish household spending, passing on tax burdens by raising retail prices may not be an appropriate option unless those products are in strong demand and is highly price inelastic. Therefore, we expect that most businesses may have to adjust to maintain their customer base and market share as a result of the excise tax hikes and other downsides.



SOURCE : Calculation by KResearch

REMARK : New retail prices and based on most recent excise taxes, They are not official retail prices.

Retail Industry

Kasikorn Research Center provided the phenomenon of swift expansion and continual uptrend in e-commerce is viewed by KResearch as a significant turning point in retail trade resulting from the digital era, especially after the entry of large, foreign e-marketplace websites. In 2018, e-commerce growth will likely reach 20-25 percent YoY, in continuation from the high growth experienced in 2017, which is attracting many non-retail businesses into the field. Such non-traditional operators have expanded new lines of commerce and are exploring integration into online retail trade, although with varying objectives. This situation signals intensified retail trade competition, which will become more evident over time.

Previously, each retail business operator attempted to adapt themselves to new competition. Their adjustments included the redesign of physical space (by large operators) into 'Edu-Zones' for children, or 'Co-Working Space' for working people. Meanwhile, medium-sized businesses have sometimes opted for 'niche' or 'unique' products to attract prospective buyers. However, amid the ever-changing competition in retail trade, retailers, overall, will likely face various new challenges, and therefore, will likely need to use fixed asset management to achieve the most rapid and worthwhile returns, but also the most challenging effort for them in 2018.

For long-term sustainability, business adjustments are needed at every level of retail operations. Retailers must gain a more precise understanding of their customers' lifestyles and behaviors, possibly by means of 'Big Data', data analytics and perhaps even AI technologies, thus to acquire such insights that they may employ toward management of their commerce and linkage with retail channels - i.e., 'Online-to-Offline', or 'O2O' commerce - at their physical and perhaps even online shops. Eventually, retailers that learn to best manage both those two channels will enjoy a greater advantage over their peers.

Coffee Beverage Industry

According to www.marketeer.co.th, coffee is a popular beverage among Thai consumers which can be observe from people always holding coffee in their hand no matter what time it is. This reflects the more diverse of coffee consumption of modern consumers behavior, which is not just limited for the purpose of relieving sleepiness as in the past. At the same time coffee shops can be seen everywhere and have increased continuously for the past 5-6 years; whether it's a vintage coffee shop, fresh coffee shop both small and large shop or premium coffee shop both domestic and international. At present, the value of coffee shop market surge up to 17,000 million baht, which grow 15% from the previous year. Moreover, in the year 2017, it is expected to grow from the year 2016 for additional 10-15% as a result of consumers visiting coffee shop more, including the consumption of coffee in Thailand is still low when compared to the population which allow the coffee shop market to continue growing.

Industrial Export Market

Ms. Pimchanok Vonkorpon, Director-General of the Office of Trade Policy and Strategy Office, reveals that Thai export in December (TPSO) 2017 continued its upward trend for 10 consecutive months, recording 8.6% or at the value of US\$19,741 million. By which export expanded well in all major export markets especially Indian market and CLMV market with highest export value recorded. Export of goods expand continuously where agricultural and agro-industrial products have an ongoing growth at a high level for the 14th consecutive month; especially rice, cassava products, frozen seafood, canned and processed food, frozen and processed fresh chicken have expand in high level of price.

For the full year of 2017, export showed the highest value in history at US\$ 236,694 million or 9.9% growth rate, the highest in six years. Major products which drive the export are rubber products, electronic products, oil-related products, Hevea, telephone, rice, automobiles, equipment and components while exports to major markets grow continuously in almost all market; especially US, the European Union, ASEAN and China, with the highest recorded export value in the year 2017.

The 2018 trend is expected to expand continuously with factors that support global economic particularly the strong recovery of the US economy and the ongoing recover of the Asia economies. Moreover, increased in oil price trend will result in the increases of agriculture goods and oil-related goods as well.

Table showing total export value during during 2015 - 2017

COUNTRY	2015		2016		2017		GROWTH RATE (%)	
	MILLION BAHT	%	MILLION BAHT	%	MILLION BAHT	%	15/16	16/17
Cambodia	167,048.30	14.94	163,324.40	14.36	178,245.11	13.63	-2.22	9.13
Lao	149,909.28	13.41	140,092.38	12.32	133,716.09	10.23	-6.54	-4.55
China	800,893.89	71.65	833,538.03	73.32	995,474.82	76.14	4.07	19.72
Total	1,117,851.47	100.00	1,136,954.81	100.00	1,307,436.02	100.00	-4.69	2.43

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

Table presenting export value of beverage products during the year 2015-2017

COUNTRY	2015		2016		2017		GROWTH RATE (%)	
	MILLION BAHT	%	MILLION BAHT	%	MILLION BAHT	%	15/16	16/17
Cambodia	8,680.10	73.52	10,870.29	74.82	11,621.85	69.94	25.23	6.91
Loas	2,351.30	19.91	2,843.12	19.57	2,977.66	17.92	20.92	4.73
China	775.01	6.57	814.70	5.61	2,018.51	12.14	5.12	147.76
Total	11,806.41	100.00	14,528.11	100.00	16,618.02	100.00	51.27	159.40

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

The Company also aims to expand its business to international. Especially, CLC country Group; Cambodia Laos and China which this country group as the economic potential is quite high. In 2015, The export value to CLC country group 1,117,851.47 million baht, In 2016, 1,136,954.81 million baht and In 2017, 1,307,436.02 million baht. The export value of beverage product in 2015, 11,806.41 million baht, In 2016, 14,528.11 million baht and in 2017, 16,618.02 million baht. The growth export value of beverage product as a result consumer are popularity Thai products. Because as a quality products and brand awareness is quite high.

Nowadays, the Company has export products to most distribute and major export market such as Cambodia in 2017 the growth rate 6.91% from previous year. Due to result of economy of Cambodia has growth continuous which expand 6.8%

Management Discussion and Analysis : MD&A

T.A.C. Consumer Public Company Limited (“the company”) would like to clarify the operating results for the year ended December 31, 2017 as follows:

SALES

In 2017, the sales revenue of the company was 1,281.69 million baht, increased by 8.89 % from 2016 when the sales was 1,177.02 million baht. This is because

- 2) The company had domestic sales valued 1,182.87 million baht, increased by 10.59% from the prior year when the amount was 1,069.58 million baht. This growth was derived from (A) cold drinks in dispenser group offering varieties of seasonal flavors, namely: Green tea - Honey lemon flavor, Green tea – orange Yusu, Olieng and Hershey’s Milk Chocolate, (B) new series of seasonal products provided to All Cafés (a fresh coffee corner within the 7-Eleven store), (C) increase in the number of machines installation for Hot Beverage dispenser group, (D) the launch of “Snowy Twist Donut” branded “A Smile” in August 2017, and (E) Ready to Drink (R-T-D) Mocktail Drinks in March 2017 and Sauce Dip in November 2017.
- 3) The company had export sales valued 98.83 million baht, decreased by 8.01% from the prior year when the amount was 107.44 million baht. The reason came from an aggressive promotion of key competitors leading to Price War in the Green Tea market.

OTHER INCOME

In 2017, the other income were 7.79 million baht, increased by 12.53 % from the previous year being reported at 6.92 million baht. This was due to the company received income from gain on short term of investment, interest income and other income from compensation.

COST OF SALES

In 2017, the company had the cost of sales increase 9.10% in the same way of sale, that have valued 894.33 million baht (69.78% of sale) or 30.22% gross margin, while in 2016, the company had the cost of sales valued 819.75 million baht (69.65 % of sale) or 30.35% gross margin.

SELLING EXPENSES

In 2017, the selling expenses were 190.05 million baht, increased by 14.44 % from the previous year being reported at 166.08 million baht. This increase derived from (A) the additional head counts of employees as business expansion and (B) the increasing of depreciation of The Hot dispensers that be installed completed increasing and (C) Finally came from sale promotion and advertising for the new product and Green tea market.

ADMINISTRATIVE EXPENSES

In 2017, the company had administrative expenses of 64.78 million baht decreased by 8.14 % from the previous year when there were 70.52 million baht.

FINANCE COSTS

In 2017, the company had finance cost valued 0.30 million baht, decreased by 56.32 % from the previous year being recorded at 0.68 million baht. This was due to deferred interest that the company paid some of financial lease in 2016.

NET PROFIT

In 2017, the company’s net profit was 112.47 million baht (8.72 % of sale) increased by 10.64 million baht (10.45%) from the previous year (101.83 million baht or 8.60% of sale). The increase in net profit was driven by the increasing of gross margin from higher sale.

BUSINESS PLAN 2018

The company sets the 2018 target to grow at least 10 % and more .The growth would be from two business groups, Business-to-Business and Business-to-Consumers.

Risk Factor

1. RISK FORM KEY CUSTOMER DEPENDENCY

The Company's total revenue in the year 2016 and 2017, 88% and 90% come from transactions with CPALL Public Company Limited. Therefore, if the Company loses the said customer or the customer reduces its orders, it will significantly have an impact on the Company's revenue and financial performance. Due to the fact that CPALL Public Company Limited ("CPALL") operates a retail business under the brand "7-Eleven" convenience stores in Thailand which has many distribution channels all over the country and continues to expand its branch every year and to the fact that as of quarter 3/2017 there were 10,152 stores (refer: www.cpall.co.th). The Company has witnessed the high and steady growth of its product demand as well. CPALL is also a company with stable and strong financial position. As one of CPALL suppliers under a Key Strategic Partner, the Company is given the opportunity to continuously develop its new products.

Furthermore, as the Company's products have been with 7-Eleven customers for a long time 15 years, the customers have become fond of the taste of the drinks thus they are not likely to shift to other products. This creates a competitive advantage for the Company. Both parties can gain mutual benefits, in which the Company also works closely with its customer, apart from ordinary business transaction, in exchanging ideas, determining business plans, developing products as well as packaging in order to quickly and effectively satisfy the needs of customers and the changes in market situation. It can be seen that the Company's revenue from CPALL does not only come from existing products, as the Company works together with its customers to develop new products to cover a wide range of customer group. The Company has expanded its business to other product of CPALL such as 1) stationary, 2) Non-food, and 3) Cosmetic with Character Business will be increased business opportunities for the Company in the future. The

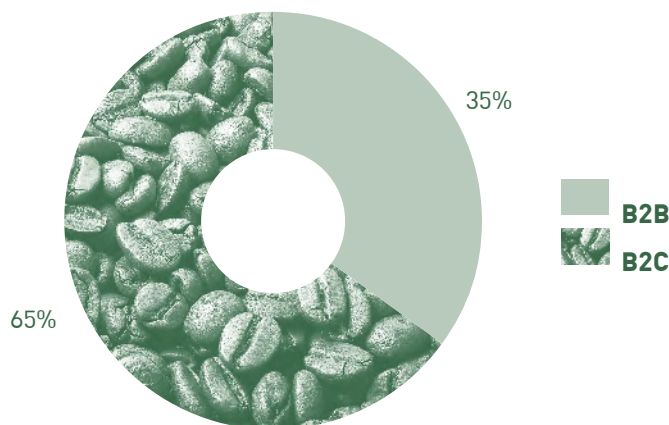
extensive relationship with CPALL for over 15 years has been an evidence of confidence and trust given by the customer and in the year 2013 the Company was given a Partnership Award under the category "Best of Business Growth" from CPALL, which is an award granted to the partner who is well-cooperated and has an outstanding growth performance. The majority of the award winning corporations are large enterprises which show that the Company is viewed by the customer as equal to the country's leading corporations. The Company was received Exclusive Contact three years and renew a contract. Hence, the management is certain that the relationship with the customer can be maintained firmly and sustainably.

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

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



The target proportion of sales revenue in 2020




2. RISK FORM DEPENDENCY ORIGINAL EQUIPMENT MANUFACTURER

The Company outsources most of its production to OEM. At present the Company utilizes 10 major OEMs compare with 8 major OEMs from the prior year, which accounts for 82% and 81.37% of the Company's total finish product purchase volume of the year 2016 and 2017 respectively. The Company has launch new product by purchase finish product from OEMs. As result, the proportion of purchased finish products from OEMs increased in 2016. In case the OEM is unable to deliver products of the specified quality and standard or unable to supply produce within the ordered quantity and in a timely manner, as well as in the case that the OEM can no longer produce for the Company which could adversely have an impact on the Company business.

The Company has placed its importance on the selection of OEMs and assigns practice for the selection and evaluation of OEM clearly by preliminary taking into account OEM's expertise in manufacturing , production capacity, reputation and financial situation. It the OEM passes all of the stated preliminary quality the related department will inspect the OEM's standard quality, manufacturing procedure and process as well as conducting a trial production followed by First Batch Production. Every OEM's manufacturing plant must be

certified by manufacturing standard such as GMP and HACCP from a Certified Body. Up to now, the OEMs are able produce according to the Company's qualities and standards as well as being able to deliver finished products on time. Furthermore, as the Company has maintained a good relationship with most of the OEMs for over 3-9 years, the management is certain that the Company can continue to maintain a long term relationship with OEMs. Moreover, the Company has set key OEMs by the letter of cooperation for emphasize Key Strategic Partner and shown commitment between two companies for business cooperation in the future. In addition to the main OEMs stated, the Company also hires other OEMs from time to time in order to maintain relationship with them and reduce the risk of relying on a few major OEMS. The Company's products especially instant powder beverages do not require complicated process or advance technology; therefore, it is not difficult to find a manufacturer with the required standards. In addition to that, in 2013 the Company has invested in a manufacturing plant for the production of instant powder beverages which allows the Company to gain a better understanding of the production process and procedure, cost control as well Yield Loss. This also allows the Company to have more bargaining power when negotiating with the OEMs.

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



The company places its importance on research and development of new products which is the key strategy used to differentiate products.

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

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

The Company recognizes the said risk and thus has a strategy to negotiate with the supplier in advance for an annual volume and the price of sugar to be used in the production and the Company's performance. Additionally, if there is a shortage of main ingredients it could affect the taste of beverages and also increase the cost of production. The Company recognizes the said risk and thus has a strategy to negotiate with the supplier in advance for an annual volume and the price of sugar to be used in the production by the Company and OEMs, by taking into account the forecasted sale and production plan and enters into a contractual agreement with the supplier. Nevertheless, the procurement department monitors supply quantities and prices of main ingredient closely in order to ensure that

the Company can source sufficient ingredients with a competitive price. It is the procurement duty to search for new ingredients for the Research and Development department to analyze and evaluate the substituted ingredients that have similar qualities to the ingredients being used currently. The ingredients are sought from different are sought from different regions in order to get new sources that provide the same quality ingredients which can be used as substitutes. This provides the Company with more options when procuring ingredients as well as enabling the Company to develop alternative recipe in case of a shortage of main ingredients. Thus, it can reduce the impact from materials shortage and ensure the taste and quality of product.

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

The Company places its importance on research and development of new products which is the key strategy used to differentiate products by means of diversified forms and tastes in order to meet the continuously changing consumers' life styles and increase Company's competitiveness. There are many processes involved in research and development of a new product. It is time consuming and requires high investment. The Company has more involves gathering of information for product development, conducting a research on consumers' needs, finding ingredients and packaging, production and all the way to putting

together a marketing campaign through advertising and promotion to create consumers' brand awareness. For these reasons, the Company faces a risk of launching an unsuccessful product to the market which could have an impact on the Company's business operation and performance.

Nevertheless, the Company has a research and development team with knowledge, expertise and many years of experience in beverage industry as well as a good understanding of consumer's behaviors. They are able to constantly develop products that serve the needs of consumers. It takes cooperation among marketing department, sales department, business development department and research and development department in the development of a new product beginning with a market research and identifying business opportunities, conducting a Project Feasibility study, product research and development, market testing, as well as conducting a consumer needs research. This is to ensure that the Company's new product will receive a positive response from the consumers. In 2016, the Company joined the government project "Food Annapolis" is will bring science technology and innovation for develop economy and society of Thailand. Therefore, the Company has more knowledge.

In addition, the Company has a policy to retain human resources in research and development field as they are the key workforce by, for instance, providing scholarships to increase employees' skill and knowledge. The majority of the personnel in research and development have been with the Company since its establishment. The Company has evaluate performance system and promote employee as a potential and contributions. Therefore, the management is confident that with the mentioned policy the company can retain the key workforces for many years to come, and that the Company would be able to develop successful products that serve the needs of consumers.

