



รายงานประจำปี 2559
บริษัท โรงงานผ้าไทย จำกัด (มหาชน)

Thai Textile Industry Public Company Limited
ANNUAL REPORT 2016

CONTENT

Message from the Board of Directors	3
Report of the Audit Committee	4
Part 1 Company's Business	
1 Policy and Business Overview	9
2 Business Nature	11
3 Risk Factors	13
4 Operating Assets	14
5 Legal Disputes	15
6 General Information and Other Key Information	16
Part 2 Management and Corporate Governance	
7 Securities and Shareholder	19
8 Management Structure	20
9 Corporate Governance	24
10 Corporate Social Responsibility	44
11 Internal Control and Risk Management	47
12 Related Transaction	50
Part 3 Financial Status and Operational Results	
13 Financial Statement Highlights	53
14 Managing Director Analysis	54
Information Certification	61
Attachment	
1 Detail of Directors, Manager, Administrator and Secretary of the Company	67
2 Profile of Subsidiary Directors	70
3 Profile of Internal Auditor and Head of Company Compliance	72
4 Detail of Asset Appraisal	73
Independent Auditor's Report	77
Statement of Financial Position	81
Statement of Comprehensive Income	83
Statement of Changes in Shareholder's Equity	84
Statement of Cash Flows	86
Notes to The Financial Statements	88





MESSAGE FROM THE BOARD OF DIRECTORS

October 13 2016 turned out to be the saddest day for Thailand. His Majesty King Bhumibol Adulyadej passed away at Siriraj hospital. No words could describe the sense of loss, the grief and anguish that Thais of all generations and all walks of life felt as we mourned the death of our beloved King.

For seven decades, His Majesty was Thailand's guiding light, took the country out of several deadly turns with His wise counsel. His fortitude and devotion to human and country development were an inspiration to all.

His Majesty King Bhumibol's selflessness, generosity and compassion will always be remembered. To honour the monarch, we must learn to follow in His footsteps and carry on His royal legacies.

The Board of Directors

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee, which was appointed by the Board of Directors of Thai Textile Industry Public Company Limited, consists of the following 4 independent Directors: 1) Dr. Chin Chinsettauwong, Chairman of the Audit Committee; 2) Mr. Preecha Chaipromprasith; 3) Mr. Korn Sereeronjanasiri; and 4) Dr. Kajornwuth Namsirikul as the Audit Committee, with Mr. Narong Piriyaaprinsakul as the Secretary of the Audit Committee.

In 2016, the Audit Committee had 4 meetings in which the Executive Directors, Accounting Department Representative, Certified Public Accountants, and Internal Audit all attended the meeting each time.

Thailand's economy for 2016 had been affected by the weak world economy. The Audit Committee gave management of the Company, formally and informally, adequate suggestions.

The Audit Committee has performed its duties and responsibilities according to the rules and regulations of the Stock Exchange of Thailand as well as according to responsibilities given by the Board of Directors of the Company. The main responsibilities of the Audit Committee consist of the internal audits, checking good governance, and transparency of the management of the Company. The Audit Committee would like to summarize the following important points:

1) Financial Statement

The Audit Committee checked the quarterly financial statements and the annual financial statement together with the Management, Accounting Department Representative, Certified Public Accountants, and Internal Audit in each meeting, from which the Audit Committee concluded that the Company's Financial Statements were transparent and prepared according to the General Accounting Regulations.

The 4 members of the Audit Committee, consisted of experienced individuals in accounting and finance, and have been in their positions for the past few years, have created an open discussion environment with useful recommendations for the Board of Directors to follow up during the Audit Committee meetings.

2) Internal Audits

The Audit Committee have set up a system to check the quality and effectiveness of each departments such as, production, marketing, and human resources, to evaluate the overall Company performance.

The Audit Committee have realized the importance of the internal audit and are pleased with the pace of improvement of the Internal Audit which currently at an acceptable level.

3) Business Transactions Between Related Individuals and Companies

The Audit Committee reviewed reports of business transactions between company and related individuals and companies, prepared by the Accounting Department and the Management, with the Certified Public Accountants at each Audit Committee Meeting.

The Certified Public Accountants found the prices and sales conditions to the related individuals and companies are comply with Company's policy to treat all business transactions equal to the normal practices given to other individuals and companies not related to the Company. The business transactions between related individuals and companies are disclosed according to the rules and regulations of the Stock Exchange of Thailand.

4) Adherence to Rules and Regulations

The Company has an individual responsible for following up the rules and regulations, including laws, of the Stock Exchange of Thailand concerning the operation of the business.

The Audit Committee have checked and found the Company have operated according to the rules and regulations of the Stock Exchange of Thailand accordingly.

5) Certified Public Accountants

The Audit Committee have considered and recommended the appointment of AST Master Company Limited with proposed amount of remuneration for 2017 fiscal year for the Board of Directors and Shareholders to approve.

6) Others

The Audit Committee carried out the responsibilities with the collaboration of the Management and other departments of the Company and gave recommendations when necessary.

It is the Audit Committee's opinion, the Company's Internal Audit is effective and sufficient without causing any adverse effect in the operation of the Company.

The Audit Committee has performed It's duties justly, Independently and focused on the internal audits, to make sure the operations of the Company are transparent and fair to protect the interests of the Shareholders and all parties of interest.

Dr.Chin Chinsettawong

Chairman of the Audit Committee

PART I

COMPANY'S BUSINESS





1. POLICY AND BUSINESS OVERVIEW

Thai Textile Industry Public Company Limited (TTI) started business in 1970 as only a weaving factory. Later TTI expanded into other textile related business to include spinning, sizing, yarn dyeing, and garment making, which at present the Company is vertically integrated to produce fabric.

The Subsidiary Company is only in the yarn spinning business, with sales majority to TTI and only a small portion is sold to other customers.

1.1 Visions, Objectives, Goals, and Strategies

Since the very beginning, the textile industry is a highly competitive industry both locally and internationally in terms of quality, price, and production technologies to reduce cost and raise the quality of the products. TTI's objective is to follow and adapt constantly to the changes in the market to meet the needs of the customers in time. It is necessary for TTI to constantly update the production machinery to increase our competitiveness in cost, products, and quality of our products.

1.2 Key Development and Changes

1969	Thai Textile Industry Company Limited was established on 18 November 1969, with registered capital of 20 Million Baht.
1970	TTI purchased Thai Rung Rueng Weaving Company Limited to start textile business as manufacturer, selling and buying yarns, greige fabrics, and finished fabrics.
1975	Increased capital by 80 Million Baht to total 100 Million Baht registered capital for business expansion.
1979	Increased capital by 50 Million Baht to total 150 Million Baht registered capital for business expansion.
1987	Increased capital by 50 Million Baht to total 200 Million Baht registered capital for business expansion. Received approval to be a listed company in the Stock Exchange of Thailand.
1989	Increased capital by 300 Million Baht to total 500 Million Baht. Increased issued and Paid up share capital for 150 Million Baht as capital to establish a yarn spinning factory which received custom tax exempt for imported machinery.
2002	Increased issue Paid-up there Capital of 15 million shares to be a total of 50 million shares issued and paid-up share capital with par value of 10 Baht per share for a total of 500 Million Baht issued and paid-up capital.

1.3 Shareholding Structure of TTI Group

TTI Group Shareholding Structure Table

TTI		TRT		TSI		RTI		TTP	
Shareholding		Shareholding		Shareholding		Shareholding		Shareholding	
TRT	87.31 %	TTI	-	TTI	0.50 %	TTI	-	TTI	-
TSI	6.60 %	TSI	-	TRT	1.09 %	TRT	2.00 %	TRT	-
RTI	8.75 %	RTI	-	RTI	5.25 %	TSI	-	TSI	-
TTP	3.57 %	TTP	-	TTP	1.43 %	TTP	-	RTI	-

TTI	Thai Textile Industry Public Company Limited	Issued and Paid-up Share Capital	500	Million Baht	50	Million shares
TRT	Thai Rung Textile Company Limited (Subsidiary)	Registered Capital	600	„	6	„
TSI	Thai Standard Industries Company Limited	„	150	„	1.5	„
RTI	Rama Textile Industry Company Limited	„	250	„	2.5	„
TTP	Thai Textile Printing Public Company Limited	„	350	„	3.5	„

1.4 Business Relationship with Major Shareholder

Only Thai Winner Textile Industry Company Limited and Casadi International Company Limited of the Boonnamsup family have business relationship as customers of TTI. Other major shareholders do not have any business relationship with TTI.

2. BUSINESS NATURE

2.1 Product and Services

TTI is in the textile industry as a manufacturer, importer and seller of raw cotton fibers, cotton yarns, blended yarns, synthetic yarns, greige fabrics, dyed fabrics, yarn dyed fabrics as per customer's orders, and finished garments to local and international customers under the brand "TTI".

Thai Rung Textile Company Limited (TRT) (Subsidiary) is a yarn spinning factory, spinning cotton yarns, blended yarns, and synthetic yarns, selling to big manufacturers, yarn dyeing factories, and local fabric manufacturers.

2.2 Marketing and Competition

(Units: Million Baht)

Product/Services	Produced by	Shareholding %	2016		2015		2014	
			Revenue	%	Revenue	%	Revenue	%
	Company	-						
Finished Garment								
Local			61.39	1.60	67.60	1.69	55.97	1.37
Export			160.62	4.20	165.94	4.16	125.95	3.08
Fabric								
Local			702.63	18.37	876.84	21.96	962.64	23.54
Export			755.93	19.76	900.51	22.56	1,000.92	24.47
Cotton Fiber / Yarn								
Local			596.21	15.59	657.99	16.48	607.26	14.85
Export			205.31	5.37	35.27	0.89	28.95	0.71
Local Orders			96.96	2.53	50.85	1.27	26.66	0.65
Other Local Sales			17.86	0.47	29.35	0.74	93.68	2.29
Total			2,596.91	67.89	2,784.35	69.75	2,902.03	70.96
	Subsidiary	87.31						
Cotton Fiber / Yarn	Export		1,149.79	30.06	1,139.85	28.55	1,062.43	25.97
Local Orders			44.56	1.16	51.15	1.28	60.91	1.49
Other			33.53	0.89	16.65	0.42	64.53	1.58
Total			1,227.88	32.11	1,207.65	30.25	1,187.87	29.04
Grand Total			3,824.79	100.00	3,992.00	100.00	4,089.90	100.00

2.3 Product and Services Procurement

All finished products and some raw materials were procured from 3 factories in TTI Group and the Subsidiary, which the location and production capacity are as follow:

Factory	Location	Type of Factory	Production Capacity 2016	
			Quantity	Unit
Factory 1	385 Soi Bangmakekhao, Taiban, Muang, Samutprakarn	Weaving	32,000,000	Yards
Factory 2	275 Soi Bangmakekhao, Taiban, Muang, Samutprakarn	Spinning	6,400,000	Pounds
Factory 3	595 Sukhumvit Rd, Bangpoo Mai, Muang, Samutprakarn	Garment	1,200,000	Pieces
Subsidiary	62 Soi Valilai, Bangchalong, Bangplee, Samutprakarn	Spinning	26,000,000	Pounds

All finished fabrics and yarns, which is the raw material for fabric production, is sourced from TTI, the subsidiary company, as well as other manufacturers in the country. For raw materials such as raw cotton fibers, TTI import from various countries such as China, America, Australia, Sudan, and Uzbekistan, depending on the quality of the product.

3. RISK FACTORS

The risk factors that will greatly impact the financial and operational status of The Group are not foreseeable in the near future. The risk factors that will impact business operations are as follow:

3.1 Liquidity Risk

Liquidity risk, or funding risk, is the risk that the group will encounter difficulty in raising funds to meet commitments associated with financial instruments, Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

3.2 Foreign Currency Risk

As part of the international trading, the Group has significant exposures to market risk from changes in foreign exchange rates. The Group uses forward exchange contracts to mitigate those risks. Forward exchange contracts are accounted for as foreign currency transactions. Gains or losses on derivative financial instrument used for hedging of foreign currency transactions are recognized as income or expense on the same basis as the corresponding hedged position.

As at 31 December 2016, assets and liabilities of the Group which are not hedged as follows

	Currencies	Amount	Equivalent to approximately (In Million Baht)
Trade accounts receivable	U.S. Dollar	2,431,271	86.5
Trade accounts Payable	U.S. Dollar	2,156,169	77.6
	Euro	29,648	1.1
Accrued expenses	U.S. Dollar	310,445	11.2

3.3 Interest Rate Risk

The Group was exposed to Interest Risk because it held deposits to and loans from financial institutions. However, The Group believes that the future fluctuation on market interest rate would not provided significant effect to its operation and cash; therefore, no financial derivative was adopted to manage such risks.

3.4 Credit Risk

The Group was exposed to credit risks mainly relating to its trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with its receivables.

4. OPERATING ASSETS

Operating Assets were valued on 31 December 2016 with the following details as appeared in the Separate Financial Statement and Subsidiary financial Statement.

4.1 Separate Financial Statements

	Business Asset
	(Baht)
Land	36,143,749.00
Buildings & structures	90,878,948.00
Machinery & equipment	613,429,375.00
Furniture & office equipment	1,879,566.00
Asset under installation	57,873,740.00
Vehicle	6,873,791.00
Total	807,079,169.00

Remarks As at 31 December 2016 and 2015, the company's machineries with net book value of Baht 95.3 Million and Baht 107.00 million, respectively are mortgaged as collateral of credit facilities.

4.2 Subsidiary Financial Statements

	Subsidiary Assets
	(Baht)
Land	185,749,040.00
Land Appraisal	239,694,066.00
Buildings & structures	147,893,010.00
Machinery & equipment	682,130,828.00
Factory Utility System	89,770,467.00
Furniture & office equipment	847,458.00
Asset under installation	69,808,941.00
Vehicle	1,452,562.00
Total	1,417,346,372.00

Remarks As at 31 December 2016 and 2015, the subsidiary machineries with net book value 413.18 Million and 468.4 Million, respectively are mortgaged as collateral of credit facilities.

4.3 Investment Properties-Land

Net book value	48,221,776.00	Baht
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5. LEGAL DISPUTES

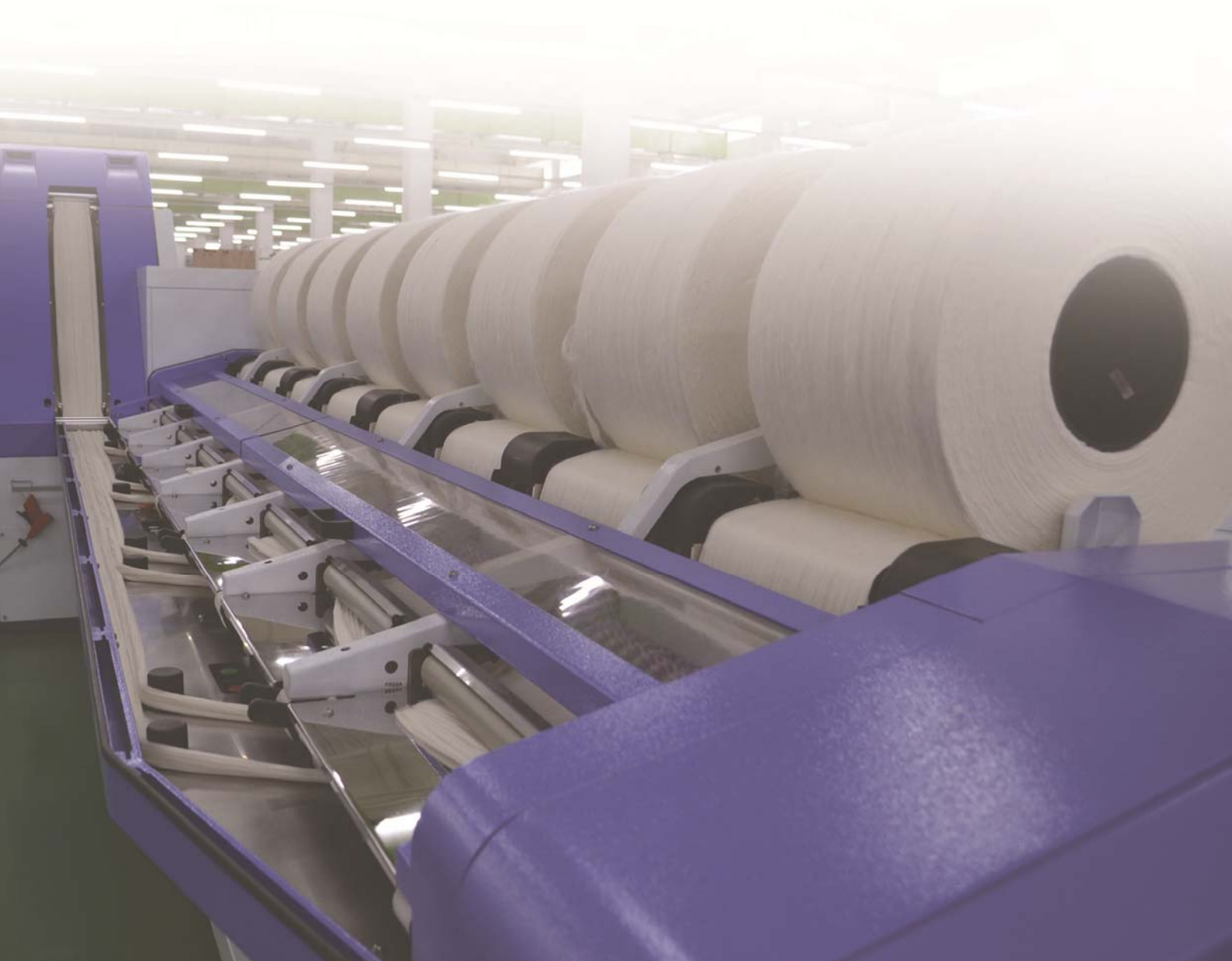
None

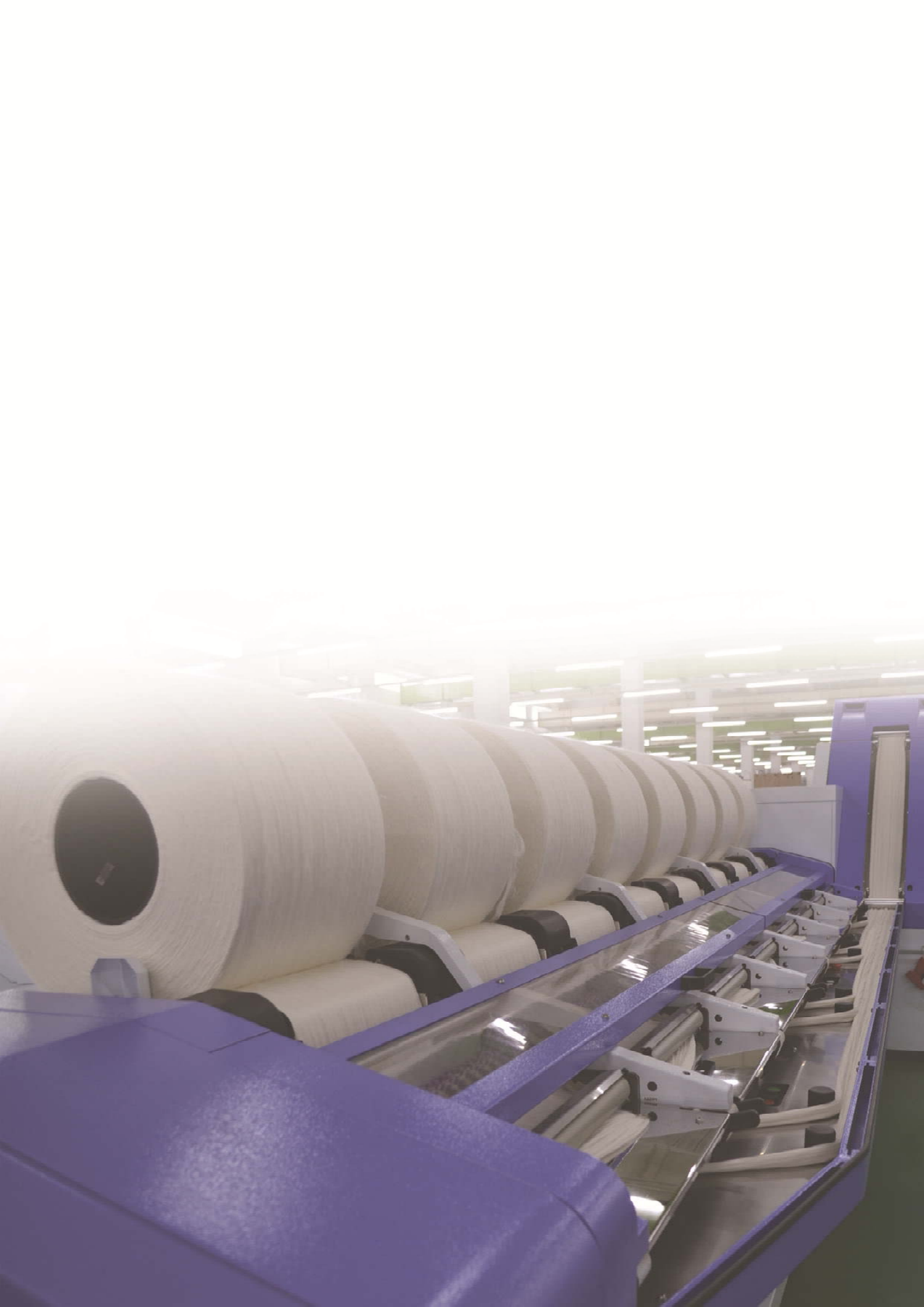
6. GENERAL INFORMATION AND OTHER KEY INFORMATION

Company Name Issuing Securities	Thai Textile Industry Public Company Limited
Registration No	0107537000441 (Previously PCL 291)
Type of Business	Manufacturer Fabric Weaving, Yarn Spinning, Garment
Paid-Up Capital	50 Million Shares with par value 10 baht per share
Address	385 Soi Bang Make Khao, Sukhumvit Road, Taiban, Muang Samutprakarn Samutprakarn 10280
Tel	+66 (0) 2703 8484
Fax	+66 (0) 2387 0894, +66 (0) 2387 1983
e-mail	thaitex@tti.co.th
web site	http://www.tti.co.th
Reference Person	
Securities Registrar	Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel +66 (0) 2009 9000 Fax +66 (0) 2009 9991
Auditor	Mr. Pradit Rodloytook, CPA No. 218 or Ms. Nongram Laohareedeelok, CPA No. 4334 AST Master Company Limited 790/12 Thonglor Tower Soi Thonglor 18, Sukhumvit 55 Road, Klong Tan, Klong Toey, Bangkok 10110 Tel +66 (0) 2185 0342 Fax +66 (0) 2381 5716
Legal Consultant	Jaruttham Attorney and Accounting Firm 281/7 Moo 4, Soi Suksawat, Suksawat Road, Bangpakok Radburana, Bangkok 10140 Tel +66 (0) 2389 2298 Fax +66 (0) 2389 2298
Legal Entity that TTI hold more than 10 percent of all Shares	
Legal Entity Name	Thai Rung Textile Company Limited
Address	62 Soi Vilalai, Bangna Trad Road, Bangchalong, Bangplee, Samutprakarn Tel +66 (0) 2337 2325 - 6 Fax +66 (0) 2337 2829
Type of Business	Yarn Spinning Factory
Paid-Up Capital	6,000,000 shares with par value of 100 baht per share.
Share holding	87.31%

PART 2

MANAGEMENT AND CORPORATE GOVERNANCE





7. SECURITIES AND SHAREHOLDERS

7.1 Issued and Paid-Up Capital

TTI have Registered Capital of 500 Million Baht, Paid-Up Capital of 500 Million Baht, divided into 50 million shares with 10 Baht per share par value.

7.2 Shareholders

Top 10 Shareholders over 5 Years Period

Rank	Name	31/12/2016	%	31/12/2015	%	31/12/2014	%	31/12/2013	%	31/12/2012	%
1.	Mr. Kumjorn Chuenchoochit	12,392,367	24.8	12,276,367	24.5	11,988,167	24.0	11,994,667	24.0	11,872,967	23.7
2.	Ms. Supatta Boonnamsup	6,096,085	12.2	6,004,985	12.0	6,004,985	12.0	5,362,870	10.7	5,354,985	10.7
3.	Mr. Tawatchai Chaiyapinunt	5,447,120	10.9	5,447,120	10.9	5,427,120	10.9	5,804,985	11.6	5,379,570	10.8
4.	Thai Textile International Company Limited	4,128,315	8.3	4,128,315	8.3	4,128,315	8.3	4,128,315	8.3	4,128,315	8.3
5.	Mr. Udom Worarittichai (Deceased 19 July 2014)	2,964,945	5.9	2,964,945	5.9	2,964,945	5.9	2,964,945	5.9	2,964,945	5.9
6.	Mr. Phaiboon Jaroonchaikanakij	2,574,000	5.1	2,574,000	5.1	2,478,100	5.0	2,478,100	5.0	2,478,100	5.0
7.	Great Chan Holding Company Limited	2,000,000	4.0	2,000,000	4.0	2,000,000	4.0	2,000,000	4.0	2,000,000	4.0
8.	RPT Resources Company Limited	1,718,100	3.4	1,718,100	3.4	1,718,100	3.4	1,718,100	3.4	1,718,100	3.4
9.	TT Resources Company Limited	1,582,305	3.2	1,582,305	3.2	1,582,305	3.2	1,582,305	3.2	1,582,305	3.2
10.	Vongs Chang Enterprise Company Limited	1,100,000	2.2	1,100,000	2.2	1,100,000	2.2	1,100,000	2.2	1,100,000	2.2

7.3 Other Securities

None

7.4 Dividend Payment Policy

The Company's and The Subsidiary's policy for the dividend payment is not less than 50-60% of net profit.

8. MANAGEMENT STRUCTURE

8.1 Company Directors

Company Board of Directors consists of 17 Directors, divided into 6 Executive Directors, 6 Non- Executive Directors and 6 Independent Directors.

The Board of Directors is divided into 3 sub-Committees, namely the Audit Committee, Nomination Committee, and Remuneration Committee as follow:

1.	Mr. Boonnam	Boonnamsup	Chairman
2.	Mr. Mongkol	Mungkornkanok	Executive Director
3.	Mr. Phaiboon	Jaroonchaikanakij	Executive Director
4.	Mr. Tawatchai	Chaiyapinunt	Executive Director, Member of Nomination Committee and Remuneration Committee
5.	Mr. Kumjorn	Chuenchoochit	Executive Director
6.	Mr. Chuang	Kullawanwichit	Executive Director and Secretary to the Board of Directors
7.	Mrs. Siriwan	Boonnamsup	Director
8.	Prof. Somsak	Chaiyapinunt, Ph.D	Director
9.	Mr. Pairod	Chuenchoochit	Director
10.	Miss Naruemon	Worarittichai	Director
11.	Mr. Kasem	Worarittichai	Director
12.	Mr.Charoen	Laohathai*	Director and Independent Director (Director Position on November 14, 2016)
13.	Mr. Suchart	Chantanakaracha*	Director and Independent Director
14.	Dr. Chin	Chinsetawong*	Chairman of the Audit Committee, Independent Director, Member of Nomination Committee and Remuneration Committee
15.	Mrs. Ratana	Suthipongchai*	Audit Committee, Independent Director, Member of Nomination Committee and Remuneration Committee (Resign on 29 February 2016)
16.	Mr. Preecha	Chaipromprasith*	Member of Audit Committee, Independent Director Member of Nomination Committee and Remuneration Committee (Director Position on November 14, 2016)
17.	Mr. Korn	Sereerojanasiri*	Member of Audit Committee and Independent Director
18.	Asst.Prof. Kajornvut	Namsirikul, Ph.D	Member of Audit Committee and Independent Director
	Mr. Narong	Piriyapinsakul	Secretary of Audit Committee, Nomination Committee and Remuneration Committee

* Independent Directors

Remark For number of times of Directors' Meeting, and the attendance of each Director at each meeting, please refer to the Attendance and Remuneration Chart.