5. RISK FROM LEAKAGE OF SECRET RECIPE

It is very crucial that the Company keeps its formula a secret. Leakage of recipes could have an impact to the Company's business; therefore, The Company has

policies and practice for preparation of raw material, packing and finish goods and only restricted personnel have access to the recipes. As the Company relies on OEMs, the Company has set up codes for key ingredients and flavors used in the production for the purpose of keeping its recipes undisclosed. For some products, the Company delivers pre-mixed ingredient to OEMs. In addition, a confidentiality clause is clearly stated in all OEM contracts. For personnel in research and development department who are involved in the formulation and development of products, the Company has arranged for a memorandum of understanding for keeping confidential information to be signed by all employees involved. This is to prevent the disclosure of information related to formulas, ingredients, product information and other relating information to external parties.

6. RISK FORM INDUSTRY COMPETITION

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

As the Company's Management has more than 20 years of experience in beverage industry, they have thorough understandings of beverage industry.

As the Company's management has more than 20 years of experience in beverage industry, they have thorough understandings of beverage industry especially non-alcoholic beverages. They also possess comprehensive understanding of consumers' behaviors allowing them to set effective marketing strategies and appropriate management policies of various aspects. The Company's key strategies are to focus on developing unique and different products as well as giving high importance to working closely and sincerely with Business Partnership in order to build strong relationship and to grow together. Moreover, as an SME the Company faces limitations in terms of investment funds, thus the management must analyze the competitive situation thoroughly in order to find new opportunities and market thus the management must analyze the competitive situation thoroughly in order to find new opportunities and market that the Company is able to compete. For the said reasons, the Company is able to continuously expand its business and the management is certain that there will be no significant impact derived from the aforementioned competitiveness.

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

Mr. Chatchawe Vatanasuk, the Chelf Executive Officer, will hold 29.59% of the total number of shares sold. This provides him the right to object important shareholders resolutions which require at least 3 out of 4 rightful present shareholders according to the Company's Articles of Association; for instance, issues related to the acquisition of assets or disposal of assets, activities with conflict of interest, decreasing or increasing capital, merging with another company. Nonetheless, the Company has formed an audit committee responsible for overseeing, examining and scrutinizing corporate activities for the purpose of preventing future conflict of interest and ensuring transparency.

Furthermore, 4 out of 7 directors are independent directors (inclusive of Chairman of the Board of Directors) and 3 directors are the management. This structure enables check and balance system when considering matters as well as promoting proper and effective management.

Shareholder and Management structure

Stock and Shareholders Information

1. REGISTERED CAPITAL AND PAID-UP CAPITAL

As at 31th December 2017, the Company has registered capital of Baht 152,000,000 and issued and paid-upshare capital at Baht 152,000,000 separated into ordinary share at 608,000,000 shares at par value of 0.25 Baht.

2. SHAREHOLDERS STRUCTURE

The list and percentage of shareholding of the first 10 major shareholders that are listed on the latest shareholder's registration as at 29th December 2017.

NAME OF SHAREHOLDERS	NO. OF SHARE	%
1. Mr. Chatchawe Vatanasuk	179,914,143	29.591
2. Mr. Thanutum Kiatphaipool	65,461,943	10.767
3. Thai Life Assurance Public Company Limited	19,385,000	3.188
4. Mr. Chanaphan Piriayaphan	14,977,000	2.463
5. Mr. Chanit Suwanparin	14,888,572	2.449
6. Mr. Nuthajak Liengchayetz	14,500,000	2.385
7. Mr. Petch Phaewphraikul	12,317,771	2.026
8. Mr. Chaiyachet Sriwaleephan	10,882,210	1.798
9. Thai NVDR Company Limited	8,218,208	1.352
10. Mrs. Pinporn Tumtimcharoon	7,646,700	1.258
Total	348,191,547	54.277

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

3. ISSUANCE OF OTHER SECURITIES

-None-

4. DIVIDEND PAYMENT POLICY

The Company has the policy to pay dividend at the rate of not less than 30 percent of net profit of the Company separate financial statement after corporate

income tax and allotment of reserved fund as required by the law in each year. However, dividend may be paid at different rates from the specified policies by subjected to the Company's operating results, financial liquidity and the requirements for working capital for Company's management and future business expansion plan as well as the economy conditions.

Management

1. BOARD OF DIRECTORS

As at 31 December 2017, The Board of Directors has a total of 7 Directors consisted, which are as follows:

NAME AND LAST NAME	POSITION
1. ADM Apichart Pengsritong	Chairman of the Board of Directors and Independent Director
2. Assoc.Prof.Kitti Siripullop ¹⁾	Chairman of the Audit Committee and Independent Director
3. Mrs. Paktra Suriyapee	Audit Committee and Independent Director
4. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director
5. Mr. Chatchawe Vatanasuk	Director
6. Mr. Chanit Suwanparin	Director
7. Mrs. Chirapan Khotcharit Choosang	Director

Note: 1) The Director No. 2 was appointed by the Board of Director Meeting 3/2017 on 14th June 2017. As a Chairman of the Audit Committee and Independent Director replaced Mr.Somboon Prasitjutrakul.

Former Directors resigned during the year 2017 as follow:

NAME AND LAST NAME	POSITION
1. Mr.Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director

Note: 1) The Director No. 1 resigned from the position of Chairman of the Audit Committee and Independent Director on 1th May 2017.

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

Authorized Director Signatory Representing the Company

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

The Board of Directors Meeting

In the year 2016 and 2017, the Company has set up Board of Directors Meetings 6 time equal prior year. The details of the attendance of each Director are as follow.

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

NAME-LAST NAME	POSITION	NO. OF TIMES ATTENDED THE MEETING/TOTAL NO. OF MEETING	
		2017	2016
1. ADM Apichart Pengsritong	Chairman of the Board of Directors and Independent Director	6/6	6/6
2. Mr. Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director	1/1	6/6
3. Assco. Prof. Kitti Siripullop ²⁾	Chairman of the Audit Committee and Independent Director	2/3	-
4. Mrs. Paktra Suriyapee	Audit Committee and Independent Director	6/6	6/6
5. Mr. Komsak Wattanasriroj ³⁾	Audit Committee and Independent Director	6/6	-
6. Ms. Trithip Sivakrskul ⁴⁾	Audit Committee and Independent Director	-	2/5
7. Mr. Chatchawe Vatanasuk	Director	5/6	4/6
8. Mr. Chanit Suwanparin	Director	6/6	6/6
9. Mrs. Chirapan Khotcharit Choosang	Director	5/6	6/6

Note: 1) Director No.2 resigned from the position Chairman of the Audit Committee and Independent Director held on 1st May 2017.
2) Director No.3 has appointed in accordance with Board of Director Meeting resolution No.3/2017 held on 14th June 2017 replaced Mr.Somboon Prasitjutrakul.
3) Director No.5 has appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16th December 2016.
4) Director No.6 resigned from the position Audit Committee and Independent Director.

CHAIRMAN OF BOARD OF DIRECTORS SCOPE OF DUTIES AND RESPONSIBILITIES

The Company's regulation no.27:

"In the meeting of the Board of Directors, Chairman or the authorized person shall send the notice of the meeting to the director not less than 7 days prior to the meeting date. Unless urgent need to maintain the rights or benefits of the company. The meeting will be informed by other means and the meeting date will be earlier than that.

In the event that two or more directors request to convene the meeting. The Chairman has set the date and assign the meeting shall be held within 14 days from the date of such request. "

And to segregate the authority on the policy and management of the company for separate clearly. The Company requires the Chairman of the Board of

Directors and Chairman of Executive Committee as a different person. The Scope Duties Chairman of the Board has the following:

1. Notification of the Board of Directors Meeting, as a Chairman of the Board of Directors and the shareholders' meeting and they are role in setting the agenda with the Chairman of the Executive Committee.
2. Have a role in controlling the meeting effectively. As a comply with the Company's regulations, support and allow the directors to express their opinions independently.
3. Support and promote the Board of Directors act as fully as possible, The scope of authority, responsibility and good corporate governance.

4. Supervise the management of the Board of Directors and other committees to achieve the objectives.
5. To be the casting vote of the meeting of the Board of Directors and both votes are equal.

BOARD OF DIRECTOR SCOPE OF DUTIES AND RESPONSIBILITIES

1. The Board of Directors has the authority, duty, and responsibility in managing and operating Company business to be in accordance with the law, objectives, Articles of Association, and resolution of the shareholders' meeting with integrity and prudence, in order to maintain the interest of the Company.

2. Manage the preparation of balance sheet and profit and loss statement as at the end date of the Company's Accounting period, which the auditor shall audit and propose to the shareholders meeting for consideration and approval.

3. The Board of Directors will determine the goals, guidelines, policies, business operation plans, and budgets of the Company, and monitor and supervise the management and administration of the management division to ensure compliance with the specified policies, plans, and budgets with efficiency and effectiveness.

4. The Board of Directors will review, audit, and approve the Company vision, policy, direction, strategy, and business operation plan that is proposed by the management division.

5. The Board of Directors will continuously monitor the Company's operation to be in line with the operation plans and the budget.

6. The Board of Directors shall ensure that the Company implement appropriate and efficient accounting system as well as ensure the reliability of financial report and account auditing. Moreover, to ensure that the Company maintain adequate and appropriate internal control system and internal audit system.

7. The Board of Directors will determine a comprehensive Risk Management policy and monitor to ensure that the Company implements a system or procedure for managing risks with appropriate measures

for dealing with and minimizing impact on the business of the Company

8. The Board of Directors will determine the Management structure and have the authority to appoint the Executive Committee, Managing director, and other subcommittees as seen appropriate and to determine the scope of authority of the Executive Committee, Managing Director, and subcommittees appointed. Authorization given under the scope of authority and duty specified shall not constitute authorization or sub-authorization that causes the executive committee, the managing director, or the committees to have the authority to consider and approve a transaction which may have conflict, interest or conflict of interest with the Company (if any), except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the Board of Directors.

9. Prepare annual report of the Board of Directors and will be responsible for preparing and disclosing financial statements to reflect the financial status and operating results of the previous year, and present to the shareholders meeting for consideration and approval

10. Supervise and manage the company's operation to be in accordance with the policies that defined the law on securities and stock exchange, Notification of the Capital Market Supervisory Board and the terms of the Stock Exchange of Thailand such as conducting related transaction and acquisition or disposition of significant assets, as long as it does not goes against or contradict with other laws.

11. The Board of Directors may authorize one or more Directors or any other person to take any action on behalf of the Board of Directors under the supervision of the Board of Directors, or may authorize such person to have the authority deemed appropriate by the Board of Directors for the period deemed appropriate by the Board of Directors. The Board of Directors may cancel, revoke, change, or amend such authorization as deemed appropriate.

Such authorization shall not constitute authorization or sub-authorization in a manner which causes the person to have the authority to consider and approve a transaction in which they have a conflict, interest, or

a conflict of interest in any other manner to be made with the Company or a subsidiary (if any) as defined in the notifications of the Capital Market Supervisory Board or the SET, and/or any other notifications of relevant agencies, except in the case of approval of transactions

consistent with the policy and criteria previously considered and approved by the Board of Directors.

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

2. AUDIT COMMITTEE

As at 31th December 2017, The Audit Committee consisted of 3 members, which are as follows:

NAME AND LAST NAME	POSITION
1. Assco.Prof. Kitti Siripullop ¹⁾	Chairman of the Audit Committee and Independent Director
2. Mrs. Paktra Suriyapee	Audit Committee and Independent Director
3. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director

Note: 1) The Director No. 1 has appointed in accordance with the Board of Directors Meeting resolution No. 3/2017 on 14th June 2017.

Former Audit Committee resigned during the year 2017 as follow:

NAME AND LAST NAME	POSITION
Mr. Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director

Note: 1) The Director No.1 resigned from the position Chairman of the Audit Committee and Independent Director on 1th May 2017.

Assoc.Prof. Kitti Siripullop and Mr. Komsak Wattanasriroj are the Audit Committee, who posse adequate knowledge and experience to perform duties in auditing the reliabilities of financial Statement.

Assoc.Prof. Kitti Siripullop, graduated with Master degree in Business Administration (Finance and Banking) from Chulalongkorn University, graduate with bachelor degree in Accounting (Second Class Honors) from Chulalongkorn University. He has appointed in accordance with the Board of Directors Meeting resolution No. 3/2017 on 14th June 2017.

Mr. Komsak Wattanasriroj graduated with master degree in business administration from Srinakharin Wirot University and Bachelor of Accounting from Ramkhamhaeng University. He has experienced in working as a chief Financial officer, Mono Technology Public Company Limited. Mr. Komsak Wattanasriroj

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

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

The Meeting of Audit Committee

In the year 2016 and 2017, the Company has set the meeting of Audit Committee 4 time equal prior year. The details of the attendance of each Directors are as follow.

NUMBER OF MEETING AND NUMBER OF TIMES EACH AUDIT COMMITTEE ATTENDED THE MEETING IN THE PAST YEAR.

NAME-LAST NAME	POSITION	NO. OF TIMES ATTENDED THE MEETING/TOTAL NO. OF MEETING	
		2017	2016
1. Mr. Somboon Prasitjutrakul ¹⁾	Chairman of the Audit Committee and Independent Director	1/4	4/4
2. Assoc.Prof. Kitti Siripullop ²⁾	Chairman of the Audit Committee and Independent Director	1/2	-
3. Mrs. Paktra Suriyapee	Audit Committee and Independent Director	4/4	4/4
4. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director	4/4	4/4

Note: 1) Director No.1 resigned from the position of Chairman of the Audit Committee and Independent Director on 1st May 2017.
2) Director No. 2 has appointed in accordance with the Board of Directors Meeting resolution No. 3/2017 on 14th June 2017 replaced Mr.Somboon Prasitjutrakul.

SCOPE OF DUTIES AND RESPONSIBILITIES

1. To review the accuracy and sufficiency of the financial reports of the Company.

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

3. To review the Company to ensure that its operation is in accordance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.

4. To consider, propose, and appoint independent persons who shall be assigned as the Company's auditor, to propose auditor's remuneration, and to participate in a meeting with the auditors at least once a year without management team.

5. To review connected transactions or any other transaction that may cause potential conflicts of interest in accordance with SET laws and SET regulations in order to ensure that those items are reasonable and of

utmost benefits to the Company.

6. To prepare the Report of the Audit Committee and disclose the report in the Company's Annual Registration Statements. The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and must at least contain the following information.

- Opinions on accuracy, completeness and credibility of the Company's financial reports;
- Opinions on sufficiency of the company's internal control system;
- Opinions on the Company's compliance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
- Opinions on suitability of auditors of the Company;
- Opinions on transactions of possible conflicts of interest
- The number of audit committee's meetings, and attendance of each audit committee member;

- (g) Opinions or observation by the audit committee during their auditing practice according to charter; and
- (h) Other transactions that shareholders and public investors should be informed under the scope of work and responsibilities assigned by the Company's board of directors.

7. To take care of any other action assigned by the board of directors with the consent of audit committee.

Independent Directors Qualification

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

1. An Independent Director holds not more than 1% of all shares with voting rights of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority. This is inclusive of shares held by anyone who is affiliated with them.
2. An Independent Director is a Director, who is not involved in the management of work, Employees, staff, consultants with monthly salary or Entities with Controlling Authority over the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, either at the present time or within two years prior to his/her appointment as an Independent Director. Unless the foregoing status ended at least 2 years.
3. Has no blood relation or legal registration under the status of father, mother, spouse, sibling, son/daughter or spouse of son/daughter of other Director. Further, an Independent Director has no connection with an Executive, a Major Shareholder, an Entity with Controlling Authority or an individual who will be nominated as Director, Executive or Entity with Controlling Authority over the Company or the Subsidiary.

4. Have no or never had business relationship with the Company, its parent company, subsidiaries, a Joint/Associated Company, major shareholders, or entity with controlling with controlling authority in such a manner that may obstruct their exercise of independent discretion. Further, an Independent Director is not being or never been the significant shareholder or an Entity with Controlling Authority over a party of any person having business relationship with the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, unless the foregoing status ended at least 2 years.
5. Is not or has never been the auditor of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, and is not a Significant Shareholder, an Entity with Controlling Authority or a partner to the auditing firm which is the auditor of the Company, Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority are associated unless the foregoing status ended at least 2 years.
6. Is not or has never been a person rendering any professional service or a legal or financial consultant with received service fee of more than 2 million Baht per year from the Company, the Parent Company, a Subsidiary, a Joint Company, a Major Shareholder or an Entity with Controlling Authority, and is not the Significant Shareholder or an Entity with Controlling Authority over the Company or a partner to such professional service provider unless the foregoing status ended at least 2 years
7. Is not the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholder related to the major shareholders.

8. Does not engage in a business of the same nature and is significantly competitive to that of the Company or its subsidiaries, or is not a significant partner to a partnership or a Director with involvement in the management of work, Employees, staff, consultants with monthly salary, or, who holds more than 1% of the total shares with voting rights of any other company which is engaged in a business of the same nature and which is significantly competitive to that of the Company or a Subsidiary.
 9. Does not have any other characteristic which prevents him or her from giving independent opinion regarding the business operation of the Company such as business partner, creditors and trading partner which may cause conflict of interest.
 10. Knowledge and understanding in Nature of Business and also has ability to business benefit of the Company.
 11. Independent Directors has report to the Board of Director Directly, If any events that may Be lacking qualification of independence as an Independent Director.
 12. Independent Director has year of directorship not more than 9 years.
 13. Independent Director has not as a Director in listed Company more than 5 Companies.
- After the appoint as a Independent Director is according to the above characteristics. The Independent Director may be assign from Board of Director to decide for operation of the Company, Subsidiary, Associated Company, Affiliate, Major shareholder or controlling Authority and the decision can be made in a faculty.

3. NOMINATION AND COMPENSATION COMMITTEE

As at 31th December 2017, The Nomination and Compensation Committee consisted of 3 members, which are as follows:

NAME AND LAST NAME	POSITION
1. Mrs. Paktra Suriyapee	Chairman Nomination and Compensation Committee
2. Mr. Komsak Wattanasriroj ¹⁾	Nomination and Compensation Committee
3. Mr. Chanit Suwanparin	Nomination and Compensation Committee

Note: 1) Mr. Komsak Wattanasriroj has appoint Nomination an Compensation Committee in accordance with Board of Directors No. 2/2017 held on 11th May 2017 replaced Mr. Somboon Praitjutrakul.

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

Former Nomination and Compensation Committee resigned during the year 2017 as follow:

NAME AND LAST NAME	POSITION
Mr. Somboon Prasitjutrakul ¹⁾	Nomination and Compensation Committee

Note: 1) The Director No.1 resigned from the position Nomination and Compensation Committee on 1th May 2017.

NUMBER OF MEETING AND NUMBER OF TIMES EACH NOMINATION AND COMPENSATION COMMITTEE ATTENDED THE MEETING IN THE PAST YEAR.

NAME AND LAST NAME	POSITION	NO. OF TIMES ATTENDED THE MEETING/TOTAL NO. OF MEETING	
		2017	2016
1. Mrs. Paktra Suriyapee	Chairman Nomination and Compensation Committee	2/2	1/1
2. Mr. Komsak Wattanasriroj ²⁾	Nomination and Compensation Committee	2/2	1/1
3. Mr. Chanit Suwanparin	Nomination and Compensation Committee	2/2	1/1

Note: 1) The Director No.2 has appointed in accordance with the Board of Directors Meeting resolution No. 2/2017 on 11th May 2017 replaced Mr.Somboon Prasitjutrakul.

DUTIES AND RESPONSIBILITIES OF THE NOMINATION AND COMPENSATION COMMITTEE

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

GUIDELINES FOR NOMINATION OF DIRECTOR

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

- 1) Required characteristic in each director

The Nomination and Compensation Committee has considered and specified characteristic of the individuals to be selected and nominated as a director in various field, such as

- ▷ Integrity and responsibility
- ▷ Making decision with information and reason
- ▷ Being a prudent and mature person and a good listener who is able to advance constructive debates and independent opinions
- ▷ Adhere to practice professionally with principle and standard
- ▷ Other significant characteristics

- 2) Knowledge and expertise required to have on the Board

The Nomination and Compensation Committee should consider and formulate specific elements of competencies that the Board of Directors need, for the board to excel in formulating the business strategies and policies and implementing the devised strategies effectively.

3) Board Diversities

In addition to the formulating of Directors' characteristics and Board's competencies, the Nomination Committee may consider and formulate guidelines related to the diversity of other characteristics of the Board of Directors. For example, the Board of Directors may consist of representatives from a variety of stakeholders, education backgrounds, age, gender and etc.

CRITERIA FOR SELECTING NEW DIRECTOR

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

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

METHODS IN APPOINTING NEW DIRECTOR

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

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

4. EXECUTIVE COMMITTEE

As at 31th December 2017, The Executive Committee consisted of 5 members which are follows:

NAME-LAST NAME	POSITION
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Committee
2. Mr. Chanit Suwanparin	Vice Chairman of the Executive Committee

NAME-LAST NAME	POSITION
3. Mrs. Chirapan Khotcharit Choosang	Executive Committee
4. Mrs. Suveeraya Ansavananda	Executive Committee
5. Miss Parichat Chotipumiwet	Executive Committee

NUMBER OF MEETING AND NUMBER OF TIMES EACH EXECUTIVE COMMITTEE ATTENDED THE MEETING IN THE PAST YEAR.

NAME AND LAST NAME	POSITION	NO. OF TIMES ATTENDED THE MEETING/TOTAL NO. OF MEETING	
		2017	2016
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Committee	7/12	5/12
2. Mr. Chanit Suwanparin	Vice Chairman of the Executive Committee	11/12	12/12
3. Mrs. Chirapan Khotcharit Choosang	Executive Committee	9/12	12/12
4. Mrs. Suveeraya Ansavananda	Executive Committee	10/12	11/12
5. Ms.Pawenee Suwanmethanont ¹⁾	Executive Committee	-	3/10
6. Ms. Parichat Chotipumiwet	Executive Committee	11/12	2/2

Note: 1) The Director No. 5 has resigned from the position Executive Committee on 16th November 2017. The resolve of the Board of Directors appointed Ms.Parichat Chotipumiwet on 16th December 2017.

SCOPE OF AUTHORITY, DUTIES AND RESPONSIBILITIES OF EXECUTIVE COMMITTEE

1. Consider and determine the proposal of Management team and propose goals, policies and business plan, including the Company's annual budget to the Board of Directors for consideration and approval.

2. To supervise and monitor the Company's operating results to be in accordance with the policies, goals, business plan and specified budgets as well as supervise the operation to maintain quality and efficiency.

3. To consider approving tasks related to normal business transactions such as investing according to the investment budget or the budget as approved by the Board of Directors and etc. Financial limit of each transaction shall be in accordance with the table of authority of approval, which was approved by the Board of Directors.

4. Propose organization structure appropriate for the Company operation to the Board of Directors to consider and approve, including to consider the raise of salaries and bonuses of employees ranging from the Assistant managing Director down.

5. To consider profit and loss of the Company, proposal for payment of interim dividend or annual dividend for submission to the Board of Directors for approval.

6. Has the authority to appoint or hire consultants that are related to the internal management of the Organization to achieve maximum efficiency.

7. To have the authority to authorize any one or more persons to take any action under the supervision of the Executive Committee or to assign authority to such person as deemed appropriate by the executive committee, and for the period deemed appropriate by

the Executive Committee. The Executive Committee may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.

8. To perform other actions or operations as assigned by Board of Directors from time to time. Authorization of duty and responsibility of the executive committee shall not constitute authorization or sub-authorization that enable the person authorized by the executive committee to approve a transaction in which they or other persons likely with a conflict (as defined by the notifications of the Capital Market Supervisory

Board and/or the SET and/or relevant organizations) have an interest or any other conflict of interest with the Company, subsidiary, and/or related company. The Executive Committee does not have the authority to approve such matter but shall propose to the board of directors meeting and/or shareholders meeting (as the case may be) for approval, except for approval of transactions with respect to normal business, with normal commercial conditions in accordance with the notifications of the Capital Market Supervisory Board, and/or the SET, and/or relevant organizations.

5. RISK MANAGEMENT SUB COMMITTEE

As at 31th December 2016, the Company has Risk Management Sub Committee Consisted of 11 member, which are as follow:

NAME AND LAST NAME	POSITION
1. Mr. Chanit Suwanparin	Chairman of Risk Management Sub Committee
2. Mrs. Chirapan Khotcharit Choosang	Vice Chairman of Risk Management Sub Committee
3. Mrs. Suveeraya Ansavananda	Risk Management Sub Committee
4. Ms. Hasaya Charuwittayanant	Risk Management Sub Committee
5. Mrs. Preawnapa Nimma	Risk Management Sub Committee
6. Mr. Yodchai pundee	Risk Management Sub Committee
7. Ms. Parichat Chotipumiwet	Risk Management Sub Committee
8. Ms. Pornsiri Pluemkiattichai	Risk Management Sub Committee
9. Ms. Preeyaporn Parisuthakul	Risk Management Sub Committee
10. Ms. Nunthaphuk Phothisarn	Risk Management Sub Committee
11. Mr. Poomrat Pilert ¹⁾	Risk Management Sub Committee

Former Risk Management Sub Committee resigned during the year 2017 as follow:

NAME AND LAST NAME	POSITION
1. Mr.Yossana Dhitirojana	Risk Management Sub Committee

Note: 1) Directors No.1 resigned Risk Management Committee on 30th September 2017.

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

DUTIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT SUP COMMITTEE

1. Support the Company to maintain Good Corporate Governance procedure, to perform transparently and to have sufficient, appropriate and effective internal control system.

2. Formulate policies for risk appetite level and risk tolerance level as well as propose risk management policies to the Board of Directors to be approved. Which cover all aspect of significant risk such as strategic risk, credit risk, market risk, liquidity risk, operational risk, concentration risk, compliance risk, emerging risk and corporate reputation risk.

3. Plan risk management strategy to be in conform with risk management policy. The committee should be able to assess, monitor and control risk at the appropriate level, especially significant risk

4. Control, monitor, measure and evaluate risk management as well as ensure that the company

operates in accordance with the specified risk management policies; along with performing in accordance with the formulated regulatory.

5. Review risk management report and perform to ensure that the organization has appropriately manage the risk as well as review the adequacy of risk policy and risk management system; including the system's effectiveness and the implementation of the formulated policies.

6. Consider adjust and revise as well as give opinion on the policies, work plan and risk management process on different aspect; including to propose to the Board of Director to consider and approve.

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

6. MANAGEMENT

As at 31th December 2017, The Company has 9 Executives, which are as follows:

NAME AND LAST NAME	POSITION
1. Mr. Chanit Suwanparin	Managing Director
2. Mrs. Chirapan Khotcharit Choosang	Deputy Managing Director Sales, Marketing, Strategic Partner and Innovation Division
3. Mrs. Suveeraya Ansavananda	Division Director – Strategic Partner Division and Corporate Communication
4. Ms. Hasaya Charuwittayanant	Associate Director-Business Development Department and Research and Development Department
5. Mr.Chawalit Prawatborisut	Associate Director-Business Development Department2 and Domestic Sale Department
6. Ms. Narisa Tiyasuksawad	Senior Manager Strategic Partner Department
7. Mrs. Preawnapa Nimma	Senior Manager Supply Chain and Procurument
8. Miss Parichat Chotipumiwet	Senior Manager Accounting and Finance
9. Miss Pornsiri Pluemkiattichai	Senior Manager - Research and Development Department

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

Former Executive resigned during the year 2017 as follow:

NAME AND LASTNAME	POSITION
1. Mr.Wirach Chanluan ¹⁾	Associate Director- Business Development 3

Note: 1) Director No. 1 resigned from the position of Associate Director- Business Development 3 on 30th November 2017.

SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES OF MANAGING DIRECTOR

1. Supervise daily business operation and/or management of the Company.

2. Compile policies, business plan, business strategies and Company annual budget to propose to the Executive Committee and the Board of Directors for consideration and approval.

3. Supervise and monitor the Company operation and performance to be in accordance with the policies, work plans, and budget as approved by the Board of Directors including audit, monitor and evaluate the Company performance to be in line with the specified policies. The Managing Director shall report the operational performance management and operation progress to the Executive Committee, Audit Committee and the Board of Directors.

4. To consider approving tasks related to normal business transactions according to the investment budget or the budget as approved by the Board of Directors. Financial limit of each transaction shall be in accordance with the table of authority of approval, which was approved by the Board of Directors but shall not exceed the annual budget that was approved by the Board of Directors as well as entering into contracts related to such matter.

5. Has the authority to authorize expenditure incurring from normal business operation in accordance with the budget approved by the Board of Directors and in line with the approval authority that was approved by the Board of Directors.

6. Has the authority to approve manpower, employment and employee placement, determine rate of salary, appoint and transfer employee, determine

duties and responsibilities of each department and employee with position lower than the Management division as approved by the Board of director.

7. Has the authority to order and determine regulations, notices and records in relation to business operation of the Company to be in accordance with Company's policies and for the Company's interest, including to maintain good order within the organization.

8. To have the authority to authorize any one or more persons to take any action under the supervision of the Managing Director or to assign authority to such person as deemed appropriate by the Managing Director, and for the period deemed appropriate. The Managing Director may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.

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

7. COMPANY SECRETARY

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

1) Provide preliminary advice and recommendations to the Directors and Executives on being compliance with Company laws, requirements, rules and regulations as well as monitor to ensure the accurate and regular implementations.

2) Responsible for organizing the Board of Directors Meeting and Shareholders Meeting as well as supervise and coordinate to ensure the implementation of the resolution of the aforementioned meetings.

3) Supervised the disclosure of information and information technology report in the are responsible to be in accordance with the regulations and the requirements of Stock Exchange of Thailand and The

1) Meeting Fee

Unit : Baht

POSITION	MEETING FEE/PERSON/TIMES
Chairman of the Board of Director	30,000
Directors	25,000
Chairman of the Audit Committee	25,000
Audit Committee	20,000
Chairman of the Nomination and Compensation Committee	15,000
Nomination and Compensation Committee	10,000

Note: 1) The remunerations will be paid only.

2) Directors who receive monthly salary as the employee of the Company and/or Subsidiaries will not be receive remuneration as the Board of Director.

2) The Annual Incentive

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

Capital Market Supervisory Board including relevant laws.

4) Compile and store the following documents

4.1) Director Registration

4.2) Notice of the Meeting of the Board of Director and Minutes of the Board of Directors meeting.

4.3) Notice of meeting of Shareholders and the Minutes of the Shareholders Meeting.

4.4) The Company Annual Report

4.5) Report on conflict of interest of Executive Director

5) Performing other actions in line with the laws or the specified of the Notification of the Capital Market Supervisory Board.

DIRECTOR AND EXECUTIVES REMUNERATION

Financial Remuneration

A) Directors Remuneration

The Annual General Meeting of shareholders further year 2015 on 20th March 2015 and the Extraordinary General Meeting of Shareholders No.2/2015 on 21th August 2015 have the resolution to determine the Directors remuneration for the year 2017, which are as follows:

For the year 2017, the Company paid Meeting Fee to the Board of Directors According to the detail as follow

Unit: Baht

		YEAR 2017					
NO.	NAME OF DIRECTORS	POSITION	MEETING FEE			Incentive	Total Remuneration
			Director	Audit Committee	Nomination and Compensation Committee		
1	Admiral Apichart Pengsritong	Chairman of the Board of Directors	180,000	-	-	430,000	610,000
2	Assoc.Prof. Kitti Siripullop ¹⁾	Chairman of the Audit Committee and Independent Director	50,000	25,000	-	185,000	260,000
3	Mr.Somboon Prasitjutrakul ²⁾	Chairman of the Audit Committee Independent Director and Nomination and Compensation Committee	25,000	25,000	-	-	50,000
4	Mrs.Paktra Suriyapee	Chairman of the Audit Committee Independent Director and Chairman of the Nomination and Compensation Committee	150,000	80,000	30,000	350,000	610,000
5	Mr.Komsak Watanasriroj ³⁾	Audit Committee member and Independent Director	150,000	80,000	20,000	350,000	600,000
6	Mr.Chatchawe Vatanasuk	Director	-	-	-	-	-
7	Mr.Chanit Suwanparin	Director and Nomination and Compensation Committee	-	-	-	-	-
8	Mrs.Chirapan Khotcharit Choosang	Director	-	-	-	-	-
Total of Remuneration			550,000	210,000	50,000	1,315,000	2,130,000

Note: 1) Assoc.Prof. Kitti Siripullop has appoint Chairman of the Audit Committee and Independent Director in accordance with Board of Directors No.3/2017 on 14th June 2017 replaced Mr.Somboon Prasitjutrakul

2) Mr.Somboon Prasitjutrakul has resign from the position Chairman of the Audit Committee and Independent Director on 1st May 2017

3) Mr.Komsak Watanasriro has appoint in accordance with Board of Director No.6/2016 on 16th December 2016 and has appoint Nomination and Compensation Committee in accordance with Board of Director No.2/2017 on 11th May 2017.

- Director No.6-8 are Directors that received monthly salary as the Company employee, thus did not receive remuneration as a directors

B) Executive Remuneration

In 2016 and 2017, the Company paid remuneration to the Executive at the amount of Baht 40.16 million and Baht 30.59 million, respectively. Such remuneration includes salary, bonus and contribution to provident fund

YEAR	NO. OF EXECUTIVES (PERSON)	REMUNERATION (BAHT)
2016	13	40,168,077.31
2017	10	39,597,459.27

Note : ▷ Number of Executives in the table included Mr.Chatchawe Vatanasuk, Chairmand of the Executive Committee.