Audit Committee

On 28 February 2016, the Board of Directors appointed 5 Directors to be on the Audit Committee for the duration of 2 years per term. The 5 Directors consisted of the following:

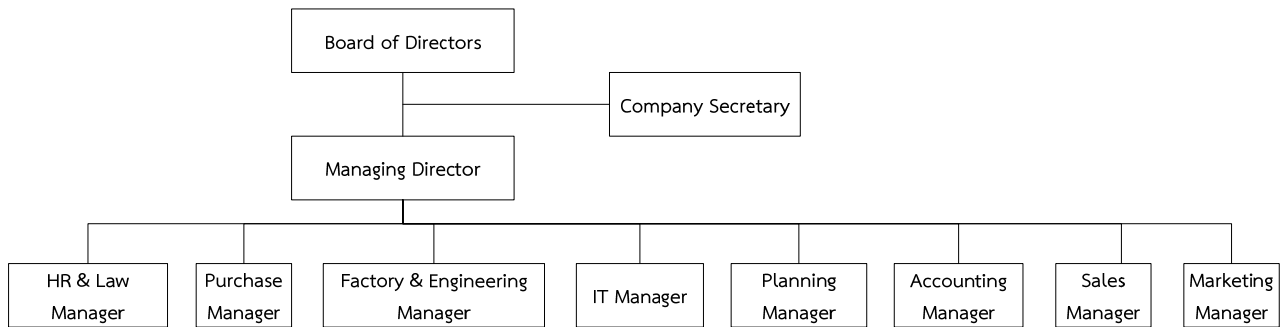
1. Dr. Chin Chinsettawong Chairman of Audit Committee
2. Mrs. Ratana Suthipongchai Member of Audit Committee (Resign on 29 February 2016)
3. Mr. Preecha Chaipromprasith Member of Audit Committee
4. Mr. Korn Sereeronjanasiri Member of Audit Committee
5. Assist.Prof. Kajornvut Namsirikul, Ph.D. Member of Audit Committee

Nomination Committee and Remuneration Committee

On 28 February 2016, the Board of Directors appointed 2 sub-Committees, which were the Nomination Committee and the Remuneration Committee. The term for each Director is 2 years and consisted of 2 Independent Directors, and 1 Executive Director. The Directors for both Committees are as follow:

1. Dr. Chin Chinsettawong Independent Director and Chairman of Audit Committee
2. Mrs. Ratana Suthipongchai Independent Director and Member of Audit Committee (Resign on 29 February 2016)
3. Mr. Preecha Chaipromprasith Independent Director and Member of Audit Committee (Director Position on November 14, 2016)
4. Mr. Tawatchai Chaiyapinunt Executive Director
5. Mr. Narong Piriya-prinsakul Secretary of the Committee

8.2 Management Structure



Managing Director	Mr. Mongkol Mungkornkanok
Personnel and Legal	Mr. Narong Piriya-prinsakul
Purchase	Mr. Arun Charoensangpetch
Factory & Engineering	Mr. Chalerm Techawal
Information Technology	Mrs. Anchalee Tapaopong
Planning	Mr. Surasak Nampila
Accounting	Mr. Chuang Kullawanwichit
Sales	Mr. Nataphol Jarukittikhun
Marketing	Mr. Therawat Srivilairit

8.3 Company Secretary

Mr. Narong Piriyaaprinsakul

8.4 Directors and Executive officer Remuneration

The attendance of each Director at each meeting and the Directors Remuneration

Directors			Position	Directors Meeting Attendance / Meetings		Directors Remuneration (Baht) (Remuneration and Pension)	
				2016	2015	2016	2015
1.	Mr. Boonnam	Boonnamsup	★ /	4/4	4/4	160,000	160,000
2.	Dr. Chin	Chinsettawong	◆ ■ ▲ *	4/4	4/4	170,000	170,000
3.	Mrs. Ratana	Suthipongchai	● ■ ▲ *	1/4	4/4	30,000	170,000
4.	Mr. Preecha	Chaipromprasith	● ■ ▲ *	4/4	4/4	170,000	170,000
5.	Mr. Korn	Sereerojanasiri	● *	4/4	4/4	170,000	170,000
6.	Asst.Prof. Kajornvut	Namsirikul, Ph.D.	● *	4/4	4/4	170,000	170,000
7.	Mr. Mongkol	Mungkornkanok	/	4/4	4/4	160,000	160,000
8.	Mr. Phaiboon	Jaroonchaikanakij	/	4/4	4/4	135,000	147,500
9.	Mr. Tawatchai	Chaiyapinunt	/ ■ ▲	4/4	3/4	135,000	147,500
10.	Mr. Kumjorn	Chuenchoochit	/	4/4	4/4	135,000	147,500
11.	Mr. Chuang	Kullawanwichit	/	4/4	4/4	135,000	147,500
12.	Mrs. Siriwan	Boonnamsup	×	4/4	4/4	110,000	110,000
13.	Prof. Somsak	Chaiyapinunt, Ph.D.	×	4/4	4/4	110,000	110,000
14.	Mr. Suchart	Chantanakaracha	× *	4/4	4/4	110,000	110,000
15.	Mr. Pirod	Chuenchoochit	×	4/4	4/4	110,000	110,000
16.	Miss Nauemon	Worarittichai	×	4/4	3/4	110,000	50,000
17.	Mr. Kasem	Worarittichai	×	4/4	3/4	110,000	50,000
18.	Mr. Charoen	Laohathai	× *	-	-	-	-
(Director position on November 14, 2016)							
				TOTAL		2,230,000	2,300,000

★ = Chairman

● = Member of Audit Committee

◆ = Director

▲ = Member of Remuneration Committee

◆ = Chairman of the Audit Committee

/ = Managing Director

■ = Member of Nomination Committee

* = Independent Director

Salary and Bonus for 14 Executive Officers

16,905,473 Baht

Non-financial Remuneration

None

Remarks: 1. Mrs. Ratana Suthipongchai

Resign on 29 February 2016

2. Mr. Charoen Laohathai

Director position on November 14, 2016

8.5 Personnel

The Company's personnel for each major department in 2016 was as follow

Month	Spinning	Weaving	Garment	Total
January	110	869	541	1,520
February	110	869	540	1,519
March	110	869	543	1,522
April	111	877	564	1,552
May	109	883	608	1,600
June	109	891	628	1,628
July	109	876	635	1,620
August	109	864	626	1,599
September	109	865	625	1,599
October	109	864	612	1,585
November	109	853	590	1,552
December	109	851	578	1,538

Compensation for 2016 is as follow:

1. Spinning Employee Wages	27,796,123	Baht	Bonus	1,982,589	Baht
2. Weaving Employee Wages	221,396,459	Baht	Bonus	18,410,245	Baht
3. Garment Employee Wages	92,922,840	Baht	Bonus	5,659,132	Baht

For Personnel Development Program, the Company have regular seminars within the Company such as 5S, ISO 9000, and ISO 14000 programs. The Company also send employees to workshops and seminars outside the Company on a regular basis.

No.	Course Program	Participants	Duration
1	Introduction to ISO 14001:2015 Standards and Regulations	67	1 day
2	Introduction to ISO 9001:2015 Standards and Regulations	67	1 day
3	Responsibility Management	166	30 days
4	Quality Management and Environmental Management	166	3 hours
5	Fire Hazard Training and Evacuation	1,538	6 hours

9. CORPORATE GOVERNANCE

9.1 Corporate Policies

The Company are aware of the importance of Good Corporate Governance and have followed the guidance that the Stock Exchange of Thailand, and the The Securities and Exchange Commission of Thailand had set. In addition, a handbook on the business ethics and etiquette was made for the Directors, Managers, and employees to follow as company policy.

The Board of Directors have set the company policies as follow:

- 1) Set the business scope and responsibilities to be effective and adhere to the rules and regulations with transparency and traceability.
- 2) The Board of Directors, Managers, and all employees will perform their duties to the best of their abilities with honesty and trustworthiness for the benefits of all parties, by upholding good corporate governance and following the handbook of business ethics and etiquette.
- 3) Define areas of responsibility and the authority of involved personnel in each department to ensure the enefits are protected.
- 4) Will not perform any actions that will violate or restrict the rights of the Shareholders of The Company, and will provide convenience to the Shareholders to exercise their rights other than voting at the Annual Shareholders Meeting.
- 5) Treat all Shareholders equally. Provide access to The Company information and contact information accordingly.
- 6) The Board of Directors, Managers, and all employees will uphold the business ethics and etiquette by treating all with benefits equally, as well as, taking care, controlling, and protecting against any decisions or actions that may be in conflict with the benefits.
- 7) Fully disclose important news and information of The Company in a timely manner accordingly to the rules and regulations.
- 8) Set policies, strategies, and plans necessary for the operation of The Company and set systems to evaluate the effectiveness of the management.
- 9) Evaluate and set ethics and etiquette guidelines of The Company business for the Board of Directors, management, and all employees to follow, in addition to the rules and regulations of The Company.
- 10) Set annual internal self evaluation to determine the performance of the Directors.
- 11) The Board of Directors set communication channels for Shareholders, investors, and governing sectors, as well as disclose information to Shareholders and those with mutual benefits.

The Board of Directors realizes support is needed for the Directors, management, and employees to perform their duties and responsibilities to be in accordance to good corporate governance policies set forth by the Board of Directors, so good corporate governance policy and business ethics and etiquette handbooks were distributed through the following channels:

- Employee Handbook

- Good Corporate Governance Policy Handbook
- Business Ethics and Etiquette Handbook
- Company website (www.tti.co.th)
- Information Board of The Company

In addition, Good Corporate Governance policy and Business Ethics and Etiquette seminars were held during orientation of new employees.

9.2 Sub Board of Directors

1) Board of Directors Structure

From the Board of Directors of 17 person, a Sub Board of Directors was set up as follow:

- A. Executive Directors consisted of the following 6:
 - 1 Mr. Boonnam Boonnamsup
 - 2 Mr. Mongkol Mungkornkanok
 - 3 Mr. Chuang Kulwanwichit
 - 4 Mr. Phaiboon Jaroonchaikanakij
 - 5 Mr. Tawatchai Chaiyapinunt
 - 6 Mr. Kumjom Chuenchoochit
- B. Member of Audit Committee consist of 4 person. (Details on Page 21)
- C. Member of Nomination Committee consist of 3 person. (Details on Page 21)
- D. Member of Remuneration Committee consist of 3 person. (Details on Page 21)

Duties and Responsibilities of each Committee are as follow:

Board of Directors duties and responsibilities consisted of managing according to the purpose, regulations, and agreement of the Shareholders meeting, including

- 1) Approval of vision, strategy, goal, and risks.
- 2) Observing the management operation according to The Company Policy.
- 3) Control and manage risks.
- 4) Set written policies and business ethic and etiquette for The Company to operate under.
- 5) Evaluate possible issues of conflict thoroughly.
- 6) Set policies on risk management for The Company and Subsidiary.

Executive Directors duties and responsibilities consisted of the following:

- 1 Authority to order, plan, and operate The Company business according to the policies set by the Board of Directors.
- 2 Set strategies for The Company under the purpose and policies of The Company.
- 3 Propose investment plans to the Board of Directors and / or at the Shareholders Meeting for consideration.
- 4 Approve appointments of advisers necessary for the operation of The Company under the budget given.

- 5 Authorized to determine the benefits to the employees according to traditions and rules and regulations.
- 6 Authorized to approve purchase, hiring, rent, and lease any assets, including investing and settlement of payments necessary for the operation of The Company, within the budget, according to the details of the Authorization Chart set up by the Board of Directors.
- 7 Authorized to approve make loan, and overdrawn funds from banks, corporations, and or financial institutions for the benefit of the operation of The Company.
- 8 Authorized to approve purchase of assets, or payment of assets for the operation of The Company, according to the contract and or agreement with business partner, as per the details of the Authorization Chart set up by the Board of Directors.

Audit Committee duties and responsibilities consisted of the following:

- 1 Review that The Company discloses correct and adequate financial statement information.
- 2 Review appropriate Internal Control and Internal Audit procedures, evaluate internal Auditor independence to perform internal audits, as well as, approval to appoint, transfer, and or cease employment of Internal Audit heads or other departments that are responsible for the Internal Audits.
- 3 Review that The Company is operating under the rules and regulations set forth by the Stock Exchange of Thailand and laws governing business operation.
- 4 Review, select, and or recommend individuals who are independent to audit The Company's financial statement and recommend remuneration for the individuals. In addition, attend Audit Committee meeting without involvement of the management team at least 1 time a year.
- 5 Review connected transactions and or conflict of interest transactions to be in line with the rules and regulations set forth by the Stock Exchange of Thailand, so those transactions are appropriate with highest benefit for The Company.
- 6 Write the Audit Committee Report, signed by the Audit Committee Chairman, which is to be disclosed in the Annual Report of The Company.
- 7 Perform duties assigned by the Board of Directors, with agreement from the Audit Committee Directors.

Nomination Committee have the duty and responsibility to set criteria and qualification for individuals to be on the Board of Directors and Management Team, by proposing the individual to be on the Management Team to the Board of Directors for consideration, and the individual to be on the Board of Directors to the Shareholders Meeting for consideration.