▷ In 2016, Former Management resigned during the year such as Mr.Nottakorn Ruangrit Finance Manager, Miss Araya Manopkavi Senior Manager Research and Development Department-Bakery and Miss Pawenee Suwanmethanont Division Director Business Development.

▷ In 2017, Former Management resigned during the year such as Mr.Wirach Chanluan Associate Director Business Development 3.

OTHER REMUNERATION

-None-

8. PERSONNEL

8.1 Number of Personnel

As at 31th December 2017, the Company has the total of 90 employee (exclude 10 Executives) by separated into the main field of work, which are as follows:

DEPARTMENT	NO. OF EMPLOYEE (PERSON)		
	FULL-TIME EMPLOYEE	DAY LABOR	TOTAL
1. Sales	11	-	11
2. Marketing	2	-	2
3. Strategic Partner	6	-	6
4. Business Development, Research and Development and Quality Assurance	21	-	21
5. Accounting and Finance	6	-	6
6. Factory	19	19	38
7. Supply Chain	11	-	11
8. Human Resources and Administration	9	-	9
9. Information Technology	2	-	2
10. The Office of Company Secretary	2	-	2
11. Executive Secretary	1	-	1
TOTAL	90	19	109

8.2 Significant Labor dispute for the part 3 years.

-None-

8.3 Employee Remuneration**Financial Remuneration**

In 2016 and 2017, the Company paid remuneration to the employee (exclude Executives) at Baht 33.68 million and Baht 33.13 million respectively. The remuneration are the form of salary, commission, bonus, allowance, contribution to social security fund, contributions to provident fund and other welfare

8.4 Personnel Development Policies

The Company recognized the importance of personnel within the organization therefore has established training and personnel development policy with the

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

NUMBER OF AVERAGE HOUR FOR TRAINING OF EMPLOYEE IN THE YEAR 2017

INTERNAL TRAINING	NUMBER OF EMPLOYEE ATTEND TO TRAINING (PERSON)	TRAINING PERIOD (HOURS)
1. Pre-Start preparedness B-Plus program system	9	3
2. CPR and First Aid	25	3
3. Functional Competency Class 1	16	3
4. Functional Competency Class 2	11	3
5. Project Management and Workshop	28	12
6. Fire training and evacuation	37	6
7. Advance Microsoft Outlook	19	1
8. GMP&HACCP	65	6
TOTAL		37

Note : The Company has 8 internal training course, total 37 hours and 36 external training course, overall 368 hours

Develop the Board of Directors and Executives

The Board of Directors continuously support and develop directors' knowledge, skills and enhance the view point which will help the directors to lead the organization in reaching the set goal; including new director orientation that provide knowledge and

understanding of the role of responsibilities, nature of business and policies. The purpose of the orientation is for every employee to continuously develop and improve their performance as well as to appropriately adjust and utilize their knowledge to perform their task efficiently.

For the Executives, the Company focuses in supporting and developing knowledge and skills of the Executives in different aspects, whether it's training or seminar. The Executives then can use such knowledge and skills to adjust and applied in their managing and developing the Company to grow sustainably. In 2017, there are 9 Managements and 13 Managers that train as follow:

Dermatoglyphics Program by Panyatara Potential Analysis Centre (P-Pac) for search own potential as a new science can be understand difference of individual such as personality, communication and learning since the birth.

StrengthsFinder Evaluation form, for analysis strength or own potential, ability develop and one of Human management in new perspective.

8.5 Best Practice Guideline for Workplace Health & Safety During work

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

ACCIDENT STATISTIC REPORT GENERATED IN THE FACTORY IN 2017

NO.	DATE	NATURE OF ACCIDENT	CAUSE	SEX	INJURY	TREATMENT
1	24 th April 2017	Forklift truck grab	Improvvidence	male	Stale on legs	Medicine Treatment

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

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

8.7 Whistleblowing Policies

In order for the company to maintain Good Corporate Governance and to give the rights to all employees and all stakeholders to be able to report on fraud or corruption, report or launch complain on any malpractice concerning unlawful or unethical conduct or opinion on business operation. The Company provides channel to report on any illegal, deceptive conduct or corruption, through E-mail: whistleblower@tacconsumer.com Report of the unlawful or deceptive conduct, corruption and any suggestions will be taken into consideration and will proceed appropriately. Each case will be considered on a case-by-case basis and

protection measures for complainant and whistleblowers are provided. The Company will effectively safeguard your information and will consider the safety of the whistleblowers as well as the cooperator in examining the truth. The company ensures that all related parties will not be effect by the whistleblowing act. (The more detail on topic Corporate Governance Section: The Role of Stakeholders)

8.8 Securities Trading and Usage of Inside Information Policies

The Company is committed to maintain good corporate governance and treating all stakeholders with transparency and fairness. Being the directors or executives may allow one to have access to the Company inside information which may affect the decision making in securities trading before outsider or other investors who may have no knowledge of such information. Therefore, directors or executives of the Company should avoid trading company's securities that one holds the position of directors or executives. However, if one is to trade company's securities, one should perform with due care, by not using inside information that has not been disclosed in the Stock Exchange. Usage of inside information is considered as taking advantage of general investors and may be against the law as well. When the trading of securities have been made there should be a report of such trade and ensure that such act is in comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. In order to prevent the misuse of the Company's inside information and seek benefits for personal or others in a wrongful way, the Company has established principles and guidelines for directors, executives, employees and related parties to adhere to; which are as follow:

- 1) No person shall use the Company's inside information for his own or other person's benefit in trading the Company's securities.
- 2) Directors and Executives are responsible for the compilation and disclosure reports on securities holding submitted to the Stock Exchange of Thailand and the Securities and Exchange Commission as

well as to deliver such reports to the company.

- 3) Directors and Executives must report any changes in the holding of securities to The Securities and Exchange Commission, Thailand under Section 59 of the Securities and Exchange Act BE 2535.
- 4) Directors and Executives have the duty to report the holding of securities and report of any changes in securities holding to the Board of Directors Meeting and to acknowledge the Board of every changes.
- 5) Directors and executives have the duty to compile and disseminate reports on conflict of interest to the Company.

6.9 Code of Conduct and Business Ethics of Directors, Executives and Employees

The Company has established and announced the Code of Conduct and Business Ethics for Directors, Executives and Employees and to be use as the principles and guidelines. Which are as follow:

Basic Principles of Code of Conduct and Ethics.

1. Perform duties with integrity, morality and responsibility.
 - 1.1 Maintain confidential information and not to use inside information or confidential information to seek benefits for oneself or others in a wrongful way.
 - 1.2 Prevent or avoid actions that may lead to conflict of interest.
 - 1.3 Conduct oneself as professionals with knowledge, expertise and prudence.

Code of Conduct and Ethics

The Company's personnel namely directors, executives, staff, employees, consultants and agents or authorized persons acting on behalf of the company or on behalf of the persons mentioned above should adhere to the code of conduct and business ethics as follow:

Self-Conduct

- 1) Carry out duties in compliance to the law relating to business operation, objectives and Articles of Association of the Company as well as principles of Good Corporate Governance and the shareholders' meeting resolutions.
- 2) Gain knowledge and experience to enhance oneself to be knowledgeable and skillful individuals in order to carry out duties efficiently and effectively.
- 3) Adhere to morality and not seek for position, favor or any other benefits from commanders or other persons by dishonest means.
- 4) Refrain from all kind of addictions and prevent behaving in any improper manner that may harm the reputation and dignity of oneself and the Company – such as, not become a person with unmanageable debts, avoid becoming obsessed in every type of gambling, or not associate with the use of all kind of drugs and etc.
- 5) Not take on any other occupation or profession or any act which may adversely impact the performance of duties or reputation of oneself and the Company.
- 6) Avoid having financial obligation with those persons, who are involved in doing business with the Company or between colleagues. This means and includes loaning money, demanding for soliciting contributions, playing share and etc. except for charity and public events.
- 7) Not seek for benefits that are improper or unlawful either directly or indirectly.
- 8) Not to undertake any activities that are considered as managing or taking charge of any other business which might undermining the Company's benefits or facilitate any persons or juristic persons either for the benefit of oneself or others.

- 9) Maintain and co-create to ensure unity within the group.

Conduct Towards Colleague

- 1) Strengthen teamwork by cooperating and helping each other for the benefits of the Company as a whole.
- 2) Treat colleagues with politeness, generosity, good human relations. Adapt oneself to be able to get along well with others and refrain from concealing necessary information in carrying out duties of the colleagues.
- 3) Respect others by not stealthily claiming other's performance as one's own performance.
- 4) Supervisors should behave so as to gain respect and become a positive role model for the subordinates, as well as be polite towards the subordinates and all level of the coworkers.
- 5) The subordinates should behave towards the supervisors with respect.
- 6) Subordinates shall listen to the supervisor's suggestions and to not perform duties which amounts to bypassing one's superior, except where one's superior with higher level ordered of such act.
- 7) Avoid disclosing information and stories of other employees both in terms of work and personal issues or criticize in such a way that may damage the employees or destroy the Company's image as a whole.
- 8) Not to act in any way that is immoral or take any action that constitute sexual harassment against other employees as such action might lead to trouble, nuisance or undermine morale in the work environment, hostile or aggressiveness; as well as unreasonably interrupting the work of other employees. Such behavior includes molestation, indecent acts or sexual harassment whether verbally or physically.

Conduct Towards the Company

1) Perform one's duties with responsibilities, integrity, commitment and dedicating oneself both physically and mentally in working; including to perform in comply with the Company's regulations, policies, values and culture, for the best interest of the Company significantly.

2) Perform one's duties in accordance with safety, occupational health and the working environment policies.

3) Strictly maintain the confidentiality of customers and business partners as well as those of the Company by ensuring not to let the Company's confidential documents or news leak out or fall into the hand of any unrelated persons which may cause damage the Company.

4) Not to falsely accuse others or to undertake any actions that will create disunity or cause damage within the Company or for those persons who are involved with the Company.

5) Maintain one's own dignity, so that you are well-accepted within the Company.

6) Create positive relationships through collaborating with society, community, Government agencies and other related organizations by providing information to employees at all levels to perform their duties with due care for the benefits of the Company and the public.

7) Pay attention and help maintain the environment and atmosphere in the workplace as well as develop the organization to excellence.

8) Refrain from giving and/or receiving presents, give or receive any receptions from trade partners or any persons related to the Company's business except for honest events that will benefit the Company's business, festivals or according to cultures at an appropriate value/price. In the event that the gift received is in the form of cash or has a total value exceeding three thousand Baht one should refuse to accept and return such gift immediately,

9) Not to be involved or participated in any acts or to conceal the acts which may have conflict of interest with the Company or participated in the concealing of any illegal acts.

Conduct Towards Customers, Business Partners or Competitors

1) Treat customers, partners and competitors with understanding and good cooperation between each other.

2) Offer quality services to customers with warm friendship and support.

3) Use precautions reasonably in giving advises or making any decision on behalf of the customer by taking into account the appropriateness in the case of the customer.

4) Oversee and safeguard the interests of shareholders.

5) Promote the social mission on an opportune occasion, along with participating in activities for public service, education and create progress for the nation.

The Company determines that it is the duties and responsibilities of directors, executives and all employees to learn, understand and strictly follow the Code of Conduct and Business Ethics Handbook. Ask for advice from the supervisor, if the staff has any question on the guidelines. The staff who violate the code of conduct and business ethics or allow the subordinates to violate the code of conduct, such individuals will be disciplined which may include termination, compensation for damages and be charge with civil or criminal penalties.

THE COMPARISON TO CHANGED SHAREHOLDING OF DIRECTORS AND MANAGERMENTS FOR THE YEAR 2016 AND 2017

NAME	AS OF 31 DECEMBER 2016			AS OF 31 DECEMBER 2017			Change increased (decreased)
	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	
1. ADM Apichart Pengsritong Chairman of the Board of Director and Independent Director	200,000	-	200,000	200,000	-	200,000	-
2. Assoc.Prof.Kitti Siripullop ¹⁾ Chairman of the Audit Committee and Independent Director	-	-	-	-	-	-	-
3. Mr.Somboon Prasitjutrakul ²⁾ Chairman of the Audit Committee and Independent Director	-	-	-	-	-	-	-
4. Ms.Trithip Sivakriskul ²⁾ Audit Committee and Independent Director	-	-	-	-	-	-	-
5. Mrs.Paktra Suriyapee Audit Committee member, Independent Director and Chairman of the Nomination and Compensation Committee	-	-	-	-	-	-	-
6. Mr.Komsak Watanasriroj Audit Committee member, Independent Director and Nomination and Compensation Committee	-	-	-	-	-	-	-
7. Mr.Chatchawe Vatanasuk Director and Chairman of Executive Committee *Spouse's Ms.Pawenee Suwanmethanont	179,145,143	5,500,000	184,645,143	179,914,143	5,629,000	185,645,143	898,000
8. Mr.Chanit Suwanparin Director, Managing Director and Nomination and Compensation Committee	23,888,572	-	23,888,572	14,888,572	-	14,888,572	(9,000,000)
9. Mrs.Chirapan Khotcharit Choosang Director and Deputy Managing Director-Sales, Marketing, Strategic Partner and Innovation Division	4,190,000	-	4,190,000	4,190,000	-	4,190,000	-
10. Mrs.Suveeraya Ansavananda Strategic Partner and Corporate Communication Director	205,000	-	205,000	205,000	-	205,000	-

AS OF 31 DECEMBER 2016

AS OF 31 DECEMBER 2017

NAME	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Change increased (decreased)
11. Ms. Pawanee Suwanmethanont ²⁾ Division-Director Business Development *Spouse's Mr.Chatchawe Vatanasuk	5,500,000	179,145,143	184,645,143	5,629,000	179,914,143	185,543,143	898,000
12. Ms. Narisa Tiyasuksawad Associate Director- Dispenser	3,500	-	3,500	3,500	-	3,500	-
13. Ms. Hasaya Jaruwittayanant Associate Director Business Development 1 and Research and Development Department	36,300	-	36,300	36,300	-	36,300	-
14. Mr.Chawalit Prawatborisut Associate Director Business Development 2 and Domestic Department	-	-	-	-	-	-	-
15. Ms.Preawnapa Nimma Senior Manager Supply Chain and Procurement Department	-	-	-	-	-	-	-
16. Ms. Parichat Chotipumiwet Senior Manager Accounting Department	50,000	-	50,000	53,000	-	50,000	3,000
17. Ms. Pornsiri Pluemkattichai Senior Manager Research and Development Department	-	-	-	-	-	-	-
18. Mr.Nottakorn Ruangrit ²⁾ Finance Manager	-	-	-	-	-	-	-
19. Mr.Wirach Chanluan ²⁾ Associate Director Business Development 3	-	-	-	-	-	-	-

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

1) Assoc.Prof.Kitti Siripullop Chairman of the Audit Committee and Independent Director appoint resolution the meeting Board of Director No.3/2017 held on 14th June 2017.

2) Director and Executive was former during the year 2016 such as Miss Trithip Sivakrskul, Miss Pawanee Suwanmethanont and Mr.Nottakorn Ruangrit. In 2017, such as Mr.Somboon Prasitjutrakul and Mr.Wirach Chanluan.

Corporate Governance

Corporate Governance Policy

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



SECTION 1: THE RIGHTS OF SHAREHOLDERS

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

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

- ▶ Invitation letters will be distributed to the shareholders at least 7 days prior to the meeting date. The letter shall contain clear details of the

date, time, venue and agenda of the meeting as well as the Board of Directors' opinions. Related documents such as annual report, financial statements, support document for each agenda and proxy statement, will be attached with the invitation letter. The notice of the meeting shall be sent to all shareholders listed in the shareholders' registration book. The notice should be sent on the day the Company announced the closing date of share transfer registration, as well as publish the notice of the meeting along with the mentioned meeting agenda on the Company's website not less than 30 days prior to the meeting. This also includes continuously advertise the invitation notice on the Newspaper not less than 3 days before the meeting date to inform shareholders to prepare in advance before participating in the meeting, which is in accordance with the Public Limited Companies Act, B.E. 2535 (1992).

- ▶ The Company offers shareholders the rights to propose agenda items for the Annual General Shareholders Meeting and nominations of directors candidates in advance. The company secretary will collect all the proposed agenda and present to the Board of Directors Meeting as well as collect all the nomination of Director candidates and present to the Nomination and Compensation Committee. The Nomination and Compensation Committee will consider the list and qualification of the candidates and present the results to the Board of Directors to consider. In the case where the proposed agenda is approve by the Board, the Company will include such agenda in the next General Shareholders' Meeting.
- ▶ In case that shareholders are unable to attend the meetings in person, the Company shall provide the shareholder an opportunity to appoint an independent director of the Company

or any other person to attend the meeting on their behalf. The Company shall enclose a proxy form together with the meeting invitation letter.