Remuneration Committee have the duty and responsibility to evaluate the amount and form to pay the Directors and Management Team and propose to the Board of Directors for consideration. The Management Team remuneration will be approved by the Board of Directors, while Directors remuneration will be approved by the Shareholders Meeting.

- 2) **Member of Audit Committee** qualified to review The Company's financial statement is Associate Professor Dr. Kajornvut Namsirikul.

9.3 Nomination and Appointment of Directors and Management

In the search for a Director, all Directors have the right to suggest a qualified individual to the Shareholders Meeting for approval, unless the Director position was vacant before the term is up, then the Board of Directors have the right to appoint an individual to replace the vacant position. The Shareholders still have the right to recommend qualified individuals for consideration at the Shareholders Meeting as well.

1 Board of Directors

1.1 Election

As per The Company's rules under Directors, Section 4, Point 16, the Shareholders Meeting will determine the number of Directors on the Board of Directors, to be no less than 5 person and no more than 17 person. The elected persons should not prohibited according to the rules and regulations of The Company, and should be trustworthy to manage a Public Company according to the rules and regulations set by the Securities and Exchange Commission. More than half of the total Directors must be resident in the Kingdom of Thailand. The number of Independent Directors and member of Audit Committee must be according to the rules and regulations of the Stock Exchange of Thailand.

1.2 Directors Qualification

- 1) Must be a mature ordinary person.
- 2) Must not be bankrupt, or incapable of management
- 3) Never convicted by the highest court for corruption.
- 4) Never unemployed from government agency or corporation due to corruption.
- 5) Not a person lacking trust to manage a Public Company according to the rules and regulations of the Securities and Exchange Commission.

1.3 Directors Election Method

As per The Company's rules under Directors, Section 4, Point 18, the Shareholders Meeting will determine the Directors with the following methods:

- 1 One Shareholder have 1 vote per 1 share.
- 2 The Shareholder must give their suffrage to 1 candidate or many candidates to be Directors, but cannot distribute their suffrage to several candidates.
- 3 The candidate with the highest votes will be selected according to the number of Directors needed for that term. If case there is a tie in a number of votes for the candidates, the Chairman of the Board will have one vote to determine the candidate for the Board.

1.4 Directorship Terms

- 1 Normal Term Expiration

As per The Company's rules under Directors, Section 4, Point 20, at the Annual Shareholders Meeting, one third of the Director's term will expire. If the number of Directors cannot be evenly separated into one thirds, then the number of Directors, whose terms will expire will be as close as possible to one thirds.

In the first and second year after The Company registration, the Directors who terms expired, will be determined by a draw on who will be replaced. For the following years after, the Directors with the longest term will be selected for replacement.

The Directors whose term expired can be selected to return to the Board.

2 Extraordinary Term Expiration

As per The Company's rules under Director, Section 4, Point 21, other than the normal term expiration, the Directors term may expire upon:

- 1) Death
- 2) Resignation
- 3) Lack of Qualification according to Point 17.
- 4) Resolution of the Shareholders Meeting in accordance to Point 25.
- 5) By court's ruling.

The Company did not set consecutive number of terms. The Shareholders reserve the right to appoint an individual to the Director position.

2 Audit Committee

2.1 Structure and Appointment

There must be a minimum of 3 Directors in the Audit Committee, comprising of a Chairman and a set of Committee Members. All must be The Company's Director and must be qualified according to SEC rules and regulations as follow:

- 1 Appointed by the Board of Directors or at the Shareholders Meeting.
- 2 Be an Independent Director
- 3 Must not be The Company Directors empowered to make business decisions for big company, subsidiary, affiliates, partnership, other subsidiary of the parents company, or any juristic person with conflict of interest.
- 4 Responsible for audit according to Stock of Exchange of Thailand and The Company's policy.
- 5 Must possess knowledge and experience sufficient to perform audit functions with one member being an expert of financial auditing.

In case there are changes in the rules and regulations of SEC and SET, the qualifications will the changes.

2.2 Term of Appointment

The Audit Committee tenor is 2 years, counting from the date of appoint by the Board of Directors.

- 1 Normal Term Expiration

Once the term expire, the Board of Directors or at the Shareholders Meeting, will appoint a new committee members within 2 months of expiration of the previous committee. The previous committee members could be re-appointed.

2 Extraordinary Term Expiration

Other than normal term expiration mentioned above, the Audit Committee will expire when

- 1) No longer a Board Director.
- 2) Resignation
- 3) Death
- 4) Resolution by the Board of Directors.
- 5) Lack of qualification according to the SEC and SET rules and regulations.

If the position became vacant due to reasons under Extraordinary Terms Expiration, with more than 2 months until normal term expiration, The Company Board of Directors or the Shareholders Meeting will appoint an individual with qualifications to fill the vacant position at the next meeting. However, the replacement can only hold the position up until the expiration of that term.

The Audit Committee members can re-appointed to consecutive terms without any limitations depending on the Board of Directors decision.

3. Executive Committee

3.1 Structure and Appointment

The Board of Directors will appoint 6 members to the Executive Committee, which comprise of Managing Director to be the Chairman of the Executive Committee and 5 other committee members. The appointments will be based on knowledge and experience necessary to manage The Company business.

3.2 Terms of Appointment

1 Normal Term Expiration

Executive Committee Members term will expire once they are no longer on the Board of Directors.

2 Extraordinary Term Expiration

The Extraordinary Term Expiration include:

- 1) Resignation
- 2) Death
- 3) Resolution by the Board of Directors
- 4) Lack of qualification according to the SEC and SET rules and regulations.

If the position became vacant due to reasons under Extraordinary Terms Expiration, with more than 2 months until normal term expiration, The Company Board of Directors will appoint an individual with qualifications to fill the vacant position at the next meeting. However, the replacement can only hold the position up until the expiration of that term.

4. Independent Directors

The Company will have 6 Independent Directors (no less than 1 / 3 of all Directors) with the following qualifications and selection as follow:

Independent Directors Qualifications

- a) Hold no more than 1 of voting rights of The Company and the Subsidiary Company, or a major shareholder or authorized to manage The Company. This includes the shares held by individuals related to the Independent Director.
- b) Must not be a Director that participated in the management, team, employee, advisor with regular monthly salary, or authorized to manage The Company, the Subsidiary, major shareholder, or of those with the authority to manage The Company.
- c) Not a blood relative or binding by law such as father, mother, married partner, brother, sister, and children, including in-laws of children of the Directors, major shareholders authorized to manage The Company, and individuals proposed to be a Director or with authority to manage The Company or The Subsidiary.
- d) Must not have a business relationship with The Company, The Subsidiary, major shareholders, or those authorized to manage The Company in a way that could prevent the judgment to be made independently, including never or not that shareholder with significance, or authority to influence those with business relationships with The Company, The Subsidiary, the major shareholder of The Company, and those with authority to control The Company.
The business relationship under this point include normal business transactions to rent or loan property, assets or services, give or receive financial assistance, guarantee, or monetary guarantee, and other similar transactions which will cause The Company or The Guarantor additional debt of 3% of the net tangible asset of The Company, or THB 20 million onwards, depending on which one is less. The calculation of the debt will be according to the rules and regulations of the related business transactions of SEC.
- e) Must not be an auditor of The Company, The Subsidiary, the major shareholders or those with authority to manage The Company, and must not be a managing partner or shareholder of the auditing company, which audits The Company, The Subsidiary, the big shareholders or those with authority manage the approve the transactions.
- f) Must not be an advisor, or financial advisor with remuneration of over THB 2 million annually from The Company, The Subsidiary, major shareholders or those with authority to manage The Company, and not a shareholder with significance to control the expertise.
- g) Must not be a Director appointed to represent the Directors of The Company, major shareholders of The Company, or relatives to the major shareholders of The Company.
- h) Must not be in the similar business with The Company or The Subsidiary or be a partner, Executive Director employees, or has over 1 % in other companies that in a same business as The Company or The Subsidiary.
- i) No other characteristics that will hinder independent opinion concerning the management of The Company.

After installation of the Independent Directors with compliance to the rules and regulations above, the Board of Directors will allow the Independent Directors to make a collective decision on how to manage The Company and The Subsidiary.

Nomination for Independent Directors

The Nomination Committee will select and propose the individuals with enough experience and knowledge of the industry of The Company, that meet the criteria above, to the Board of Directors, who will evaluate and propose to the Shareholders Meeting for approval

5. Appointment of Chief Executive officer

The Board of Directors will appoint the Chief Executive officer.

6 Appointment of Other management team

The Nomination Committee have the authority to propose individuals that are employees of The Company in the management position, with the approval of the Board of Directors.

9.4 Control and Management of The Subsidiary

The Company have control mechanisms to control and be responsible for The Subsidiary for the benefit of The Company as follow:

- 1) The Company have sent individuals to be the representative of The Company as Directors, and Management of The Subsidiary as per ratio of shares held. The Board of Directors Meeting will determine the individual to be sent as the representative of The Company.
- 2) The Company policy is to appoint the same auditors for The Company and The Subsidiary to control the disclosure of financial information, company performance, transaction of The Subsidiary with related persons to be the same as The Company.

9.5 Control of Inside Information Usage

The Company have policies set up to prevent the Directors and or the Management to gain benefit from the inside information of The Company as follow:

The Directors must perform their duties in accordance to the laws, purpose, and regulations of The Company, as well as the resolutions of the Shareholders Meeting. Any important information disclosure that will affect The Company's operation must be approved by the Managing Director; however, any information that will affect the investors, must be approved at the Board of Directors Meeting.

The Company Board of Directors will oversee and issue the punishments if a Director or Upper Management used inside information for their own benefits. Managing Director will evaluate the punishments according to the procedures set at the Board of Directors Meeting if an employee is caught with the crime.

In addition, The Company have a policy that members of the Board of Directors and the Management are prohibited from selling and or buying of shares 1 month before the financial statements and other information that may affect the prices of the shares were released to the public, and also 24 hours after the release of the information.

The Secretary of the Board is appointed to be the person to handle the selling and buying transaction of shares for all Board Directors, and must report the transactions to the Chairman of the Board every time there is a transaction.

Internal Control Policy

The Board of Directors give importance to adequate internal control system to cover all areas including the control environment, risk management, communication and follow up activities, including company operation to be in accordance with the laws for check and balance to protect and take care of Shareholders investment and The Company's assets.

The Board of Directors of the Company appoint the Audit Committee Directors to review and evaluate the internal audit process. The people responsible for the internal audit process will report directly to the Audit Committee Directors.

The Audit Committee assigned Mr. Narong Piriyaoponakul to be responsible for preparing reports for production, human resources, transaction between with The Subsidiary, and present to the Audit Committee Meeting to be used as information for each quarterly meeting.

9.6 Annual Remuneration for Auditors

The resolution at the Annual Shareholders Meeting 1/2016 on Monday, 25 April 2016, appointed Mr. Pradit Rodloytok, Certified Public Accountant No. 218, and Mr. Nongram Laoareedilok, Certified Public Accountant No. 4334, of AST Masters Limited, with either one of them to audit and certify The Company's financial statement. Both individuals can perform their duties with independence without any relations to The Company and The Subsidiary. The history of both auditors and their remuneration are as follow:

Auditors History

Mr. Pradit Rodloytok	Auditor	2006-2010	and	2013-2016
Ms. Nongram Laoareedilok	Auditor	2011-2016		

Auditor Remuneration

Remuneration	2016		2015	
	Company	Subsidiary	Company	Subsidiary
Annual Auditing	400,000	240,000	430,000	260,000
Financial Statement Reviewing (3 Quarters)	300,000	180,000	70,000	210,000
Combined Financial Statement Reviewing (3 Quarters)	-	-	250,000	-
Combined Financial Statement	50,000	-	50,000	-
Total	750,000	420,000	800,000	470,000

9.7 Other Good Corporate Governance Practice

Other than Following the laws and good governance in The Company operation, the Company also followed the suggestions of the Organization for Economic Co-operation and Development.

The Company also followed the Stock Exchange of Thailand by separating into 5 sections:

- 1) Shareholders rights
- 2) Equal treatment of all Shareholders
- 3) Mutual benefit roles
- 4) Information disclosure and transparency
- 5) Board of Directors responsibilities

Section 1 Shareholders rights

The Board of Directors support to have the Shareholders use their rights by providing sufficient information in a timely manner, and encourage the Shareholders to exercise their rights and attend the Shareholders Meeting, without infringing on the rights of the Shareholders.

The Board of Directors set up a policy to provide convenience and support to all Shareholders to attend the Shareholders Meeting as follow:

Encouragement Policy for Shareholders to attend the Shareholders Meeting

1. Set the Annual Shareholders Meeting within 4 months after the end of the fiscal year of The Company (within 30 April of every year). If there is an urgent need, an Extraordinary Shareholders Meeting could be called upon.
2. Arrange and send invitation letters to the Annual Shareholders Meeting in both Thai and English, which include details and procedures of the meeting, the location, date and time, map indicating the place of the meeting, and important necessary information for the Shareholders to consider for each agenda, including the opinions of the Board of Directors, previous year Shareholder's meeting minute, the annual report, and proxy letter A and B according to the Ministry of Commerce. The invitation letter is to be sent out at least 7 days before the Shareholders Meeting, and advertised in the Thai newspapers for 3 consecutive days, including having the information on The Company website.
3. Provide convenience to all Shareholders equally by providing sufficient staffs to help with registration and check all necessary documents for the meeting. The Company uses the bar code system for registration and vote counting for convenience and efficiency, as well as provide stamp duty for the proxy letters. The location of the Shareholders Meeting is at hotel in central Bangkok for travel convenience of the Shareholders.
4. The Company will not prohibit any Shareholders to attend the Shareholders Meeting. The Shareholders can attend the Shareholders Meeting at any time while the meeting is still ongoing.
5. Before every Shareholders Meeting, the Chairman will explain the procedures of the meeting, including how to vote, and how the votes will be counted for each agenda. For each vote counting, The Company will count the votes for each agenda and conclude the results clearly at the meeting.
6. The Company will have a person to count the votes at the Shareholders Meeting, and will record the results in the Shareholders Meeting minutes.
7. The Chairman will allocate enough time for the Shareholders Meeting, and proceed with the meeting with transparency by allowing the Shareholders to exercise their rights to ask, give opinions, and vote on important issues of The Company such as the appointing or withdrawing a Director, suggesting an Independent Director, approval of Auditors, dividend payouts, increase or decrease of capital, and changing of rules and regulations.
8. The Chairman, Directors, and Management, are responsible to attend the Shareholders Meeting to answer questions to the Shareholders.
9. If the Chairman have not declared the Shareholders Meeting closed, the Shareholders have the right to join the Shareholders Meeting and vote on the agenda that is currently being discussed.

10. The Chairman will inform the Shareholders on which Directors have a mutual benefit on the certain agenda, and will ask the Director with mutual benefits to leave the Shareholders Meeting until the agenda is concluded.
11. The Company will disclose the voting results of each agenda from the Shareholders Meeting on The Company website the next day.
12. The Company will send the Shareholders Meeting minutes to the Stock Exchange of Thailand within 14 days after the Shareholders Meeting, and inform the Public Company Registrar within the time indicated by the law (within 1 month after the Shareholders Meeting), as well as on The Company website.

Section 2 Equal Treatment of Shareholders

1. The Company gives importance to the Shareholders by giving the Shareholders the opportunity to add agendas to the Annual Shareholders Meeting, and recommend individuals to be voted on the Board of Directors, at least 3 months before the Annual Shareholders Meeting. The procedures to exercise the rights will be announced on the Stock Exchange of Thailand and on The Company website.
2. The Shareholders can assign a proxy to the Shareholders Meeting, and the proxy will have equal rights as other Shareholders.
3. The Company will present an Independent Director in the proxy letter for any Shareholders who could not find a proxy to still exercise their rights by giving their voting rights to the Independent Director.
4. The Shareholders Meeting will follow the order of the agenda as indicated in the Shareholders Meeting invitation letter, with a policy to not add new agendas without informing the Shareholders beforehand so the Shareholders can have enough time to study the information before deciding on their vote.
5. The Chairman of the Board, Directors, management have the responsibility to attend the Shareholders Meeting to answer any questions from the Shareholders. The company record the discussion in the Shareholders Meeting minutes for the Shareholders to recheck.
6. Arrange 1 barcode voting ballots for each agenda for each Shareholder to vote for convenience and easy accurate rechecking. The Company will hold the voting ballots for 2 years from the voting date for rechecking if required.
7. Disclose current information of The Company on The Company website, in Thai and in English, for the Shareholders to receive important change information, after presenting to the Stock Exchange of Thailand. Open communication options on The Company website for the Shareholders to ask and receive answers.
8. The Directors and management with mutual benefits must report their mutual benefits to the Board of Directors Meeting every time.

Conflict of Interests

The Company makes it a policy to not let the Directors, Management, or employees to use their position for their own benefit. The Board of Directors set the policy to have the individual avoid involvement to avoid conflict of interest with The Company. If the transaction is unavoidable, prices and conditions will be the same as dealing with an outsider, and the Director or employee must not be involved in the approval process, as announced by the

Stock Exchange of Thailand. All transactions must strictly follow the rules and regulations set by the Stock Exchange of Thailand and information fully disclosed.

Section 3 Stakeholder Role

The Company give importance to every party with mutual benefits, including insiders such as Shareholders, employees, and management of The Company, or outsiders such as customers, suppliers, creditor, competitors, government officials, and other departments that are involved, as well as, the community that The Company is located at, and the environment around The Company as follow:

Shareholders: The Company sees the Shareholders as those with mutual benefits and an important factor to being a Public Company Limited; therefore, have set as an important rule to treat the Shareholders as follow: 1) Shareholders Rights, and 2) Equal Treatment of Shareholders, as mentioned earlier.

Employees: The Company give importance to every Company employee; therefore, other than following the labor laws, benefits to the employees, human rights, occupational health and safety, working environment, and were taken into consideration.

(1) Occupational health and safety and Working Environment

The Company consider every employee as an important asset; therefore, occupational and health and safety, working environment are set up as follow:

1. Safeness is the responsibility of every employee and they must work together to create a safe working environment for themselves and others.
2. The safeness at work is the responsibility of the employees at all level of hierarchy.
3. The Company will improve the work environment and working procedures to be safe, and incorporate safety equipments as necessary.
4. The Company will follow the rules and regulations, announcements, and or safety standards as announced by the government.
5. The Company set the occupational health and safety and Environment, Committee to organize the safety plan.
6. The Company have a follow up schedule to evaluate the safety procedures and control for effectiveness.

In 2016, 8 employees out of approximately 1,538 employees had accidents which required more than 3 days of sick leave.

(2) Employee Remuneration and Benefits Policy

1. The Company have fair equal hiring of employees, and every employee have the opportunity to move up equally.
2. The Company give opportunities to the employees to show their capabilities by providing incentives in daily wages, monthly salary, contract work, monthly and yearly incentives, bonuses, and overtime payments.

3. The Company evaluates the compensations equally for all employees, based on the companies with similar size, work position, experience, education level, and quality of the employee. Other than the employee's abilities, the compensation will also be based on The Company's performance.
4. The Company provide benefits according to the employee needs such as housing, transportation, annual health checkup, work uniform, and monetary support.

(3) Provident Fund

The Company have set up an Provident Fund since 2011.

(4) Human Resource Development

The Company sees the development of the employees as a means to be competitive and survival; therefore, have set up development programs for the employees in accordance to the Labor Development Law of year 2002. In year 2016, the basic development program was implemented.

(5) Employee Complaint Channels

The Company have channels for the employees to voice their complaints through the HR Manager and law. In addition, if the employee would like to file the complaint to The Company Director, without disclosing themselves, they can do so via the complaint box, and only the Managing Director with the key to the complaint box can open the box.

(6) Human Rights Compliance

The Company is aware of the Human Rights Compliance and set to have employees of the following 3 nationalities (Myanmar, Laos, and Cambodia) to have equal rights to the Thai nationality in compensations such as wages, overtime payment, holiday wages, overtime payment on holidays, monthly and yearly incentive, and bonus. In addition, the rights for male and female employees are the same for compensations and benefits. There are no use of female employees doing work that are prohibited, and absolutely no child labor.

Customers: The Company aim to produce and sell products to customers according to the ISO 9001:2008 and ISO 14001:2004 standards with product inspection and on time delivery as per the agreement with all customer equally. A team is setup to contact and handle the customer's needs with the following procedures:

- A system to protect the customer's goods that are under the care of The Company.
- Keep sufficient assets as per the laws of the government to build confidence to the customer.
- Will not ask for money, gifts, awards, or any compensation from the customer or any individuals; other than normal ceremonial gifts.
- Uphold the honesty of business practices.
- Perform under the standard business practices generally accepted.
- Work in accordance to the law and official rules, and will not assist, encourage, or support activities or transactions that are against the law.
- Keep and protect customer's product information, which are proprietary to the customer.

Competitor: Competition is normal. The Company will compete within the rules and regulations of the competition, without resorting to foul play, without seeking inside information of the competitor, and without destroying the reputation.

Suppliers: The Company gives importance to the purchase and payment to the Suppliers according to the law. The Company choose trustworthy suppliers, who are responsible to society and the environment, to ensure that the customers will receive product and services that meet the standards by the following criteria:

- Must strictly follow the contract made with the supplier. If there is a situation that impact either party to not be able to comply to the contract, The Company will promptly contact the supplier to work on a solution to solve the problem.
- Prevent and control any conflict that may occur to disrupt The Company business, and will not seek unlawful advantage from the supplier.
- Use and support the use of original licensed intellectual products, and encourage the management and employees to use intellectual products effectively.

Creditors: For any projects, the Board of Directors have a financial plan, and will avoid foreign exchange risks, by borrowing mainly from financial institutions having machinery as collection and small amounts from related persons and companies. In the past few years, The Company have not faulted on the payments; however, if an unexpected situation occurred and The Company is unable to make the payment on time, The Company is confident that the payment history can be used to negotiate with the financial institutions. In addition, the land of The Company is without any legal responsibilities, which should give the financial institutions the confidence to extend the payment period in case of an unexpected situation.

Intellectual Property or Copyrights: The Board of Directors have a policy to follow the laws concerning intellectual property or Copyrights by checking that the work or information does not infringe on the intellectual property or copyrights of others.

Corruption and Bribes: The Board of Directors have a policy for the Directors, management, and employees of all levels to uphold good governance, and go against corruption and bribes by forbidding the employees to ask or receive benefits to do or not do their duties, or cause The Company to lose the rightful benefits. The employees are to avoid unlawful offering or giving benefits to other outsiders to do or not to do their duties.

Community and Social Relations: The Company gives importance to the surrounding community by having a community relations on environment and community conservation to prevent and solve any environmental issues, or complaints that may occur from communities nearby The Company. In addition, The Company supports the community by donating money and things for religious events, students events, and elderly events, and providing a location within The Company area for disabled people to sell their products.

Community and Social Development: As The Company give importance to the surrounding community, The Company have impact preventive policies and social development programs in place based on the Corporate Social Responsibility, Department of Industrial Works (CSR-DIW) program. The CSR-DIW program emphasized the importance of being responsible for the surrounding community and have a sustainable development along with the community to enhance competitiveness of the business both locally and internationally.

The Company have supported the following activities and programs to develop the community:

- 1) Education programs.
- 2) Cultural programs.
- 3) Career programs, especially programs for disabled people.
- 4) Social responsibility programs.
- 5) Religious programs.

Environment: The Company business involved yarn spinning, yarn dyeing, yarn sizing, fabric weaving, that uses steam from coal burning, which may cause air pollution, while yarn dyeing and yarn sizing, may cause water pollution to occur. The Company have pollution preventive measures for air and water as follow:

For air pollution from coal burning for steam, the coal is transported in a closed container from the manufacturer to the factory. The coal is then kept in a closed building at The Company to prevent coal dusts to be released in the air outside. For air pollution occurred during coal burning, The Company have installed the Cyclone & Ventury Scrubber system to treat the air before releasing into the atmosphere, which is constantly monitored 24 hours a day. Checking the air released into the atmosphere, the pollution level is normal and does not harm the atmosphere.

For water pollution from yarn dyeing and yarn sizing, the waste water from the processes is approximately 900 cubic meter per day; which can be handled by The Company's waste water treatment plant with the capacity of 1,500 cubic meter per day without any issues. The waste water treatment result is connected online to the Department of Industrial Works (COD-ONLINE), which have been installed since 2012, and since then the waste water released have always met the standards set by the Department of Industrial Works.

For solid industrial wastes such as burnt coal, and wastes from water treatment, The Company have hired government approved waste removers to take away the solid industrial wastes for disposal as per the law required.

Business Policy under Environmental Standards

The Company business must be responsible for the environment as follow:

- Follow the laws and international standards to protect the environment.
- Production process development must comply with the environmental standards.
- Instill and encourage the employees to be responsible for the environment.

In 2016, The Company have set up seminars and educated the employees concerning the environment based on ISO 14001:2004 standards, and emphasized on environmental policies and environmental standard responsibilities.

The Company have a quarterly report checking the environment for dust, water, sound, and air pollution, which for 2016, the reported values are all within the standards.

The Company have set up a Community Relations team to address the community concerning the environment and handle any complaints from the community.

Energy Resource Management

To achieve the highest energy resource efficiency, The Company have set the following policies:

- Set energy resource plan and re-use the water for other processes.
- Set a plan to save energy for coal, water, and electricity.
- Set a plan to reduce and reuse paper usage.
- Set activities to encourage energy resource and environment protection.
- Set media relations to encourage energy resource and environment protection.
-

Policy for Complaint and Witness Protection

For good corporate governance, The Board of Directors give the right to every employees and those with mutual benefits to communicate directly with the Independent Director and or Audit Committee Director through mail and electronic mail, so the Directors can check the complaints and act upon righting them.

To file complaint concerning the financial statements, internal control failures, rights infringement of the Directors and employees, the complaints could be sent via registered mail to the following:

Chairman of the Audit Committee
 Dr. Chin Chinsetthawong
 Thai Textile Industry Public Company Limited
 385 Moo 1, Soi Bang Make Khao, Sukhumvit Road,
 Tumbon Taiban, Samutprakarn, Samutprakarn 10280

All complaints will be handled accordingly without disclosing the person filing the complaint. Information collected will be done in secrecy and the person filing the complaint will be protected to prevent any impact from the complaint. In case The Company have to disclose any information, only necessary information will be disclosed, keeping in mind the safety of the person filing the complaint.

In 2016, there were no complaints filed to the Audit Committee.

Channels to contact The Company

	Email	Telephone
Managing Director	mongkol@tti.co.th	
Chairman of Audit Committee	chin@unionpaper.co.th	
Secretary of the Company	narongp@tti.co.th	+66(0) 2389 2298
Company and Investor Relations	rattanaporn@tti.co.th	+66(0) 2389 2298

Section 4 Information Disclosure and Transparency

The Board of Directors give importance to information disclosure which have or may not have an impact on the share price of The Company, or to the investor decision making, or to the benefits of the Shareholders, along with people with mutual benefits; therefore, all information is disclosed with transparency according to SEC and SET as follow:

1. Financial information consisting of financial statement 56-1 and annual report 56-2.
2. Incidental information such as date of Shareholders Meeting, record date, book closing date, asset bought or sold, related person and companies transactions, and changes in major shareholders structure.