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



SECTION 2: THE EQUITABLE TREATMENT FOR SHAREHOLDERS

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

The shareholders meeting is properly conducted according to the scheduled agenda and is in comply with the Company's Articles of Association. In each agenda, related information is clearly and completely presented for the meeting's consideration. If unnecessary, no un-informed agenda shall be introduced to the

meeting without prior notice to the shareholders, especially any important agenda, which requires considerable time for the shareholders to make a prudent study before making any decision. The Company has established invitation letter for the Annual General Shareholders Meeting and Annual Report both in Thai and English to facilitate foreign shareholders.

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



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SECTION 3: THE ROLE OF STAKEHOLDERS

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

- ▶ **Customers:** The Company is attentive and shows responsibilities toward the customers by emphasizing on producing quality products that are up to the standard and are able to fully satisfy consumers demand as keeping customers information confidential. Moreover, the Company also places great importance in setting appropriate conditions and selling price. To put in place a feedback and complaint procedure for customers.

- ▷ **Partners and Account Payable:** The Company has the policy to treat both the trading partner and the creditors fairly, equitably and to maintain honesty in operating business, does not take advantages along with strictly practice in accordance with the trading condition and/ or trading agreements. In order to enhance good business relationship that benefits both parties. The Company is intent on developing and maintaining sustainable relationships with the suppliers mutual trust including set key supplier as a strategic partner.
- ▷ **Competitors:** The Company conducts its business within the good competition framework and within the specified law. The Company also supports and maintains an ethical code of competition, and refrains from acting in bad faith to the detriment of its competitors.
- ▷ **Staff:** The Company recognizes the importance of all the staff, as they help drive the Company to be able to endlessly improve the business operation further into the future. Therefore, the Company emphasized on continuously developing the staff's potential, knowledge, capability, and skills. Appropriate remuneration is appraised base on each individual knowledge, capability and skills, which can be compare with other company in the same industry. To keep the working environment safe for the lives and properties of its employees. The Company treats all staff equitably and fairly.
- ▷ **Shareholders and Investor:** The Company focus on the company management for capability, honesty and transparency. Disclosure the data to shareholders correctly, Completely and equality under the ethics and good corporate governance. The Company reports on corporate position, operating results, financial and accounting status along with other matters are prepared and presented regularly and accurately.
- ▷ **Community and society:** The Company values the importance of sustainable development of its neighboring communities, the society and environment. So, the Company consistently focuses on instilling awareness of responsibility toward community and society in the Company,

supports activities beneficial to society as a whole, and avoids any illegal or unlawful action. To adopt a clear corporate social responsibility (CSR) policy, which is implemented across-the-board.

Internal and External Communications

The Company places an importance on internal communications via various media such as Intranet and Bulletin board, Line official and Line Group to communication key subject with employee. It is correctly understanding to internal corporate which strengthen Ethics and Code of Conduct to employee, Management. To raise awareness about the significance of Good Corporate Governance, Risk Management and internal control. The Company place and importance on external communication by disclosure key subject of the Company via www.tacconsumer.com such as Product, Investor information, Shareholder information, news & event etc.

Whistleblowing on any fraud or corrupt

The Company has set procedure of whistleblowing on any fraud or corrupt to pattern appropriately. the Company provides its stakeholders an opportunity to report or give information on irregularities in business operations of the Company via provided channels, whereas:-

Corruption

refers to Any act of unlawful exploitation for itself or others.

Fraudulent

refers to Using fraudulent deception by giving false claims to others.

Corruption

refers to The receipt or acceptance of requests for or receipt of property or property. Any other benefits to government officials. Government Sector Staff of private agencies Private Sector To the person or agency. They use their power to act, not to act, to precipitate or to act in any way contrary to the power and duty of the Company. Unless it is customary law and customary law.

Complainant recipient

refers to The Managing Director.

Complaints coordinator

refers to Company secretary.

Complaints inspector

refers to Human Resources and Administrative Manager.

Complaint

refers to The Director, Management, Employee or any person who has been charged or accused by a complainant about fraud or corruption.

Whistleblowing channels

The whistleblower can inform complainant via channels as follow;

1. Letter
Send to: Chairman and/or Managing Director
T.A.C. Consumer Public Company Limited
23rd Floor, UM Tower, 9/231-233
Ramkhamhaeng Road, Suanluang,
Bangkok 10250.
2. Website: www.tacconsumer.com
3. Facebook: Tacconsumer <https://th-th.facebook.com/TACConsumer/>
4. E-mail: whistleblower@tacconsumer.com
This e-mail direct to Managing Director only.

Protection Measures for Whistleblowers and Related persons

Whistleblowers and related persons of process Whistleblowing on any fraud or corrupt are protection appropriately from the Company such as do not change the position, nature of work, place of work, work break, intimidate, Interfering with the performance and termination of employment or any other unfair treatment of such person. Include information about the complaint. It is kept secret. Not disclosed to non-related persons. Except as required by law.

Any person who is aware of the complaint or information related to complaints under this procedure. There is must protect the complaint information or related to the complaint keep secret and not to anyone else. Taking into account the safety and damage of the

complainant, Data Source or persons involved except where necessary in the implementation of this procedure or as required by law. If the information is deliberately violated, the Company will disciplinary and / or legal action against the violator, as the case may be.



SECTION 4: DISCLOSURE AND TRANSPARENCY

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

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

Investor Relations

The Company has established an investor relations unit responsible for disclosing information to shareholders, investors, and stock analysts through its

website www.tacconsumer.com under the tab entitled Investor Relations. Which contain the information sent to the Stock Exchange of Thailand and the Securities and Exchange Commission, shareholders information, quarterly performance, corporate governance and stock price movement. The information is regularly updated.

Moreover, the Company reported performance of investor relations to Board of Directors by quarterly and set investor relations plan. In 2017, IR activities for disclosing corporate information to investors can be summarized as follows:-

FORMS OF ACTIVITIES	TIME
Investor, Analyst Visit and Site Visit	12
Analyst Meeting	3
SET Activities such as Opportunity day, Mai Forum	3
Domestic Road show	3
Interview/media	6

In 2017, The Company was award and rating for Disclosure and Transparency as follow;

- TACC was rating in ESG 100 by Thaipat Institute announcement 100 Listed Companies outstanding environment, Social and Corporate Governance. It is an investment option that “Provides Returns, More profit” by evaluate from sustainability information of 656 listed companies. As refer to the document or identifying information and duration of disclosure to public in Annual Report Form (Form 56-1) and Annual Report, Sustainability report and information of sustainability development from disclosure 6 source.
- TACC was award “Outstanding Investor Relations 2017” from The Stock Exchange of Thailand cooperation Money & Banking Magazine in SET Award 2017.

Contact Investor Relations

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



SECTION 5: RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. BOARD OF DIRECTORS STRUCTURES

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

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

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

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

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

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

1.3 The Executive Committee consisted of 5 members. The Executive Committee determines the

business operation policies and strategies to be in accordance with the goal set by the Board of Directors to ensure the flexibility of Management.

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

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

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

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

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

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

2. ROLES AND RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Company requires the Board of Directors to comply with the Code of Best Practices in accordance with the guidelines of the Stock Exchange of Thailand. The directors must understand and recognize their roles, duties, and responsibilities, and perform their duties in accordance with the law, the Company's objectives and the Articles of Association, and shareholders resolutions

with integrity and honesty, with priority given to the best interests of the Company and its shareholders. Furthermore, The board of directors also responsible for determining the policies, business goals, business plans, and the budget of the Company, along with governing the management division to efficiently and effectively perform in accordance with the policies, plans, and budget specified, for the best interests of the Company and its shareholders.

Policy on conflicts of interest

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

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

Internal Control System

The Company is highly attentive to the internal control system, for both executive and operational levels, and has clearly specified scope of duties and authorities in writing. The Company also conducts the control of assets usage for the highest benefits and set apart the responsibilities in approving the record of transaction and data information, storing and ministering the assets; in order to create appropriate check and balance between one and another. Moreover, the Company also

established internal controls that are related to financial system by established financial report that propose to the Executives in the responsible field of work. Even though at present the Company has not established Internal Auditing division of its own yet, never the less the outsourced independent internal auditor has been hired to audit the Company's internal control system. Internal Control and Risk Management. The auditor shall report the results directly to the Audit Committee.

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

3. THE BOARD OF DIRECTORS MEETING

Based on the Company's policy, the Board of Directors must hold a meeting at least once every three months. However, some additional or special meetings may be necessary. The Company's secretary has scheduled the Board of Directors meeting for the year 2017 in advance and had informed all the directors to acknowledge of such meeting schedule. Each meeting contains a very clear meeting agenda, and the invitation letter with details of the meeting shall be sent 7 days in advance for the Board of Directors to have sufficient time to study the information before the meeting. Minutes of meeting are taken and the certified minutes from the Board of Directors are stored for any further review or audit by the boards of director and any related parties.

4. DIRECTORS AND EXECUTIVES' REMUNERATION

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

The Company has determined remuneration for the directors and executives at an appropriate level, which

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

5. Development of directors and executives

The Board of Directors has a policy to facilitate and support all parties related to corporate governance by providing knowledge and training. This policy also applied to Directors, Audit Committee, Executive and Company Secretary in order to maintain continuous improvement of their performance. The training includes courses provided by the Thai Institute of Directors (IOD), Thailand Management Association (TMA) etc.



In 2017, The Board of Directors, Executive Committee, Management and Company and Company Secretary to attend seminar as follow:

LIST	POSITION	COURSE/ ORGANIZED BY
1. Mr.Chanit Suwanparin	Director and Nomination and Compensation Director	▷ Emerging Trends in Leadership Development / Thailand Management Association (TMA).
2. Mrs.Chirapan Khotcharit Choosang	Director	▷ How to Develop a Risk Management Plan (HRP) class 14/2017/ Thai Institute of Directors (IOD).
3. Ms.Narisa Tiyasusawad	Associate Director-Dispenser	▷ Mind map for marketing / Thailand Management Association (TMA).
4. Ms.Parichat Chotipumiwet	Senior Manager-Accounting Department	▷ How to Develop a Risk Management Plan (HRP) class 14/2017 / Thai Institute of Directors (IOD). ▷ Tax inspection method by RBA/Dharmniti.
5. Ms.Pornsiri Pluemkiattichai	Senior Manager-Research and Development Department	▷ Cross-line management to get results/ Bangkok Biz News. ▷ 4.0 Corporate Development / Bangkok Biz News.
6. Ms.Panjaborn Roeksomboon	Company Secretary	▷ Thai Intelligent Investor Program TIIP 15/ Thai Investors Association. ▷ How to Develop a Risk Management Plan (HRP) class 14/2017/ Thai Institute of Directors (IOD). ▷ SET's IR Coaching Program 2017/ The Stock Exchange of Thailand ▷ IR Development Program 2017/ The Stock Exchange of Thailand

Good Governance Assessment

The Company has a result of a good level for Corporate Governance Report of Thai Listed Companies (CGR) 2017. The report published by Thai Institute of Directors (IOD) which Thai Listed Companies attended 620 companies; SET Group 490 companies and Mai Group 130 companies. The Company has 79% increased from previous year 70%. The results as following.

RESULT (%)

YEAR	POINT OF TACC	LEVEL	AVERAGE POINT OF THAI LISTED COMPANIES
2017	79%	 Good	80%
2016	70%	 Good	78%

Annual General Meeting of Shareholders Assessment

The Company has a result of Annual General Meeting of Shareholders with the assessment point of 98 point (very good) increased from previous year 97.25 point, which the AGM Checklist 2017 project held by Thai Investors Association. The results as following.

RESULT (TOTAL 100 POINT)

YEAR	POINT OF TACC	LEVEL	AVERAGE POINT OF THAI LISTED COMPANIES
2017	98	Very Good	91.97
2016	97.25	Very Good	91.62

SELF-ASSESSMENT OF THE BOARD

As a Good Corporate Governance for Listed Companies which The Board of Directors shall conduct self-assessments of the Board of Directors, Subcommittee and individual directors and of all established committees at least once a year, in order to use the assessment results for reviewing performances, problems or challenges experienced over the previous year. In 2017, the Company arranged for all the directors to conduct 3 performance assessments, as follows:-

- 1) Self-assessment of the collective Board of Directors
- 2) Self-assessment of the Subcommittee (Audit Committee, Nomination and Compensation Committee)
- 3) Self-assessment of the Board of Directors and Subcommittee (individual)

ASSESSMENT PROCESS AND CRITERIA

At each year-end, the Company Secretary sends assessment forms to members of the Board and all committees. Directors, upon completing their annual self-assessments, shall return the forms to the Company Secretary or respective committee secretaries. Assessment results of each committee's annual performance are then summarized and reported to the Board of Directors for acknowledgement. The results are assessed in percentage terms based on the following criteria:-

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

Assessment results of each committee can be summarized as follows:-

1. Self-assessment of the collective Board of Directors, consisting of 4 sections, namely:-

SECTION	TOPIC
1	Structure and qualification of Board of Directors
2	Board of Directors Meeting
3	Roles, duties and responsibilities of the Board of Directors
4	Other

According to the assessment results, the overall performance of the collective Board of Directors on 4 sections was rated Good with an average score of 3.60 point. It can be concluded that the Board of Directors had performed its duties in compliance with the Good Corporate Governance principles and the Business Ethics of the Company. The section with the highest average score was Section 2: Board of Director Meeting while the topics with highest score was the Number of meeting and appropriate meeting time, the Directors received document of meeting advance and consider information. The section with the lowest average score was Section 4: Other, while the topics with lowest score was Develop the Board of Directors and Management.

2. Self-assessment of the Subcommittee (Audit Committee, Nomination and Compensation Committee) consisting of 3 sections, namely:-

SECTION	TOPIC
1	Structure and qualification of Subcommittee
2	Subcommittee Meeting
3	Roles, duties and responsibilities of Subcommittee: <ul style="list-style-type: none"> - Audit Committee - Nomination and Compensation Committee

According to the assessment results, the overall performance of the Self-assessment of the Subcommittee (Audit Committee, Nomination and Compensation) on 3 sections was rated Good with an average score of 3.44 point. The section with the highest average score was Section 2: Subcommittee Meeting, while the topics with highest score was the Number of meeting and appropriate meeting time. The section with the lowest average score was Section 3: Roles, duties and responsibilities of Subcommittee are as follow:-

- ▶ Audit Committee, the overall performance was rated Good with an average score of 3.24 point, while the topics with highest score was reviewed the financial statement correctly, credible, follow the law and regulations properly, good internal audit, which consider select, proposed, removal and considering the auditor compensation and internal audit. The topic with the lowest average score was related transaction, conflict of interest and Whistleblowing process.
- ▶ Nomination and Compensation Committee, the overall performance was rated Good with an average score of 3.11 point, while the topics with highest score was the set qualification of Directors or Top Management as nomination directors is consistent with procedure and natural of business, consider and submit nomination to Board of Directors, set compensation process of Directors and Top Management and set rules of fair compensation. The topic with the lowest average score was Succession Plan and the development continuous training of Directors.

3) Self-assessment of the Board of Directors and Subcommittee (individual) consisting of 3 sections, namely:-

SECTION	TOPIC
1	Structure and qualification of Board of Directors and Subcommittee (individual)
2	Board of Directors and Subcommittee (individual) Meeting
3	Roles, duties and responsibilities of Board of Directors and Subcommittee (individual)

According to the assessment results, the overall performance of the Self-assessment of the Board of Directors and Subcommittee (individual) on 3 sections was rated Good with an average score of 3.52 point. The section with the highest average score was Section 3: Roles, duties and responsibilities of Board of Directors and Subcommittee (individual), while the topics with highest score was the acting duties of Directors under the law, regulation and charter. The Directors has operate committed to the Company. Do not interfere with the work of the management, controlling and follow up operating of Management. The section with the lowest average score was section 1: Structure and qualification of Board of Directors and Subcommittee (individual). The topic with the lowest average score was qualification, knowledge and experience that suits the business of the company.

Internal Control and Risk Management

The Company has managements align with Good Corporate Governance, Risk Management and Internal Control to achieve business operation properly and efficiently. The efficiency internal control is an important management tools to the Company goals. The procedures are aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) to apply in operations management

The meeting of Audit Committee No. 1/2017 held on 22th February 2017, the Audit Committee has evaluate the sufficient of 2017 Company's internal control system by making inquiries from the executive division and summarized the evaluation of the Company's internal control system into 5 different aspects, as follow:


1. CONTROL ENVIRONMENT

- ▷ The Company has established clear vision, mission and purpose as a practice for the Management and employees of all levels, as well as setting Key Performance Indicators (KPIs) as guidelines for implementation and monitoring of results against the targets to ensure accomplishment of goal.
- ▷ The Board of Directors consists of 57.14% Independent Directors which allow independence from management in assessment and decision making for effective internal control.
- ▷ The Company has established Company structure, appropriate responsibilities and segregate of duties to achieve effectiveness of internal control for business conditions.