Other than reporting to SET, the information is also disclosed at www.tti.co.th in both Thai and English. Any inquiries can be addressed to Investor Relations, telephone number +66(0) 2389 2298.

The Company have preventive policies against the use of inside information by employees of all levels for their own benefits, or for other's benefits. Any employee that discloses inside information such as those that can have an impact on The Company's share prices, and business secrets, without the consent of the Managing Director will be punished according to the employee rules and regulations of The Company, and may face legal actions as well.

Section 5 Directors Responsibilities

The Board of Directors of The Company are made up of individuals with knowledge and capability, as well as understanding of the textile industry, to manage The Company effectively. There are 17 members on the Board of Directors of The Company and this quantity is suitable for managing The Company effectively. The Audit Committee Directors, which are Independent Directors, are made up of 4 members.

The Board of Directors determine the vision, mission, target, policy, direction, long term plan, work plan, and the annual financial budget of The Company, while the Executive Directors will implement the plan. The Board of Directors will review and approve the vision and mission of the Company annually.

The Directors will uphold transparency and honesty within the laws and rules and regulations of the Company.

Board of Directors Meeting

The Board of Directors of The Company will set the Board of Directors Meeting in advance and inform the Directors in advance so everyone can attend the meeting. The Ordinary Board of Directors Meeting will occur at least every 3 months, and the Extraordinary Board of Directors Meeting will be called upon when necessary. The agendas of the Board of Directors Meeting will be set beforehand and have an agenda to follow up on the performance on a regular basis. An invitation letter, along with the agenda and other information will be sent to the Directors at least 7 days before the meeting, so the Directors will have time to study the information adequately before the meeting. The Secretary of the Company will be the Secretary of the meeting, and the Secretary of the Audit Committee.

Directors and Executive Directors Remuneration

The Company have clearly set the remuneration to be of similar level as other companies in the textile industry, and the remuneration amount have already been approved at the Ordinary Shareholders Meeting.

Directors Self-Evaluation

The Board of Directors will perform a self evaluation annually by evaluating 1) individuals, 2) entire Board, and 3) sub-committees of the Board of Directors for the Board of Directors to evaluate and consider the problems and difficulties faced during the year, so issues can be rectified and efficiency can be improved. The evaluation of the Board of Directors is based on the suggestion of the SET, and adapted to fit the business of the Company. The evaluation is broken down into 6 subjects:

- 1) Organization and Qualification of the Board of Directors
- 2) Role and Responsibilities of the Board of Directors
- 3) Board of Directors Meeting
- 4) Directors Duties
- 5) Management Relations
- 6) Directors Development and Management Development

Balance between Directors and Executive Directors

As of December 31, 2016, The Board of Directors had 17 members consisted of:

- 6 Executive Directors
- 5 Directors not in the management and not an Independent Director
- 6 Independent Directors not in the management

From the amount of Directors above, 11 Directors, out of 17 Directors, are not involved with the management.

Shared or Separate Positions

The Board of Directors separate the Chairman of the Board to be different from the Chairman of the Management, to create a balance between management and business control.

Directors Development

The Company understands the importance of Director's knowledge and development, so the Board of Directors support the development of Directors by offering classes and seminars for the Directors to attend. The Secretary of the Board coordinates with the Directors to inform the available classes and seminars for the Directors to attend.

In 2015, the following Directors attended the following development seminars:

- Professor Somsak Chaiyapinunt, Ph.D., Director, attended the Director Certification Program (DCP) held by Thai Institute of Directors.
- Mr. Paired Chuenchoochit, Director, attended the Director Accreditation Program (DAP) held by Thai Institute of Directors.

- Mr. Kasem Worarithichai, Director, attended the Director Accreditation Program (DAP) held by Thai Institute of Directors.
- Ms. Naruemon Worarithichai, Director, attended the Director Accreditation Program (DAP) held by Thai Institute of Directors.

Currently there are 10 Directors of the Company that have attended either the Director Certification Program (DCP) or the Director Accreditation Program (DAP) held by Thai Institute of Directors.

New Directors Orientation

The Board of Directors assigned the Secretary of the Board to coordinate and set an orientation for all new Directors to help them understand their duty, responsibility, policy and regulations in controlling and managing The Company, knowledge of the business, risk management, as well as visiting each department of The Company to prepare themselves to perform the duties as a Director.

Policy for Directors, Managing Director, and Upper Management to be Directors in another Company

To coincide with the rules and regulations concerning good corporate governance as per the recommendations of the Stock Exchange of Thailand, the Board of Directors have a policy to limit the Directors to be a Director in other Public Companies to no more than 5 companies. Currently, all 17 Directors of the Company are Directors in less than 5 other Public Company.

The Board of Directors allow Managing Director and Upper Management to be Directors in other companies as necessary without impact to their duties and responsibilities to The Company, and their appointment must be approved by the Board of Directors.

Mutual Benefits Report

The Board of Directors have set a policy to disclose mutual benefits between Directors and Executive Management of The Company for transparency and prevent conflicts of interests as follow:

- The Directors or Management Directors, including family members that have mutual benefits or hold shares of the Company must prepare a report concerning their mutual benefits to The Company from the first day of holding the position.
- The Board of Directors will review the reports concerning mutual benefits on January 1 of every year, or within 7 days after there are changes.
- The Directors or Management Directors have the responsibility to report to SEC and SET within 3 days after changes to their shareholding of The Company (Form 59-1 and 59-2)
- The Board of Directors assigned the Secretary of The Company to keep the mutual benefits report.

Secretary of the Board of Directors

The Company have assigned Mr. Narong Piriya-prinsakul to be the Secretary of the Company with the following responsibilities:

- Prepare and keep documents
- Director registration
- Directors Meeting Invitation, Directors Meeting Report, and Annual Report

- Shareholder meeting invitation and Shareholder meeting minute.
- Directors and Management Directors mutual benefit reports
- Communicate and take care of Shareholders
- Communicate with the Stock Exchange of Thailand and other departments appropriately

10. CORPORATE SOCIAL RESPONSIBILITIES - CSR

The Company was established in 1970 with the purpose that the stability of The Company must coincide with social and environmental responsibilities; therefore, the Board of Directors assigned every employee to have social responsibility in their work as follow:

10.1 Overall Policy

The Board of Directors have reviewed and approved the social responsibility policy to be a guideline for the Managing Directors and employees as follow:

(1) Fair Business Practice

The return of the Company must be from fair business practices that does not take advantage of others, as well as of the society and of the environment, and avoid conflicts of interests and copyright laws.

(2) Anti-Corruption

Does not ask for or pay for any benefits other than those agreed upon in the sales contract. If there is a case of corruption, The Company and customer/supplier will investigate and solve the problem as soon as possible.

(3) Human Rights

Avoid actions that will infringe on basic human rights, and listen to opinions of all groups with mutual benefits equally.

(4) Fair Employment Policy

Treat all employees equally and fairly with benefits, occupational health and safety, as well as give importance to the development, and knowledge sharing with the employees. Rewards will be given for capabilities, responsibilities, and performance of the employees, and employees from 3 neighboring nations (Cambodia, Laos, and Burma) must be treated equally and fairly.

(5) Consumer Responsibility

Produce, deliver, and service rendered with quality products that meet or exceed the expectations, as well as have a team and system to receive consumer complaints and suggestions concerning the product or services rendered. The Company will bring all the issues for review and improve upon in an appropriate time.

(6) Environmental Responsibility

Perform according to the rules and regulations, and does not support anyone with mutual benefits to destroy nature and the environment.

(7) Social Community Development

Support developmental community activities.

(8) Innovation for Social, Environmental Responsibility

Improve production and work process continuously to prevent negative impacts that may occur, in addition to careful use of resources to reduce wastes.

10.2 Work Procedure and Reporting

(1) Reporting Procedures

The Company's resolution in conducting business is to be responsible to the environment, which will help The Company to be in business in the long term. Therefore, The Company based the environmental responsibility program on the Thai Development Institute CSR report, to be the guide as per the announcement by The Capital Market Supervisory Board.

In pinpointing the stakeholders, The Company have evaluated the impact and benefits from The Companies activities in terms of business, social, and environment to the stakeholders, namely employees, shareholders, customers, suppliers, competitors, creditors, community, and environment around The Company.

(2) Work Procedure

The Company's practice and strategy with the stakeholders are as follow:

Stakeholders	Practice and Strategy
Employees	Have developmental programs to increase knowledge and capabilities of the employees with concerns of human rights and justice.
Shareholders	Be transparent, just, and treat all shareholders equally.
Customers	Deliver quality products and services, and improve quality of products to meet the expectations of the customers.
Supplier	Follow rules and contract agreement with justice and transparency.
Competitor	Follow fair competition rules without resorting to unfair competition to hurt the competitor.
Creditors	Strictly follow the contract, agreements, and conditions with The creditors.
Community	Have procedures to protect the community around the Company and support community activities.
Environment	Encourage environment and resource conservation.

(Details concerning the responsibility to those mentioned above is in Section 3 Stakeholders Role on page 35-39)

10.3 Business Practice with Responsibility to the Environment

- (1) The Company is not investigated, and not under investigation by agencies concerning unlawful practices based on 8 important criterias.
- (2) The Company practice is not involved, or accused of being involved in negatively impacting the community, environment, and not following the 8 criteria, especially in the case concerning the public, which might impact the business, reputation, or trustworthiness of The Company.

10.4 Social and Environmental Activities

The Company had the following activities to benefit the community and the environment:

- Joined the community and government agencies on religious rites.
- Joined in donating to temples and schools.
- Joined the community in the mass aerobic dance during the national Mother's Day.
- Donated black and white fabrics to government offices and schools to show support and grievance for the passing of the late King Bhumibol Adulyadej.
- Have Big Cleaning Day activity, as well as eradication of mosquitoes and bugs around The Company, dormitories, and canteen.
- Have sporting events to unite employees within The Group.
- Bought rice from farmers and be the center for rice farmers to sell rice at The Company.
- Fixed the road shared with the community.
- Donations to help those affected by the flood in Southern Thailand.

10.5 Corruption Prevention

(1) Policy for Corruption Prevention

The Company's policy in conducting business is "Moral and Quality" meaning, good moral will be get good quality, along with good management, and trustworthy work performance without corruption.

(2) Practice

The Board of Directors will cooperate with government agencies and corporations to fight against corruption using the following policies:

- Support and build value against corruption, by instilling the Directors, management, and employees to acknowledge and understand anti-corruption using media and seminars.
- Have adequate and appropriate internal control system to prevent The Company business to be involved in corruption.
- Have an internal audit system to check regularly and report to the Audit Committee and or Managing Director. The evaluation for anti-corruption is part of the internal audit of The Company.
- Use the Collective Action Coalition Against Corruption as guideline and adapt as the handbook for the employees to follow, and to be a good corporate governance business practice.

11. INTERNAL CONTROL AND RISK MANAGEMENT

11.1 Resolution of the Board of Directors Concerning Internal Control

The Board of Directors set the policy for internal control based on the rules and regulations the Securities Exchange Commission and the Stock Exchange of Thailand had set. After evaluating information from the management and report from the Audit Committee, the Board of Directors conclude the internal control system is appropriate and adequate according the 5 criteria:

(1) Internal Control

An internal control report is prepared and presented to the Audit Committee every 3 months. The report is compiled from the meetings with the management and concerned officers from various areas to collect information such as Internal Audit performance, work performance (human resource management and production), financial performance, and legal performance.

The Company structure clearly indicate the order of command, which is in The Company handbook, and the organization chart in each department. The Personnel department have the duty and responsibility to manage the human resources, which includes search and hiring activities, development activities, retaining employees with knowledge and abilities, communications, work performance evaluation, incentives for industrious workers, and work position handoff.

(2) Risk Management

The main risks The Company face are raw cotton fiber price and foreign exchange rates. For raw cotton fiber price, the management will be responsible to follow up on the prices and report to the Company Board of Directors every quarter.

For foreign exchange rate risks, since The Company export amount is not much different from the group import amount, the foreign exchange rate risks is not of much concern as per the following chart for 2016.

Import and Export (TTI + TRT)		
Export	Import	Currency
USD	26,848,580.81	32,034,362.42
EURO	661,439.29	-
CHF	63,370.89	-
JPY	11,500,258.00	-

TTI is Thai Textile Industry Public Company Limited

TRT is Thai Rung Textile Industry Company Limited

(3) Work Control

Every 3 months, the Audit Committee Directors will meet to evaluate the performance of The Company. Report on the performance will be prepared by the auditors and internal auditors, which will be presented to the Audit Committee Directors at least 7 days before the meeting date. Present at the meeting will be Executive Directors in charge of production and accounting and finance, to verify that the information is correct.

In 2016, business transactions done with major shareholders, Directors, management, or anyone involved with the mentioned earlier, were normal business transactions according to the sales conditions, and there were no mutual benefits gained.

(4) Information Technology

The Company gives importance to the information and communication system, and supports the continuous development of the system to hold correct and current information, which is necessary for internal control of The Company. The information system and the communication of the information is the main important factor to make the 5 major components work more effectively. The 3 main important factors in using information technology is as follow:

1. Processing system

Currently The Company have implemented information systems such as Enterprise Resource Planning (ERP), an accounting system, a machine monitoring system, a finger scan system to record employee work hours, and an image documenting system to keep all documents digitally for the respective departments to use.

Manual record keeping is slow and inaccurate; therefore, monitoring electronics and computers were used to speed up information collection and for accuracy

2. Communication Systems

Communication of information is important for evaluation and fast accurate decision making, and good communication system should be usable across different platforms, and accessible from all distances.

The Company have set up information communication systems within The Company location and across branch locations using high speed air fiber and fiber optic connections. Electronic mails (E-mail) and information distributed through The Company website is protected using firewalls, and anti-virus programs.