- ▷ The Company has Code of Conducts and Business Ethics for the Directors and employees as practice guidelines.
- ▷ The Board of Directors and Management recognize the importance of the employee that are precious resources of the organization. The Company has promoted the development, The annual training plan and consider revenue, welfare of their employees appropriately.

2. RISK ASSESSMENT

- ▷ The Company has appoint Risk Management Sub Committee which including Management and Manager with Risk Management strategy consistent risk Policy. Especially, The key risk as the corporate level.
- ▷ The Company has identifies risks that may affect the business operation which control, monitor, check and evaluated risk management and submit to approve from the Board of Directors.



The efficiency internal control is an important management tools to the Company goal.

3. CONTROL ACTIVITIES

- ▷ The Company has set up a policy for control a management system from procedure and work instruction of each party and set up and authorization approval for the management to appropriate operations.
- ▷ The Company has implemented and maintained Business Continuity Plan including the event of an uncontrollable emergency situation to ensure continuous business operation.

4. INFORMATION & COMMUNICATION

- ▷ The Company has implemented efficient information system. Which to be accurate, complete and timely to support the business operations. Including systematic and easy to find information.
- ▷ The Company has arrange channels of internal communication through the intranet system such as policy, working regulations, knowledge base, activity and news.
- ▷ The Company has set whistle blower procedures to internal communicated to all employee and external communicated through the Company's website by to be inform whistleblower@tacconsumer.com
- ▷ Prior to a scheduled committee meeting, each committee members will receive an invitation to meeting and supplements containing necessary and sufficient information in a timely manner. In addition meeting minutes will be recorded for reference and auditing.

5. MONITORING ACTIVITIES

- ▷ The Company has nominated EY office Limited, an independent auditor, to be an external auditor for the quarterly and financial year 2017 which reporting informed to the Audit Committee. In this regard, it has opined that there was no material deficiency in the Company's internal control system.
- ▷ P&L Internal Audit Company Limited was hired to audit internal control system since 2014 up to present, in order for the Company's internal control system to be efficient. P&L internal Audit Company Limited has appointed Mr. Thanapat Vongwit, with the position of internal Audit supervisor, to act as an internal audit supervisor. The aforementioned internal auditor continuously and quarterly compiled report on Company's assessment results and audit the internal control system then directly presents the report to the audit committee to acknowledge. The Company has invariably adjusted and improved performance system of different departments in accordance with the internal auditors suggestions. The Company aims to continuously hire an outsource internal auditors to ensure the efficiency of the Company's internal control system.



The whistle blower complaint via
whistleblower@tacconsumer.com

- ▶ The Company has assessed its internal control system in 2017 using the guidelines from the Securities and Exchange Commission (SEC) and reported the assessment results to the Audit Committee.

The Audit committee is responsible for reviewing to ensure that the Company has appropriate and effective internal control system and internal audit, along with reviewing the Company's performance to be in line with the laws on Securities and Stock Exchange and

laws related to the Company's business operation. The Audit Committee shall set a meeting at least every quarter to consider and implement accurate financial report. Furthermore, to disclose adequate and complete information, as well as considered related transactions or transactions that might have conflict of interest, in accordance with the laws and regulation of the Capital Market Supervisory Board and the Stock Exchange. The Auditors will join the meeting to provide audit observations.

Dividend Policy

The Company has a policy to pay dividend at least 30% of its net profit after deduction of corporate income tax and legal reserve. However, the dividend payment may differ from the mentioned rate subject to result of

the operation, financial position, liquidity of the Company and necessary of working capital usage to manage and expand the Company's business including economic condition.

Corporate Social Responsibilities (CSR)



Corporate Social Responsibilities (CSR)

The Company operates its business by adhering to and placing emphasis on duties, corporate social responsibilities and stakeholders such as shareholders, customer, partner, employee, community and societies. It was towards create sustainability and to establish constant growth of the business that is well accepted by societies. This value has been fostered in all levels of employees, namely the Board of Directors, Management, Department Manager, Employee and other stakeholders to adhere to being the same standard. The policies of 8 aspect emphasizing on corporate social responsibilities, which are as follows:

1. FAIR BUSINESS OPERATION

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

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

2. ANTI-CORRUPTION

The Company realizes the importance of good corporate governance by adhering to business transparency. The meeting of Board Director No.5/2015 held on 5 August 2015 has approved the Anti-corruption policy. This aims to let all the management and employee be aware of the impact of corruption, to cultivate rightful values attitudes of employees to work with honesty while avoiding seeking benefits from one's position or providing

such benefits to others for both directly and indirectly. This also prohibits employees from seeking personal or family interests using Company's position while aiming to increase the confidentiality of all stakeholders. Moreover, the meeting has agreed to disclose such Anti-corruption policy towards employees to comply. However, the Company sent employee to seminar Anti-corruption basic course for to know rule and procedure of Anti-corruption in organization.

3. RESPECT FOR HUMAN RIGHTS

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

4. FAIR TREATMENT OF EMPLOYEE

The Company aim to manage its human resources by recruiting, developing, promoting, and retaining of capable employees, the Company can effectively achieve its target. The Company appropriately compensates its employees according to their knowledge and capabilities and this is comparable to those being paid by companies of the same business. In addition, the Company continuously develops its own employees' skills via training and offers an opportunity

to advance their careers, and also improves working efficiency by promoting its employees to speak their opinions in both direct and indirect manners which will encourage employees to find solution together. In this year, the Company has arrange drive core value activities such as TACC: Creativity Activities as a new creative by employee get color dress theme.

5. RESPONSIBILITIES TOWARDS CONSUMERS

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

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

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





in Accordance with International Codex Alimentarius Age Certificates 12 November 2017 to 12 November 2020

- ▷ HACCP (Hazard Analysis Critical Control Point): this food manufacturing system ensures that the products are safe from chemical and biological hazards and contamination. HACCP certification has been awarded to Ban Bueng plant at Chonburi province.
- ▷ Healthier Choice: this license from Singapore certifies that the Company gives priority to consumer's health by controlling amount of sugar in its products in an appropriate level.
- ▷ Thailand Trust Mark: this product quality symbol is set to promote product and service quality in Thailand. It is awarded by the department of International Trade Promotion, Ministry of Commerce.
- ▷ Codex Alimentarius Code of Conduct and General Principles on Food Hygiene, dated 12 November 2017 to 12 November 2020.
- ▷ Critical Hazard Analysis and Critical Control Points and Guidelines for Implementation

6. ENVIRONMENTAL PROTECTION

The Company realizes the important of social responsibility all side, especially for the environmental impact that might occur from company's business operation. In this year, the Company has selected packaging to reduce the use of natural resources; 1) "Zenya Mocktail" by create zip lock bag and reuse 2) "Easy Dip" by selected reduce plastic packaging which remain good quality. Moreover, the Company has cultivates its employees to place importance on and take good care of the environment internally and externally.

7. COMMUNITY AND SOCIAL DEVELOPMENT

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

- ▷ The Company has offerings "Zenya" to the Samdech Preah Sanghareach Bour Kry current Supreme Patriarch of the Thammayut order of Cambodia for make merit the new office building in Cambodia.

- The Company has contributed “Bring the power of 13,000 cancer survivors” as a social initiative organized by the Stock Exchange of Thailand, The Market for Alternative Investment, The Art of Life Insurance Co., Ltd., and the listed companies on the Market for Alternative Investment.

Nowadays, Cancer is the number one cause of death in Thailand and continues 10 years. The Thai people get ill cancer about 130,000 people per year, die of cancer 67,000 people or every eight minutes, one person is died by cancer. This project prepared the Survivor Planner to provide at least 13,000 cancer patients (10% of 130,000 new cancer patients in Thailand) in 15 large state Hospitals nationwide. However, the Cancer patients has knowledge and understanding correctly. Recognize to guard cancer by emphasize of record keeping and to increase survival rates and quality of life with the morale in the fight against disease. Moreover, It is also found that relatives or caregivers lack the correct knowledge to care for cancer patients as well. This has implications for the treatment and survival rates of cancer patients.

The objective of the “Bring the Power of 13,000 Cancer Patients” as follow:

- 1) To help cancer patients cope with the disease and increased survival rates.
 - 2) To raise awareness provide knowledge and support for cancer patients and people in society.
 - 3) To create a charitable contribution to the organization for the benefit of society.
- The Company believes that this project helps change society and help cancer patients which it's not just donations.
- The volunteer employee donated blood to the National Blood Centre, Thai Red Cross Society to help patients with more blood to heal and help relieve blood shortage at the UM Tower, Head office of the company.
- The Company contributed “Zenya” to the Homeless Nonthaburi.
- The Company participate give bakery 10,000 pieces for people to attended “The Royal Cremation Ceremony of His Majesty The Late King” a Ministry of Agriculture and Cooperative.



- ▶ The Company bestowed water purifiers via a community charity campaign, by the Management team and employees of the Company granted and installed water purifiers to Ban Nong Pla Lai School and Wat Nong Ka Nam school which in surrounding area of the Company manufacturing plant at Ban Bueng District, Chonburi. Nowadays, the Company has supported change of water filter. The main purpose is to encourage and promote social contribution principle and to pursue activities that are valuable towards surrounding societies.

8. INNOVATION

The Company encourages study and research of new innovations to increase working capabilities with social responsibilities and stakeholder. The Company

will not violate any intellectual properties or copyrights. In 2017, the Company is affiliated with the government has prepared a project of Innovative Food (Food Innopolis), a program that brings science, technology and innovation to take advantage of the economic and social development of Thailand. As a result, the Company has increased the knowledge of the Company's staff. In addition attend training courses on innovations such as Flavored Alcoholic Beverages, Packaging talk, Innovation Trend & opportunities, Innovation strategy & process.

In this year, the Company was award Total Innovation 2017. This is a guaranteed award to ability of innovation from the National Innovation Agency, Ministry of Science and Technology with the Stock Exchange The Stock Exchange of Thailand and the Market for Alternative Investment.



Related Transaction

T.A.C. Consumer Public Company Limited

Related Transaction for fiscal Year Ended 31 December 2017

PERSON WHO MAY HAVE CONFLICT OF INTEREST	NATURE OF RELATION	TYPE OF TRANSACTION	VALUE OF TRANSACTION JAN-DEC 2017 (UNIT: BAHT)	JUSTIFICATION TRANSACTION AND NECESSITY OF RELATED
Mr.Chatchawe Vatanasuk	Chief Executive Officer and major shareholder of the Company, 29.59% shareholding	Sales of goods	10,640.19	It is the welfare that the Company offers to all employees. All the conditions that the Management received art the same as what all the employees received.
Mr.Chanit Suwanparin	Managing Director and major shareholder of the Company, 2.44% Shareholding	Sales of goods Sales of Asset	10,710.31 1,113,785.05	It is the welfare that the Company offers to all employees. All the conditions that the Management received art the same as what all the employees received. Due to the Managing Director's car lifetime in fully 4 year. The Company has set policy and procedure of Human and Resource subject the car of position by those who use the car is eligible to purchase cars as condition; 1) The Management has duration of employment more than 3 years up 2) The Company offers a discount 25% of the appraised value of second hand car buyer and comparison the market price.



Board of Directors

ADM Apichat Pengsrithong Chairman and Independent Director Age 68 Years

Date of Appointment	▶ 10 February 2015
Education	▶ Master's Degree, National Defence College, The Joint State. ▶ Bachelor of Science Royal Thai Naval Academy.
Credential of Thai Institute of Directors	▶ Risk Management Program for Corporate Leaders (RCL) Class 4/2016. ▶ Directors Accreditation Program (DAP) Class 82/2010.
Experiences Positions in Listed Companies	▶ 2015-Present Chairman and Independent Director, T.A.C. Consumer Public Company Limited. ▶ 2015-Present Chairman and Chairman of the Audit Committee, JKN Global Media Public Company Limited. ▶ 2012-Present Chairman, Muangthai Leasing Public Company Limited. ▶ 2010-Present Independent Director, S&J International Enterprise Public Company Limited.
Other Current Position (Non-Listed Companies)	▶ None
Shareholding in the Company (%) as of December 31, 2017	▶ 0.03% (200,000 shares)
Relationship between Director & Executive family	▶ None

Mr.Somboon Prasitjutakul* Chairman of Audit Committee, Independent Director and Nomination and Compensation Committee Age 59 Years

Date of Appointment	▶ 10 February 2015
Education	▶ Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University. ▶ Bachelor of Marketing, San Jose State University, USA. ▶ Certificate of Senior Executive Management, Stanford University, USA. ▶ Certificate of Marketing Management, Thammasart University.
Credential of Thai Institute of Directors	▶ Directors Certification Program (DCP) Class 54/2005.
Experiences Positions in Listed Companies	▶ 2015-April 2017 Chairman of Audit Committee and Independent Director, T.A.C. Consumer Public Company Limited. ▶ 2013-Present Director, Taokaenoi Food & Marketing Public Company Limited.
Other Current Position (Non-Listed Companies)	▶ 2014-Present Director, Riverpro Pulp and Paper Co., Ltd. ▶ 2014-Present Director, Thanatarn Paper Co., Ltd. ▶ 1992-2013 Chairman of the Executive Board, DKSH (Thailand) Co., Ltd.
Shareholding in the Company (%) as of December 31, 2017	▶ None
Relationship between Director & Executive family	▶ None

NOTE: Mr.Somboon Prasitjutakul has resigned from the position of Chairman of the Audit Committee, Independent Director and Nomination and Compensation Committee on May 1, 2017.

Assoc.Prof.Kitti Siripullop* Chairman of Audit Committee and Independent Director
Age 66 Years

Date of Appointment	▷ 14 July 2017
Education	▷ Master of Business Administration (Finance and Banking), Chulalongkorn University. ▷ Master of Business Administration (Marketing), National Institute of Development Administration. ▷ Bachelor of Accounting (Second Class Honors), Chulalongkorn University.

Credential of Thai Institute of Directors

▷ None

Experiences Positions in Listed Companies

▷ June, 2017-Present Chairman of Audit Committee and Independent Director, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies) ▷ None

Shareholding in the Company (%) as of December 31, 2017 ▷ None

Relationship between Director & Executive family ▷ None

NOTE: Assoc.Prof.Kitti Siripullop appoint as a Chairman of Audit Committee and Independent Director, This will be effective on June 14, 2017 onward and additional for Letter of certificate on July 14, 2017.

Mrs.Paktra Suriyapee Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee Age 58 Years

Date of Appointment	▷ 10 February 2015
Education	▷ Master of Science Program in Human Resource and Organization Development, National Institute of Development Administration. ▷ Bachelor of Arts / Humanities, Ramkhamhaeng University. ▷ Micro Master of Business Administration Program, Chulalongkorn University.

Credential of Thai Institute of Directors

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

Experiences Positions in Listed Companies

▷ 2015-Present Audit Committee and Independent Director and Chairman of the Nomination and Compensation Committee, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

▷ 2009-Present Managing Director Management division, Chokpana Co., Ltd.
 ▷ 2008-Present Director, PLUS 5 Co., Ltd.

Shareholding in the Company (%) as of December 31, 2017 ▷ None

Relationship between Director & Executive family ▷ None

Mr. Komsak Wattanasriroj

Audit Committee, Independent Director and Nomination and Compensation Committee Age 49 Years

Date of Appointment	▷ 16 December 2016
Education	▷ Master of Business Administration, Srinakharinwirot University. ▷ Bachelor of Accounting, Ramkhamhaeng University.
Credential of Thai Institute of Directors	▷ Directors Certification Program (DCP) Class 105/2008.
Experiences Positions in Listed Companies	
▷ December 2016-Present	Audit Committee, Independent Director and Nomination and Compensation Committee, T.A.C. Consumer Public Company Limited.
▷ 2005-Present	Director, Executive Director and CFO, Mono Technology Public Company Limited.
Other Current Position (Non-Listed Companies)	▷ None
Shareholding in the Company (%) as of December 31, 2017	▷ None
Relationship between Director & Executive family	▷ None

Mr.Chatchawe Vatanasuk

Director and Chairman of the Executive Committee (Authorized Director) Age 44 Years

Date of Appointment	▷ 3 January 2005
Education	▷ Master of Business Administration, University of San Diego, USA. ▷ Bachelor of Business Administration, Assumption University.
Credential of Thai Institute of Directors	▷ Directors Accreditation Program (DAP) Class 112/2014.
Experiences Positions in Listed Companies	
▷ 2005-Present	Director and Chief Executive Officer, T.A.C. Consumer Public Company Limited.
Other Current Position (Non-Listed Companies)	
▷ 2010-Present	Director, SP Intermach Co., Ltd.
▷ 2010-Present	Director, C.A. General Co., Ltd.
Shareholding in the Company (%) as of December 31, 2017	▷ 29.59% (179,914,143 shares)
Relationship between Director & Executive family	▷ None

Mr.Chanit Suwanparin Director, Managing Director and Nomination and Compensation Committee (Authorized Director) Age 53 Years

Date of Appointment ➤ 19 August 2011

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

Credential of Thai Institute of Directors

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

Experiences Positions in Listed Companies

➤ 2011-Present Director, Managing Director and Nomination and Compensation Committee, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies) ➤ None

Shareholding in the Company (%) as of December 31, 2017 ➤ 2.45% (14,888,572 shares)

Relationship between Director & Executive family ➤ None

Mrs.Chirapan Khotcharit Choosang Director and Deputy Managing Director-Sales, Marketing, Strategic Partner and Business Development and Innovation Division (Authorized Director) Age 48 Years

Date of Appointment ➤ 1 September 2011

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

Credential of Thai Institute of Directors

➤ How to Develop a Risk Management Plan (HRP) Class 14/2017.
➤ Directors Accreditation Program (DAP) Class 124/2016.
➤ Financial Statements For Directors (DAP) Class 31/2016.