3. Information Management

Systematic information management must be planned, set, and managed to be effective to meet the objectives of The Company. The Company manages the information with a server, and have backup plans for emergency cases to retrieve the information, which can only be accessed by individuals with information authorized access.

The information technology comes in all forms for analysis, storage, and transmitted electronically to computers, communication devices, and networks.

The collection of information within The Company is used to analyze, organize, evaluate, and control the work of management and production. Emails are used to communicate within The Company and outside The Company for efficiency, while servers are used to handle, manage, and store the vast

information within The Company. In addition, the information is used to manage and improve the workflow, as well as, develop programs to help manage The Company resources. Information is a key factor to effectively manage and control The Company.

(5) Follow Up System

The Company will report monthly performance to the Executive Directors, and report every 3 months to Board of Directors meeting. The management and the Audit Committee must report to the Board of Directors and suggest directions to take should the performance did not meet the target.

The Company have a policy that the management must report to the Board of Directors immediately if there is corruption, or suspect there is corruption, or illegal business, which will discredit and affect the financial status of The Company. In 2016, there were not such incidents.

The Company appointed the Internal Auditors to check the performance and report directly to the Audit Committee for consideration, so the Audit Committee Directors can suggest to the Executive Directors and report to the Board of Directors quarterly.

11.2 Audit Committee Directors Opinion on The Internal Control System

In 2016, the Audit Committee have met with the management 4 times, and each time there was a follow up on production, human resources, accounting and finance, as well as related party transactions, which for this year there were no irregular transactions.

In addition, there were meetings with the auditors without the management team and no irregular transactions were reported.

The Audit Committee concluded that the Internal Control System is adequate to manage The Company.

12. RELATED TRANSACTION

Please see note the financial statement item 5, 7, 10, 15 (page 94, 97, 99, 105)

PART 3

FINANCIAL STATUS AND OPERATIONAL RESULTS





13. FINANCIAL STATEMENT HIGHLIGHTS

Financial Statement

In Million Baht	Consolidated Financial Statement			Separate Financial Statement		
	2016	2015	2014	2016	2015	2014
Financial Status						
Current Assets (Million Baht)	1,679.2	1,919.1	1,847.6	1,084.2	1,187.4	1,198.2
Total Assets (Million Baht)	3,915.5	4,218.5	4,305.3	2,625.9	2,755.6	2,796.4
Current Liabilities (Million Baht)	2,167.7	2,352.9	2,234.1	1,094.1	1,140.6	1,102.4
Total Liabilities (Million Baht)	2,229.5	2,558.6	2,600.4	1,170.7	1,217.2	1,211.7
Shareholder's Equity (Million Baht)	1,616.0	1,659.9	1,704.9	1,455.2	1,538.4	1,584.6
Operation Report						
Sales and Services (Million Baht)	3,773.4	3,946.0	3,931.7	2,579.6	2,800.4	2,817.0
Total Revenues (Million Baht)	3,824.8	3,992.0	4,089.9	2,598.0	2,830.3	3,026.5
Gross Profit (Loss) (Million Baht)	253.5	334.8	158.4	151.4	258.8	164.8
Net Profit (Loss) (Million Baht)	(24.1)	6.7	(59.64)	(58.2)	6.9	82.1
Financial Ratio						
Net Profit (Loss) Per Share (Baht)	(0.48)	0.13	(1.19)	(1.16)	0.14	1.64
Current Ratio	0.77	0.82	0.83	0.99	1.04	1.09
Net Profit (Loss) / Equity (%)	(1.49)	0.40	(3.50)	(4.00)	0.45	5.18
Return on Assets (%)	(0.62)	0.16	(1.39)	(2.22)	0.25	2.94
Debt to Equity Ratio	1.38	1.54	1.53	0.80	0.79	0.76
Dividend per Share (Baht)	0.50	1.00	0.50	0.50	1.00	0.50
Book Value per Share (Baht)	30.26	31.25	32.15	29.10	30.77	31.69

14. MANAGING DIRECTOR ANALYSIS

1 Overview

Overview Summary and Important Changes

In 2016, there were political situations, both globally and locally, that affected the economy and investments of each industry differently.

For the textile industry that relied on cotton as the main raw material, the price of cotton fibers that were high since mid 2015, had slowly adjusted downward accordingly to the world economy. This benefited the yarn spinners, such as the Subsidiary company, which used new spinning machines to produce yarns with overhead and quality that are competitive in the world market, resulting in an increase in yarn export during 2015, and a profit of 40.8 million baht.

For The Company that produces woven fabrics as the main product, the fabric prices still faces pressure from depressed economy in several countries, resulting in low prices during 2015, which carried on to 2016, causing a loss of 58.24 million baht.

2 Segment Information

Major revenue for The Company are from fabrics yarn and garment, which were sold locally and exported while the revenue for The Subsidiary are from raw cotton fibers and yarns, The details are as below chart

In Million Baht

Product / Service	2016		2015		2014	
	Income	%	Income	%	Income	%
Company						
Garment						
Local Sale	61.39	1.60	67.60	1.69	55.97	1.37
Export Sale	160.62	4.20	165.94	4.16	125.95	3.08
Fabric						
Local Sale	702.63	18.37	876.84	21.96	962.64	23.54
Export Sale	755.93	19.76	900.51	22.56	1,000.92	24.47
Raw Cotton And Yarns						
Local Sale	596.21	15.59	657.99	16.48	607.26	14.85
Export Sale	205.31	5.37	35.27	0.89	28.95	0.71
Services	96.96	2.53	50.85	1.27	26.66	0.65
Other Income	17.86	0.47	29.35	0.74	93.68	2.29
Total	2,596.91	67.89	2,784.35	69.75	2,902.03	70.96
Subsidiary						
Raw Cotton And Yarns	1,149.79	30.06	1,139.85	28.55	1,062.43	25.97
Spinning Services	44.56	1.16	51.15	1.28	60.91	1.49
Other Income	33.53	0.89	16.65	0.42	64.53	1.58
Total	1,227.88	32.11	1,207.65	30.25	1,187.87	29.04
Grand Total	3,824.79	100.00	3,992.00	100.00	4,089.90	100.00

Compared to Estimate or Previously Disclosed.

The Company policy is to run every machine at it's full capacity, causing the quantity produced each month to be similar; for example, for weaving The Company can weave approximately 2.6 million yards per month, for yarn spinning The Company can spin approximately 530,000 pounds per month, and for garments The Company can cut and sew approximately 100,000 pieces per month. The Subsidiary can spin approximately 2 million pounds per month.

Cause and Action in case the Auditor expressed opinion with conditions, no opinion, and or important notice.

No conditions.

Changes in Important Accounting Policies

None.

3 Performance and Profitability

In the past 5 years, The Company's Performance and Profitability is as per chart below

In Million Baht	Consolidated Financial Statement					Separate Financial Statement				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Financial Status										
Current Assets (Million Baht)	1,679.2	1,919.1	1,847.6	1,969.7	1,820.8	1,084.2	1,187.4	1,198.2	1,411.0	1,322.0
Total Assets (Million Baht)	3,915.5	4,218.5	4,305.3	4,242.3	3,762.4	2,625.9	2,755.6	2,796.4	3,097.8	3,077.8
Current Liabilities (Million Baht)	2,167.7	2,352.9	2,234.1	2,176.1	1,664.8	1,094.1	1,140.6	1,102.4	1,392.4	1,323.3
Total Liabilities (Million Baht)	2,299.5	2,558.6	2,600.4	2,446.1	1,975.9	1,170.7	1,217.2	1,211.7	1,570.3	1,536.8
Shareholder's Equity (Million Baht)	1,616.0	1,659.9	1,706.9	1,796.3	1,786.6	1,455.2	1,538.4	1,584.6	1,527.5	1,541.0
Operation Report										
Sales and Services (Million Baht)	3,773.4	3,946.0	3,931.7	4,018.9	3,883.4	2,579.7	2,800.4	2,817.0	2,923.1	2,696.4
Total Revenues (Million Baht)	3,824.8	3,992.0	4,089.9	4,124.8	3,959.1	2,598.0	2,830.3	3,026.5	3,042.6	2,759.8
Gross Profit (Loss) (Million Baht)	253.5	334.8	158.4	273.3	130.5	151.5	258.8	164.8	163.7	101.0
Net Profit (Loss) (Million Baht)	(24.1)	6.7	(59.64)	25.76	(93.96)	(58.2)	6.9	82.1	6.8	(75.4)
Financial Ratio										
Net Profit (Loss) Per Share (Baht)	(0.48)	0.13	(1.19)	0.52	(1.88)	(1.16)	0.14	1.64	0.14	(1.51)
Current Ratio	0.77	0.82	0.83	0.91	1.09	0.99	1.04	1.09	1.01	1.00
Net Profit (Loss) / Equity (%)	(1.49)	0.40	(3.50)	1.79	(5.26)	(4.00)	0.45	5.18	0.45	(4.89)
Return on Assets (%)	(0.62)	0.16	(1.39)	0.76	(2.50)	(2.22)	0.25	2.94	0.22	(2.45)
Debt to Equity Ratio	1.38	1.54	1.53	1.36	1.11	0.80	0.79	0.76	1.03	1.00
Dividend per Share (Baht)	0.50	1.00	0.50	0.50	0.50	0.50	1.00	0.50	0.50	0.50
Book Value per Share (Baht)	30.26	31.25	32.15	33.85	33.71	29.10	30.77	31.69	30.55	30.82

Total Revenues

In the year 2016 and 2015, the Group had total revenues amounted to Baht 3,825 million and Baht 3,992 million, respectively, decreased by Baht 167 million or 4%. Sales and Services Income amounted to Baht 3,773 million, decreasing from the same period of the last year by Baht 173 million. The main reason for that decrease was the decrease in purchasing power due to weak world economy.

Cost of Sales and Services

In the year 2016 and 2015, the Group had cost of sales and services amounted to Baht 3,520 million and Baht 3,611 million, respectively, decreased by Baht 91 million or 3%. The main reason for that decrease was the decreasing in sales and services income as clarified above.

Selling and Administrative Expenses

Selling and administrative expenses decreased by Baht 32 million or 11%. The main reason for that decrease was Baht 24 million of doubtful account in the last year.

Finance costs

Finance costs decreased by Baht 9 million or 10%. The main reason for the decrease was from the repayments of loans from financial institutions.

Net Profit (Loss)

In the year 2016, the group had Baht 19 million loss for the year, compared to Baht 7 million in gain for the year. Net loss attributable to the parent is Baht 24 million in 2016, compared to Baht 7 million in net gain in the year 2015. The main reasons were clarified above.

Total Assets

As of 31 December 2016, the Group had total assets amounting to Baht 3,916 million, decreased by Baht 303 million, having Baht 240 million decreased in current assets and Baht 63 million decreased in non-current assets. Main decreases were from trade and other receivables, inventories and property, plant and equipment.

Total Liabilities

As of 31 December 2016, total liabilities decreased by Baht 259 million, having Baht 185 million increased in current liabilities and Baht 74 million decreased in non-current liabilities. The main reason for the decreases were from short-term loans and the repayments of long-term loans from financial institutions.

Total shareholders' equity

As of 31 December 2016, the Group's shareholders' equity decreased by Baht 44 million.

4 Asset Management

(1) Account Receivable and allowance for doubtful accounts as 31 December 2016 and 2015 are as follows

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts receivable - related companies				
Within credit terms	29,168,381	70,197,659	10,089,466	30,147,780
Overdue: Less than 3 months				
Total trade accounts receivable - related companies	5,472,865	5,957,368	2,375,561	3,350,547
Trade accounts receivable - other companies	34,641,246	76,155,027	12,465,027	33,498,327
Within credit terms				
Overdue:	277,928,613	378,972,875	193,456,215	238,449,418
Less than 3 months				
3 - 6 months	80,214,746	93,531,684	33,687,872	61,770,867
6 - 12 months	1,966,991	6,405,233	1,966,991	6,405,233
Over 12 months	2,854,275	11,045,691	2,854,275	11,045,691
Total trade accounts receivable	25,480,103	23,653,444	25,302,191	23,475,532
<u>Less</u> allowance for doubtful accounts	388,444,728	513,608,927	257,267,544	341,147,137
Trade accounts receivable - others - net	(25,246,143)	(25,246,143)	(25,068,231)	(25,068,231)
Trade accounts receivable - related companies	363,198,585	488,362,784	232,199,313	316,078,906

For account receivable over 12 months, the full amount was reserves as allowance for doubtful accounts. For account receivable over 6 months, but not yet 12 months, parts of the amount was reserves. For account receivable that have not been reserved, The Company believes it is possible to reach settlement for all those receivable.

(2) Inventories and Allowance for obsolescence of inventories

In Baht

Consolidated financial statements

	Cost		Allowance for obsolescence of inventories		Inventories – net	
	2016	2015	2016	2015	2016	2015
	Finished goods	330,668,272	312,890,075	(41,635,577)	(48,363,712)	289,032,695
Work in process	216,626,255	233,051,226	-	-	216,626,255	233,051,226
Raw materials	577,067,304	700,674,641	(7,746,372)	(6,866,310)	569,320,932	693,808,331
Material and supplies	46,438,614	47,586,522	-	-	46,438,614	47,586,522
Total	1,170,800,445	1,294,202,464	(49,381,949)	(55,230,022)	1,121,418,496	1,238,972,442

In Baht

Separate financial statements

	Cost		Allowance for obsolescence of inventories		Inventories – net	
	2016	2015	2016	2015	2016	2015
	Finished goods	266,209,926	269,567,896	(41,635,577)	(48,363,712)	224,574,349
Work in process	208,022,840	212,222,692	-	-	208,022,840	212,222,692
Raw materials	323,471,393	356,916,326	(7,746,372)	(6,866,310)	315,725,021	350,050,016
Material and supplies	32,459,411	30,142,430	-	-	32,459,411	30,142,430
Total	830,163,570	868,849,344	(49,381,949)	(55,230,022)	780,781,621	813,619,322

Allowance for obsolescence has been set for all slow-movement bases on their NRV

5 Contingent Liabilities and Off Budget Management

a) There are 3 contingent liabilities

- (1) The Company has capital commitment on the lease agreement of land and structure with a related company for the period of 12 years commencing from 19 July 2005 to 19 July 2017. The monthly rental fee is Baht 100,000.
- (2) The Group has unused letter of credit amounting to approximately U.S. Dollars 10.1 million, Euro 0.2 million and Yen 56.0 million, equivalent to approximately Baht 392.4 million.
- (3) Company has commitments for software license and system consulting agreement amounting of Baht 3.9 million.

b) Letter of Guarantee for Electricity Payment

Metropolitan Electricity Authority (MEA) required a guarantee in form of cash or a letter of guarantee from the bank for the appropriate amount of electricity used by each company, The Company and The Subsidiary chose to have the bank issue a letter of guarantee instead of using a cash guarantee.