Experiences Positions in Listed Companies

➤ Sep 2015-Present Director and Deputy Managing Director-Sales, Marketing, Strategic Partner and Business Development and Innovation Division, T.A.C. Consumer Public Company Limited.
➤ 2014-Aug 2015 Assistant Managing Director Marketing Division, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

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

Shareholding in the Company (%) as of December 31, 2017 ➤ 0.68% (4,190,000 shares)

Relationship between Director & Executive family ➤ None

Executive Committee

Mrs.Suveeraya Ansavananda Division Director – Strategic Partner & Corporate Communications Division Age 47 Years

Education

- ▷ Master of Marketing Communication & Advertising, Emerson College, USA.
- ▷ Bachelor of Advertising, University of Hartford, USA.
- ▷ Certificate of Business Administration, Harvard Extension School, USA.

Credential of Thai Institute of Directors

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

Experiences Positions in Listed Companies

- ▷ 2013-Present Division Director – Strategic Partner & Corporate Communications Division, T.A.C. Consumer Public Company Limited.
- ▷ 2009-2013 Deputy Director- Strategic Partner Division, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

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

Shareholding in the Company (%) as of December 31, 2017 ▷ 0.03% (205,000 shares)

Relationship between Director & Executive family ▷ None

Ms.Hasaya Jaruwittayanant Associate Director-Business Development 1 Department & Research and Development Department Age 36 years

Education

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

Credential of Thai Institute of Directors

- ▷ None

Experiences Positions in Listed Companies

- ▷ 2010-Present Associate Director-Business Development 1 Department & Research and Development Department, T.A.C. Consumer Public Company Limited.
- ▷ 2551-2553 Innovation and Supply chain Manager, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies) ▷ None

Shareholding in the Company (%) as of December 31, 2017 ▷ 0.005% (36,300 shares)

Relationship between Director & Executive family ▷ None

Mr.Chawalit Prawatborisut Associate Director- Business Development 2 Department & Domestic Department Age 53 years

Education ▷ Bachelor of Engineering Program, Mechanical Engineering, Siam University.

Credential of Thai Institute of Directors

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

Experiences Positions in Listed Companies

▷ 2016-Present Associate Director- Business Development 2 Department & Domestic Department.

Other Current Position (Non-Listed Companies)

▷ 2014-2016 Product Manager, K.V.N. import-export (1991) Co., Ltd.

▷ 2010-2015 Business Development Manager, All service Solution Co., Ltd.

Shareholding in the Company (%) as of December 31, 2017 ▷ None

Relationship between Director & Executive family ▷ None

Ms.Narisa Tiyasuksawad Associate Director-Dispenser Age 40 Years

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

Credential of Thai Institute of Directors

▷ None

Experiences Positions in Listed Companies

▷ March 2017-Present Associate Director-Dispenser, T.A.C. Consumer Public Company Limited.

▷ March 2015-February 2017 Senior Manager Strategic Partner Department,
T.A.C. Consumer Public Company Limited.

▷ 2011-February 2015 Manager Strategic Partner Department,
T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies) ▷ None

Shareholding in the Company (%) as of December 31, 2017 ▷ 0.0005% (3,500 shares)

Relationship between Director & Executive family ▷ None

Mrs.Preawnapa Nimma Senior Manager Supply Chain and Procurement Department
Age 52 Years

Education ▷ Bachelor of Management, Suan Dusit Rajabhat University.

Credential of Thai Institute of Directors

▷ None

Experiences Positions in Listed Companies

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

Other Current Position (Non-Listed Companies)

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

Shareholding in the Company (%) as of December 31, 2017 ▷ None

Relationship between Director & Executive family ▷ None

Ms.Parichat Chotipumiwet Senior Manager Accounting Department Age 35 Years

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

Credential of Thai Institute of Directors

- ▷ How to Develop a Risk Management Plan (HRP) Class 14/2017.
- ▷ Company Secretary Program (CSP) Class 60/2014.

Experiences Positions in Listed Companies

- ▷ 2014-Present Senior Manager Accounting Department, T.A.C. Consumer Public Company Limited.
- ▷ 2013-2014 Financial Analysis Manager, T.A.C. Consumer Public Company Limited.
- ▷ 2011-2013 Senior Internal Audit, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies) ▷ None

Shareholding in the Company (%) as of December 31, 2017 ▷ 0.008% (53,000 shares)

Relationship between Director & Executive family ▷ None

Ms.Pornsiri Pluemkiattichai Senior Manager Research and Development Department
Age 36 Years**Education**

- ▷ Master of Business Administration, National Institute of Development Administration.
- ▷ Bachelor of Science, Product Development, Thammasat University.

Credential of Thai Institute of Directors

- ▷ None

Experiences Positions in Listed Companies

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

Other Current Position (Non-Listed Companies)

- ▷ August 2015-August 2016 Managing Director, S.F.M International Trading Co., Ltd.
- ▷ July 2003-February 2015 Research and Development Manager, Berli Jucker Food Co., Ltd.

Shareholding in the Company (%) as of December 31, 2017 ▷ None**Relationship between Director & Executive family** ▷ None

General Information and Other Significant Information

Core Business

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

Head Office

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Fax: 0-2717-2899

Website: www.tacconsumer.com

E-mail: contact_info@tacconsumer.com

TAX ID: 0107558000369

Factory

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

Tel: 038-110812-4

Registered Capital

Common Shares Baht 152 million (608 million shares)

Paid-up Capital

Common Shares Baht 152 million (608 million shares)

Company Secretary

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Investor Relations

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Reference

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SET Contact Center : +66 2009 9999

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

E-mail: SETContactCenter@set.or.th

AUDITOR

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

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Responsibility of the Board of Directors for Financial Reporting

The Board of Directors recognizes its duties and responsibilities, as directors of a listed company, for the Company's separate and consolidated financial reports, as well as other financial information appearing in the Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles in Thailand with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. So, that the shareholders, investors and the public obtain sufficient, accurate and timely information.

The Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets in order to prevent fraud or materially irregular operation.

In this regard, the Board of directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing and working with internal and external auditors on the financial reports, financial statements and a quarterly and yearly basis, internal control, related transactions. To make certain that the information in these financial reports is prepared according to the intended objectives and under the good corporate governance system.

The Board of Directors is therefore of the opinion that the Company has adequate and appropriate corporate governance, risk management system and internal control system, thus providing reasonable confidence that financial reports and information of the Company has been prepared under the financial reporting standards, suitable and consistently-conformed accounting policies, with proper and prudent discretion, as well as with sufficient, accurate and timely information disclosure.



(ADM Apichart Pengsritthong)
Chairman of Board of Director



(Mr. Chatchawe Vatanasuk)
Chairman of the Executive Committee

Audit Committee's Report

DEAR SHAREHOLDERS OF T.A.C. CONSUMER PUBLIC COMPANY LIMITED

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

- | | |
|--------------------------------|---------------------------------|
| 1. Asoc.Prof. Kitti Siripullop | Chairman of the Audit Committee |
| 2. Mr.Somboon Prasitjutrakul* | Chairman of the Audit Committee |
| 3. Mrs.Paktra Suriyapee | Member of the Audit Committee |
| 4. Mr.Komsak Watanasriroj | Member of the Audit Committee |

Note: Mr.Somboon Prasitjutrakul resigned from the position of Chairman of the Audit Committee the effective from 1 May 2017 onward. An unanimously resolve of the Board of Director to appoint Assoc. Prof. Kitti Siripullop as a Director, Chairman of the Audit Committee. This will be effective on June 14, 2017.

The Audit Committee has performed its duties within the scope of responsibilities assigned and in accordance with the charter of the Audit Committee, which is in compliance with the regulation of the Stock Exchange of Thailand. In the accounting period year 2017. Audit Committee had arranged 4 meetings, each of which was attended with the management, internal audit and auditors to discuss relevant issue and report the meeting outcome to the Board of Directors. The essence of the work performed can be summarized as follows:

FINANCIAL STATEMENT REPORT

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

RELATED TRANSACTION OR CONFLICT OF INTEREST TRANSACTION

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

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

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

OVERSIGHT AND EVALUATION OF THE INTERNAL AUDIT

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

REGULATORY COMPLIANCE AND REGULATIONS

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

CONSIDERING THE APPOINTED AUDITORS AND COMPENSATION

The Audit Committee had selected and considered the remuneration of the Auditors of EY Office Company Limited by considering auditors qualifications, knowledge, capabilities, experiences, the audit quality of the period year, and the independence of the auditors which are in accordance with the regulations of The Stock Exchange of Thailand or any other related department. The Board of Directors proposed to the Annual General Meeting of Shareholders of the year 2017 to appoint EY Office Company Limited as the Company's auditors. The appoint auditor are:

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

THE COMPARISON OF THE FIX THE AUDITING FEE YEAR 2016 AND 2017

	Unit : Baht	
LIST	2016	2017
Annual audit of financial Statement	830,000	900,000
Review report and interim Financial Statements (Total 3 Quarters)	450,000	450,000
Total	1,280,000	1,350,000

Note: The amount does not include other expense such as travel fee, document fee, fax fee etc.

The Audit Committee deemed that during the accounting period ended on 31st December 2017, the Company had put in place the transparent, adequate and appropriate Internal Control Systems covering risky management and the Company had established procedures that helped build confidence in Company's operation in accordance with the related laws by having good corporate governance along with the compilation and disclosure of adequate and reliable Company's financial report information.



Assoc.Prof.Kitti Siripullop)
Chairman of the Audit Committee

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FINANCIAL STATEMENTS

Independent Auditor's Report

To the Shareholders of T.A.C. Consumer Public Company Limited

Opinion

I have audited the accompanying financial statements of T.A.C. Consumer Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2017, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.A.C. Consumer Public Company Limited as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition

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

I examined the Company's revenue recognition by assessing and testing the Company's internal controls with respect to the revenue cycle by making inquiries of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

▷ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

▷ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

▷ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

▷ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

▷ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Kamontip Lertwitworatep

Certified Public Accountant (Thailand) No. 4377

EY Office Limited

Bangkok: 22 February 2018

Statement of Financial Position

T.A.C. Consumer Public Company Limited

As at 31 December 2017

			(Unit: Baht)
	<u>Note</u>	<u>2017</u>	<u>2016</u>
Assets			
Current assets			
Cash and cash equivalents	7	88,664,885	153,445,752
Current investments	8	299,043,476	394,056,752
Trade and other receivables	9	361,113,583	222,941,793
Inventories	10	54,521,494	39,316,640
Other current assets		<u>2,990,969</u>	<u>1,280,957</u>
Total current assets		<u>806,334,407</u>	<u>811,041,894</u>
Non-current assets			
Restricted bank deposits	7	27,000,000	27,000,000
Property, plant and equipment	11	103,672,541	88,661,309
Intangible assets	12	2,293,108	3,224,794
Deferred tax assets	19	2,715,953	2,300,948
Other non-current assets		<u>5,695,992</u>	<u>2,005,337</u>
Total non-current assets		<u>141,377,594</u>	<u>123,192,388</u>
Total assets		<u><u>947,712,001</u></u>	<u><u>934,234,282</u></u>

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

Statement of Financial Position (Continued)

T.A.C. Consumer Public Company Limited

As at 31 December 2017

(Unit: Baht)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	14	243,149,384	245,300,005
Current portion of liabilities under financial lease agreements	15	2,139,650	1,546,216
Income tax payable		14,950,560	14,958,733
Other current liabilities		4,397,081	3,248,352
Total current liabilities		<u>264,636,675</u>	<u>265,053,306</u>
Non-current liabilities			
Liabilities under financial lease agreements - net of current portion	15	3,977,124	2,331,138
Provision for long-term employee benefits	16	13,917,201	10,781,530
Total non-current liabilities		<u>17,894,325</u>	<u>13,112,668</u>
Total liabilities		<u>282,531,000</u>	<u>278,165,974</u>
Shareholders' equity			
Share capital			
Registered			
608,000,000 ordinary shares of Baht 0.25 each		<u>152,000,000</u>	<u>152,000,000</u>
Issued and fully paid up			
608,000,000 ordinary shares of Baht 0.25 each		152,000,000	152,000,000
Share premium		426,988,701	426,988,701
Retained earnings			
Appropriated - statutory reserve	17	15,200,000	13,436,712
Unappropriated		70,992,300	63,642,895
Total shareholders' equity		<u>665,181,001</u>	<u>656,068,308</u>
Total liabilities and shareholders' equity		<u>947,712,001</u>	<u>934,234,282</u>
		-	-

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

Statement of Comprehensive Income

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2017

			(Unit: Baht)
	<u>Note</u>	<u>2017</u>	<u>2016</u>
Profit or loss:			
Revenues			
Sales		1,281,698,019	1,177,020,230
Other income		<u>7,787,996</u>	<u>6,921,005</u>
Total revenues		<u>1,289,486,015</u>	<u>1,183,941,235</u>
Expenses	18		
Cost of sales		894,327,755	819,753,649
Selling expenses		190,054,617	166,076,173
Administrative expenses		<u>64,783,229</u>	<u>70,520,222</u>
Total expenses		<u>1,149,165,601</u>	<u>1,056,350,044</u>
Profit before finance cost and income tax expenses		140,320,414	127,591,191
Finance cost		<u>(298,450)</u>	<u>(683,312)</u>
Profit before income tax expenses		140,021,964	126,907,879
Income tax expenses	19	<u>(27,549,441)</u>	<u>(25,077,723)</u>
Profit for the year		<u>112,472,523</u>	<u>101,830,156</u>
Other comprehensive income:			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>112,472,523</u>	<u>101,830,156</u>
Basic earnings per share	20		
Profit		<u>0.18</u>	<u>0.17</u>
Weighted average number of ordinary shares (shares)		<u>608,000,000</u>	<u>608,000,000</u>

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

Statement of Changes in Shareholders' Equity

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2017

(Unit: Baht)

	Note	Issued and paid up	Share	Retained earnings		Total
		share capital	premium	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2016		152,000,000	426,988,701	8,345,204	27,701,527	615,035,432
Total comprehensive income for the year		-	-	-	101,830,156	101,830,156
Appropriation of statutory reserve	17	-	-	5,091,508	(5,091,508)	-
Dividend paid	23	-	-	-	(60,797,280)	(60,797,280)
Balance as at 31 December 2016		<u>152,000,000</u>	<u>426,988,701</u>	<u>13,436,712</u>	<u>63,642,895</u>	<u>656,068,308</u>
Balance as at 1 January 2017		152,000,000	426,988,701	13,436,712	63,642,895	656,068,308
Total comprehensive income for the year		-	-	-	112,472,523	112,472,523
Appropriation of statutory reserve	17	-	-	1,763,288	(1,763,288)	-
Dividend paid	23	-	-	-	(103,359,830)	(103,359,830)
Balance as at 31 December 2017		<u>152,000,000</u>	<u>426,988,701</u>	<u>15,200,000</u>	<u>70,992,300</u>	<u>665,181,001</u>

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

Cash Flow Statement

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2017

	(Unit: Baht)	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Profit before tax	140,021,964	126,907,879
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	17,537,406	12,148,482
Allowance for doubtful accounts (reversal)	397,682	(36,506)
Reduction of inventories to net realisable value (reversal)	(1,690,425)	1,063,206
Gain on sales and change in value of investments in trading securities	(3,408,020)	(3,995,064)
Loss (gain) on disposals of equipment	(500,738)	30,186
Loss on write-off of equipment and intangible assets	1,611	-
Provision for long-term employee benefits	3,135,671	1,914,414
Unrealised gain on exchange	(124,673)	-
Interest income	(2,121,951)	(2,419,283)
Interest expenses	298,450	683,311
Profit from operating activities before changes in operating assets and liabilities	153,546,977	136,296,625
Operating assets decrease (increase):		
Trade and other receivables	(138,325,581)	(42,530,893)
Inventories	(13,514,429)	(12,590,421)
Other current assets	(1,710,012)	4,303,313
Other non-current assets	(3,690,655)	(34,819)
Operating liabilities increase (decrease):		
Trade and other payables	8,286,084	64,781,077
Other current liabilities	1,148,729	(1,441,869)
Cash from operating activities	5,741,113	148,783,013
Cash received from interest income	1,894,701	2,105,916
Cash paid for income tax	(27,972,619)	(17,486,027)
Net cash from (used in) operating activities	<u>(20,336,805)</u>	<u>133,402,902</u>

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

Cash Flow Statement (Continued)

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2017

(Unit: Baht)

	<u>2017</u>	<u>2016</u>
Cash flows from investing activities		
Decrease (increase) in current investments	98,421,296	(369,001,000)
Acquisitions of plant and equipment	(37,950,793)	(27,552,420)
Increase in intangible assets	(610,000)	(420,654)
Proceeds from disposals of equipment	<u>1,142,944</u>	<u>1,441</u>
Net cash from (used in) investing activities	<u>61,003,447</u>	<u>(396,972,633)</u>
Cash flows from financing activities		
Repayments of liabilities under finance lease agreements	(2,087,679)	(6,658,534)
Dividend paid	<u>(103,359,830)</u>	<u>(60,797,280)</u>
Net cash used in financing activities	<u>(105,447,509)</u>	<u>(67,455,814)</u>
Net decrease in cash and cash equivalents	(64,780,867)	(331,025,545)
Cash and cash equivalents at beginning of year	<u>153,445,752</u>	<u>484,471,297</u>
Cash and cash equivalents at end of year (Note 7)	<u><u>88,664,885</u></u>	<u><u>153,445,752</u></u>

Supplemental cash flows information

Non-cash transactions

Acquisitions of assets under financial lease agreements	4,028,649	1,836,904
Acquisitions of equipment that have not been paid	6,948,296	17,276,969

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

Notes to Financial Statements

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2017

1. General information

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

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

3. New financial reporting standards

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

During the year, the Company has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

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

4.5 Investments

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

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

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

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

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

4.6 Property, plant and equipment and depreciation

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

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

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

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

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

4.7 Borrowing costs

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

4.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

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

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits*Defined contribution plans*

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

4.14 Provisions

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

4.15 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

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

Fair value measurement

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

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

5. Significant accounting judgements and estimates

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

Allowance for doubtful accounts

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

Reduction of inventories to net realisable value

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

Property, plant and equipment and depreciation

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

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

Post-employment benefits under defined benefit plans

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

6. Related party transactions

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

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
Short-term employee benefits	35.3	42.3
Post-employment benefits	3.9	3.1
Total	<u>39.2</u>	<u>45.4</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Cash	20	20
Bank deposits	115,645	180,426
Total	<u>115,665</u>	<u>180,446</u>
Less: Restricted bank deposits	<u>(27,000)</u>	<u>(27,000)</u>
Total cash and cash equivalents	<u>88,665</u>	<u>153,446</u>

As at 31 December 2017, bank deposits in savings and fixed deposit accounts carried interests between 0.13 and 1.00 percent per annum (2016: between 0.13 and 1.50 percent per annum).

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

8. Current investments

8.1 As at 31 December 2017 and 2016, current investments consisted of the following:

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Investments in trading securities - fair value (Note 8.2)	196,464	334,056
Fixed deposits	102,579	60,001
Total current investments	<u>299,043</u>	<u>394,057</u>

As at 31 December 2017, the Company had current investments in 6-month and 12-month fixed deposits totaling Baht 102.6 million, carrying interests between 1.00 and 1.38 percent per annum and due for redemption during January 2018 to March 2018 (2016: Baht 60 million, carrying interests between 1.25 and 1.50 percent per annum).

8.2 Movements in the investments in trading securities for the years ended 31 December 2017 and 2016 are summarised below.

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Net balance at beginning of the year	334,056	21,061
Cash paid for current investments in trading securities during the year - at cost	1,091,000	1,138,000
Sales during the year - at cost		
Proceeds from sales	(1,232,000)	(829,000)
Gain on sales	3,066	2,617
Total	(1,228,934)	(826,383)
Gain on change in value	342	1,378
Net balance at end of the year	<u>196,464</u>	<u>334,056</u>

9. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	277,246	204,772
Past due		
Up to 3 months	24,047	13,486
3 - 6 months	53,420	43
6 - 12 months	1,765	4
Over 12 months	102	61
Total	356,580	218,366
Less: Allowance for doubtful accounts	(416)	(18)
Total trade accounts receivable - unrelated parties - net	356,164	218,348
<u>Other receivables</u>		
Other receivables - unrelated parties	1,334	1,226
Less: Allowance for doubtful accounts	(233)	(233)
Total other receivables - unrelated parties - net	1,101	993
Prepaid expenses	3,232	3,211
Interest receivable	617	390
Total other receivables - net	4,950	4,594
Total trade and other receivables - net	361,114	222,942

10. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Finished goods	32,907	23,172	(47)	(127)	32,860	23,045
Work in process	43	1,209	-	(1,178)	43	31
Raw and packing materials	21,694	16,750	(76)	(509)	21,618	16,241
Total inventories	54,644	41,131	(123)	(1,814)	54,521	39,317

During the current year, the Company reduced cost of inventories by Baht 0.6 million (2016: Baht 2.6 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 2.3 million (2016: Baht 1.5 million), and reduced the amount of inventories recognised as expenses during the year.

11. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Machinery and plant equipment	Furniture and office equipment	Selling tools and equipment	Motor vehicles	Assets under installation	Total
Cost								
1 January 2016	10,704	30,297	7,188	8,097	633	15,513	17	72,449
Additions	-	28	2,962	3,140	256	-	40,278	46,664
Transfer in (transfer out)	-	32	17	114	31,540	-	(31,703)	-
Disposals/write-off	-	-	(52)	(86)	-	-	-	(138)
31 December 2016	10,704	30,357	10,115	11,265	32,429	15,513	8,592	118,975
Additions	-	3,761	19	5,206	306	3,600	18,759	31,651
Transfer in (transfer out)	-	-	-	78	13,658	-	(13,736)	-
Disposals/write-off	-	(19)	-	(642)	-	(4,001)	-	(4,662)
31 December 2017	10,704	34,099	10,134	15,907	46,393	15,112	13,615	145,964
Accumulated depreciation								
1 January 2016	-	5,902	2,099	4,539	8	7,261	-	19,809
Depreciation for the year	-	2,384	1,100	1,861	2,164	3,102	-	10,611
Depreciation on disposals/write-off	-	-	(26)	(80)	-	-	-	(106)
31 December 2016	-	8,286	3,173	6,320	2,172	10,363	-	30,314
Depreciation for the year	-	1,803	1,303	2,614	7,595	2,680	-	15,995
Depreciation on disposals/write-off	-	(19)	-	(631)	-	(3,368)	-	(4,018)
31 December 2017	-	10,070	4,476	8,303	9,767	9,675	-	42,291
Net book value								
31 December 2016	10,704	22,071	6,942	4,945	30,257	5,150	8,592	88,661
31 December 2017	10,704	24,029	5,658	7,604	36,626	5,437	13,615	103,673
Depreciation for the year								
2016 (Baht 2.9 million included in cost of sales, and the balance in selling and administrative expenses)								10,611
2017 (Baht 3.0 million included in cost of sales, and the balance in selling and administrative expenses)								15,995

As at 31 December 2017, the Company had machinery, motor vehicles and office equipment acquired under finance lease agreements with net book value amounting to Baht 7.2 million (2016: Baht 6.5 million).

As at 31 December 2017, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 16.1 million (2016: Baht 4.5 million).

The Company has mortgaged land with structures thereon with net book value as at 31 December 2017 amounting to approximately Baht 17.4 million (2016: Baht 17.8 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 13.

12. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Cost	6,367	5,785
Less: Accumulated amortisation	<u>(4,074)</u>	<u>(2,560)</u>
Net book value	<u>2,293</u>	<u>3,225</u>

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Net book value at beginning of year	3,225	4,341
Acquisitions - at cost	610	421
Amortisation for the year	<u>(1,542)</u>	<u>(1,537)</u>
Net book value at end of year	<u>2,293</u>	<u>3,225</u>

13. Bank overdrafts

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

As at 31 December 2017, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 134.8 million (2016: Baht 134.8 million).

14. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Trade payables - unrelated parties	182,417	146,694
Other payables - unrelated parties	36,043	55,184
Accrued expenses	24,689	43,422
Total trade and other payables	<u>243,149</u>	<u>245,300</u>

15. Liabilities under finance lease agreements

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Liabilities under finance lease agreements	7,077	4,359
Less: Deferred interest expenses	(960)	(482)
Total	<u>6,117</u>	<u>3,877</u>
Less: Current portion	<u>(2,140)</u>	<u>(1,546)</u>
Liabilities under finance lease agreements - net of current portion	<u>3,977</u>	<u>2,331</u>

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

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

	(Unit: Thousand Baht)		
	As at 31 December 2017		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	2,551	4,526	7,077
Deferred interest expenses	(411)	(549)	(960)
Present value of future minimum lease payments	2,140	3,977	6,117

	(Unit: Thousand Baht)		
	As at 31 December 2016		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	1,790	2,569	4,359
Deferred interest expenses	(244)	(238)	(482)
Present value of future minimum lease payments	1,546	2,331	3,877

16. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Provision for long-term employee benefits		
at beginning of year	10,782	8,867
Included in profit or loss:		
Current service cost	2,743	1,614
Interest cost	392	301
Provision for long-term employee benefits		
at end of year	<u>13,917</u>	<u>10,782</u>

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

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Selling and administrative expenses	3,135	1,915
Total expenses recognised in profit or loss	<u>3,135</u>	<u>1,915</u>

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

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefits is 15 years (2016: 15 years).

Significant actuarial assumptions are summarised below.

	<u>2017</u>	<u>2016</u>
	(% per annum)	(% per annum)
Discount rate	3.39	3.39
Salary increase rate	7.00	7.00
Staff turnover rate (depending on age of employees)	0 - 56	0 - 56

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below.

	(Unit: Million Baht)	
	As at 31 December 2017	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.8)	2.1
Salary increase rate	2.3	(1.9)
Staff turnover rate	(1.9)	0.8

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

17. Statutory reserve

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

During the year 2017, the Company set aside Baht 1.8 million as statutory reserve (2016: Baht 5.1 million). At present, the statutory reserve has fully been set aside.

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Raw materials and consumables used	171,649	149,380
Purchases of finished goods and changes in inventories of finished goods and work in process	664,739	620,921
Advertising and promotion expenses	116,952	105,195
Salaries and wages and other employee benefits	82,977	89,317
Transportation expenses	45,993	34,387
Depreciation and amortisation	17,537	12,148
Consulting fees	5,606	1,455

19. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Current income tax:		
Current income tax charge	27,964	25,592
Deferred tax:		
Relating to origination and reversal of temporary differences	(415)	(514)
Income tax expenses reported in the statement of comprehensive income	<u>27,549</u>	<u>25,078</u>

The reconciliation between accounting profit and income tax expenses for the years ended 31 December 2017 and 2016 is shown below.

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Accounting profit before tax	<u>140,022</u>	<u>126,908</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	28,004	25,382
Effects of:		
Non-deductible expenses	706	872
Additional expense deductions allowed	(1,161)	(1,176)
Total	<u>(455)</u>	<u>(304)</u>
Income tax expenses reported in the statement of comprehensive income	<u>27,549</u>	<u>25,078</u>

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

	(Unit: Thousand Baht)	
	<u>Statements of financial position</u>	
	<u>As at</u>	<u>As at</u>
	<u>31 December</u>	<u>31 December</u>
	<u>2017</u>	<u>2016</u>
Deferred tax assets		
Allowance for doubtful accounts	130	50
Allowance for diminution in inventory value	25	363
Provision for long-term employee benefits	2,783	2,156
Total	<u>2,938</u>	<u>2,569</u>
Deferred tax liabilities		
Financial leases	<u>(222)</u>	<u>(268)</u>
Total	<u>(222)</u>	<u>(268)</u>
Net deferred tax assets	<u>2,716</u>	<u>2,301</u>

20. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

21. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

The Company is principally engaged in one reportable segment in the manufacture and distribution of beverage. Its operations are carried on only in Thailand, through the distribution channel both in domestic and overseas markets. For the year 2017, domestic sales represented 92 percent of total sales (2016: 91 percent). Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

Major customers

For the year 2017, the Company has revenue from one major customer, with revenue of 90 percent of the Company's revenues (2016: 88 percent).

22. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by AIA Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 3.2 million (2016: Baht 2.7 million) were recognised as expenses.

23. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>2016</u>			
Dividends for 2015	Annual General Meeting of the shareholders on 21 April 2016	24.3	0.04
Interim dividends for 2016	Board of Directors' meeting on 11 August 2016	36.5	0.06
Total for 2016		60.8	0.10
<u>2017</u>			
Dividends for 2016	Annual General Meeting of the shareholders on 19 April 2017	48.7	0.08
Interim dividends for 2017	Board of Directors' meeting on 10 August 2017	54.7	0.09
Total for 2017		103.4	0.17

24. Commitments**24.1 Capital commitments**

As at 31 December 2017, the Company had capital commitments relating to the purchases of equipment amounting to approximately Baht 1.3 million (2016: 15.7 million).

24.2 Operating lease commitments

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

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

	(Unit: Million Baht)	
	As at 31 December	
	<u>2017</u>	<u>2016</u>
Payable		
In up to 1 year	6.9	4.2
In over 1 year and up to 4 years	10.4	2.4

25. Fair value hierarchy

As at 31 December 2017 and 2016, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in trading securities -				
Debt instruments	-	196	-	196

	(Unit: Million Baht)			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in trading securities -				
Debt instruments	-	334	-	334

26. Financial instruments

26.1 Financial risk management

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

Credit risk

The Company is exposed to credit risk primarily with respect to trade receivables in the normal course of business. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the majority of sales are made with the credit worthy customers. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables as stated in the statement of financial position.

Interest rate risk

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

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

	As at 31 December 2017					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years				
			(Million Baht)			(% per annum)
Financial assets						
Cash and cash equivalents	-	-	77.1	11.6	88.7	0.13 - 1.00
Current investments	102.6	-	-	196.4	299.0	1.00 - 1.38
Trade and other receivables	-	-	-	361.1	361.1	-
Restricted bank deposits	-	-	27.0	-	27.0	0.65
	102.6	-	104.1	569.1	775.8	
Financial liabilities						
Trade and other payables	-	-	-	243.1	243.1	-
Liabilities under financial lease agreements	2.1	4.0	-	-	6.1	3.92 - 10.81
	2.1	4.0	-	243.1	249.2	

As at 31 December 2016

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	1-5 years				
			(Million Baht)			(% per annum)
Financial assets						
Cash and cash equivalents	-	-	134.8	18.6	153.4	0.13 - 1.10
Current investments	60.0	-	-	334.0	394.0	1.25 - 1.50
Trade and other receivables	-	-	-	222.9	222.9	-
Restricted bank deposits	-	-	27.0	-	27.0	0.65 - 1.50
	60.0	-	161.8	575.5	797.3	
Financial liabilities						
Trade and other payables	-	-	-	245.3	245.3	-
Liabilities under financial lease agreements	1.6	2.3	-	-	3.9	3.92 - 10.62
	1.6	2.3	-	245.3	249.2	

Foreign currency risk

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

The balances of financial assets and liabilities denominated in foreign currency are summarised below.

As at 31 December 2017

Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Thousand)	(Thousand)	Buying	Selling
			(Baht per unit of foreign currency)	
US dollars	215	234	32.5146	32.8472

As at 31 December 2016

Foreign currency	Financial assets	Financial liabilities	Exchange rate	
	(Thousand)	(Thousand)	Buying	Selling
			(Baht per unit of foreign currency)	
US dollars	-	55	35.6588	36.0025

26.2 Fair values of financial instruments

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

27. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Company's debt-to-equity ratio was 0.4:1 (2016: 0.4:1)

28. Events after the reporting period

On 22 February 2018, the meeting of the Board of Directors of the Company No. 1/2018 approved the payment of dividend for 2017 to the Company's shareholders at Baht 0.09 per share or a total dividend of Baht 54.72 million.

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

29. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 22 February 2018.

T.A.C. Consumer PCL.

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