	Company	Subsidiary	Total
Letter of Guarantee Total Debt Amount (Million Baht)	19.47	28.00	47.47

Overall, the Commitments and Contingent Liabilities, which consisted of rent agreements and sale agreements, all are within the normal scope of business operation, which does not need any special financial instruments to manage. Only the liabilities to the letter of credit (L/C) that requires risk management from foreign currency risk. The Company and The Subsidiary manages off statement of financial statement items the same way as the normal items.

6 Future Business Impacts

As The Company business is complete upstream to downstream, from yarn spinning, yarn dyeing, fabric weaving, and garment making, which the major raw material is raw cotton fiber, and have to be imported from abroad, to exporting finished fabrics and garments; therefore, business impact could be direct and indirect, local and foreign as follow:

- a. Volatility of cotton and synthetic fibers from abroad.
- b. Price of fabric, yarn, and garment which are dependent on foreign markets.
- c. Obsolescence of inventories.
- d. Impairment in investment in The Subsidiary and related companies.
- e. Employee benefits after retirement.

INFORMATION CERTIFICATION

The Company have carefully reviewed the information presented in this Annual Report and guarantee the information is complete, not falsified, not misunderstanding, or missing any information that should be included. In addition, The Company guarantee the following:

(1) The Financial Statement and Financial Information summarized in the Annual Report are correct and complete with highlights concerning Financial Status, Financial Performance, and Cash Flow of The Company and The Subsidiary.

(2) The Company have good information disclosure outlet to ensure information of The Company and The Subsidiary are correct and complete according to the rules set forth.

(3) The Company have setup a good internal control and ensure the operation is as per the system. The Company have sent internal control evaluation information on 31 December 2016 to the Auditor and Audit Committee, which included deficiency and important changes of the internal control, as well as, actions which may affect the financial performance of The Company and The Subsidiary.

To verify that the information presented is the same as those The Company guarantee as correct and complete, The Company have appointed Mr. Chuang Kullawanwicht to sign every page of the report. If any page is not signed by Mr. Chuang Kullawanwicht, The Company will consider it as not the information that The Company have verified as correct.

Name	Position	Signature
1. Mr. Tawatchai Chaiyapinunt	Executive Director, Member of Nomination Committee Member of Remuneration Committee	_____ _____
2. Mr. Kumjorn Chuenchoochit	Executive Director	_____
Name	Position	Signature
Mr. Chuang Kullawanwicht	Executive Director, Chief of Accounting Department	_____

Attach

ที่ สป. 000432



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

หนังสือรับรอง

ขอรับรองว่าบริษัทนี้ ได้จดทะเบียน เป็นนิติบุคคลตามกฎหมายว่าด้วยบริษัทมหาชนจำกัด เมื่อวันที่ 3 กุมภาพันธ์ 2537 ทะเบียนเลขที่ 0107537000441

ปรากฏข้อความในรายการตามเอกสารทะเบียนนิติบุคคล ณ วันออกหนังสือนี้ ดังนี้

1. ชื่อบริษัท บริษัท โรงงานผ้าไทย จำกัด (มหาชน)

2. กรรมการของบริษัทมี 17 คน ตามรายชื่อดังต่อไปนี้

1. นายบุญนำ บุญนำทรัพย์

3. นายสมศักดิ์ ไชยะภินันท์

5. นายไพบูรณ์ จรุงชัยคณาภิจ

7. นายสุชาติ จันทรานาคราช

9. นายกัจจกร ชินชูจิตต์

11. นายชิน ชินเศรษฐวงศ์

13. นายขจรวุฒิ นาคศิริกุล

15. นายเกษม วรฤทธิชัย

17. นายเจริญ เลาหทัย/

2. นายมงคล มังกรกนก

4. นายปรีชา ชัยพรหมประสิทธิ์

6. นายช่วง กุลวรรณวิจิตร

8. นายธวัชชัย ไชยะภินันท์

10. นางศิริวรรณ บุญนำทรัพย์

12. นายกร เสรีโรจนสิริ

14. นายไพโรจน์ ชินชูจิตต์

16. นางสาวณมล วรฤทธิชัย

3. ชื่อและจำนวนกรรมการ ซึ่งมีอำนาจลงลายมือชื่อแทนบริษัท คือ นายบุญนำ บุญนำทรัพย์, นายมงคล มังกรกนก, นายช่วง กุลวรรณวิจิตร, นายไพบูรณ์ จรุงชัยคณาภิจ, นายธวัชชัย ไชยะภินันท์ และ นายกัจจกร ชินชูจิตต์ กรรมการสองคนในหกคนนี้ลงลายมือชื่อร่วมกัน และประทับตราสำคัญของบริษัท
ชื่อจำกัดอำนาจของกรรมการ ไม่มี/



คำเตือน : ผู้ใช้ควรตรวจสอบข้อควรทราบท้ายหนังสือรับรองฉบับนี้ทุกครั้ง



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์
Department of Business Development
Ministry of Commerce

จัดตั้ง มีเงินใช้ให้บริการ
Creative Services
สายด่วน 1570 www.dbd.go.th

สำนักงานเขตคลองเตย กรุงเทพฯ www.dbd.go.th --> อีเมล: info@dbd.go.th --> บริการจัดส่ง โทร. 02 528 7600 ต่อ 3630, 3636 หรือ 02 547 5994

ที่ สป. 000432



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์

หนังสือรับรอง

4. ทนทุนจดทะเบียน 500,000,000.00 บาท /
(ห้าร้อยล้านบาทถ้วน)
ทุนชำระแล้วเป็นเงิน 500,000,000.00 บาท /
(ห้าร้อยล้านบาทถ้วน)
5. สำนักงานใหญ่ ตั้งอยู่เลขที่ 385 หมู่ที่ 1 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลห้วยบ้าน
อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/
สำนักงานสาขา ตั้งอยู่ (1) เลขที่ 791-793 ถนนมหาจักร แขวงจักรวรรดิ เขตสัมพันธวงศ์ กรุงเทพมหานคร/
สำนักงานสาขา ตั้งอยู่ (2) เลขที่ 741 หมู่ที่ 3 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลห้วยบ้าน
อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/
สำนักงานสาขา ตั้งอยู่ (3) เลขที่ 275 หมู่ที่ 14 ซอยบางเมฆขาว ถนนสุขุมวิท ตำบลห้วยบ้าน
อำเภอเมืองสมุทรปราการ จังหวัดสมุทรปราการ/
สำนักงานสาขา ตั้งอยู่ (4) เลขที่ 286 ซอยโรงเรียนญี่ปุ่น ถนนพระราม9 แขวงบางกะปิ เขตห้วยขวาง
กรุงเทพมหานคร/
สำนักงานสาขา ตั้งอยู่ (5) เลขที่ 595 หมู่ที่ 6 ถนนสุขุมวิท ตำบลบางปูใหม่ อำเภอเมืองสมุทรปราการ
จังหวัดสมุทรปราการ/
6. วัตถุประสงค์ของบริษัทมหาชนจำกัดนี้มี 17 ข้อ ดังปรากฏในสำเนาเอกสารแนบท้ายหนังสือรับรองนี้ จำนวน 2
แผ่น โดยมีลายมือชื่อนายทะเบียนซึ่งรับรองเอกสารและประทับตรากรมพัฒนาธุรกิจการค้าเป็นสำคัญ

ออกให้ ณ วันที่ 16 เดือน มีนาคม พ.ศ. 2560



กรมพัฒนาธุรกิจการค้า กระทรวงพาณิชย์
Department of Business Development
Ministry of Commerce

“จับมือ มีสิ่งใหม่”
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จังหวัดสงขลา 0753161616 www.dbd.go.th --> อีเมล: dbd@dbd.go.th --> อีเมล: dbd@dbd.go.th โทร: 02 528 7600 ต่อ 3630, 3635 หรือ 02 547 5994

ATTACHMENT





Attachment 1

Details of Directors, Managers, Administrators, and Secretary of the Company

Name	Age	Education	Percentage Share of The Company %	Relationship between Directors and Managers	Experience		
					(5)		
Position / Date Appointed	(Years)				Duration	Position	Company
(1)		(2)	(3)	(4)			Type of Business
1. Mr. Boonnam Boonamsup Chairman of the Board (27 September 2013) Executive Director (16 Feb1970)	86	Bachelor in Business Management, SAINT JOHN COLLEGE , (HONG KONG) Director Accreditation Program (DAP) 2005	0.00% (335 Shares)	Spouse of Mrs. Siriwan Boonamsup	2011-2016 2011-2016	Chairman of the Board Managing Director	Thai Textile Printing Public Co. Ltd. Thai Rung Textile Co. Ltd. Textile Industry
2. Mr. Mongkol Mungkornkanok* Managing Director Executive Director (1970)	79	Masters in Mechanical Engineering , MSME PURDUE UNIVERSITY, USA Director Accreditation Program (DAP) 2005	1.20% (602,300 Shares)	-	2011-2016 2011-2016	Chairman of the Board Managing Director	Thai Onono Public Co. Ltd. Thai Far East Co. Ltd. Textile Industry
3. Mr. Tawatchai Chaiyapinunt* Executive Director (7 August 1985) Nomination Committee Remuneration Committee (19 August 2009)	64	Masters in Engineering Management, SOUTHERN METHODIST UNIVERSITY, DALLAS,USA Director Accreditation Program (DAP) 2004	3.92% (1,963,750 Shares)	Brother of Prof. Somsak Chaiyapinunt, Ph.D.	2011-2016 2011-2016	Managing Director Managing Director	Thai Standard Industries Co. Ltd. Thai Rung Industry Co. Ltd. Textile Industry
4. Mr. Kumjorn Chuenchoochit* Executive Director (7 August 1985)	61	POST GRADUATED DIPLOMA IN MANAGEMENT STUDIES (U.K.) Director Accreditation Program (DAP) 2004	22.08% (11,042,367 Shares)	Brother of Mr. Paired Chuenchoochit	2011-2016 2011-2016	Managing Director Managing Director	Thai Standard Industries Co. Ltd. Thai Rung Textile Co. Ltd. Textile Industry
5. Mr. Chuang Kullawawichit* Executive Director Board Secretary (8 February 1978)	77	Bachelor in Accountancy Thammasart University	0.00% (2,000 Shares)	-	2011-2016	Managing Director	Thai Textile Industry Public Co. Ltd. Textile Industry
6. Mr. Phaiboon Jaroonchaikanakij* Executive Director (1970)	73	Vocational Certificate in Commercial Studies	2.12% (1,060,000 Shares)	-	2011-2016 2011-2016 2011-2016	Managing Director Managing Director Director	Thai Rung Textile Co. Ltd. Thai Standard Industries Co. Ltd. Rama Textile Industry (1988) Co. Ltd. Textile Industry
7. Mrs. Ratana Suthpongchai Audit Committee Independent Committee Nomination Committee Remuneration Committee (19 January 1994) (Resign on 29 February 2016)	84	FELLOW OF THE INSTITUTE OF BANKERS, LONDON	0.02% (10,000 Shares)	-	1995 - 2000	Managing Director	Krungsri Asset Management Financial Institution
8. Mrs. Siriwan Boonamsup Director (24 October 1989)	77	High School Certificate	0.11% (59,195 Shares)	Spouse of Mr. Boonnam Boonamsap	2011-2016 2011-2016	Director Director	Boonsiri International Co. Ltd. Pica Inter Co. Ltd. Garment Industry
9. Prof. Somsak Chaiyapinunt, Ph.D. Director (6 January 1988)	62	Doctorate in Mechanical Engineering, OREGON STATE UNIVERSITY, USA. Director Accreditation Program (DAP)	1.60% (800,000 Shares)	Brother of Mr. Tawatchai Chaiyapinunt	2012-2016 1991-1995 1999-2003	Professor Assistant to Dean Engineering Department Head of Mechanical Engineering Department	Chulalongkorn University Chulalongkorn University Chulalongkorn University
10. Mr. Preecha Chaiyaprasith Audit Committee Independent Director (1970)	71	KITI COMMERCIAL COLLEGE	1.00% (500,000 Shares)		2011-2016 2011-2016	Managing Director Managing Director	Thai TT Co. Ltd. Thai CR Co. Ltd. Textile Trading

Remarks: * Authorized Directors to sign on behalf of The Company.

Details of Directors, Managers, Administrators, and Secretary of the Company

Name Position / Date Appointed	Age (Years)	Education	Percentage Share of The Company (%)	Relationship between Directors and Managers	Experience		
					(5)		
(1)	(2)	(3)	(4)	Duration	Position	Company	Type of Business
11. Mr. Suchart Chantanakaracha Director Independent Director (1987)	66	Assumption Commerce Commercial Studies	0.00% (- Shares)	-	2011-2016	Managing Director	Goldmine Garment Co. Ltd. Garment Industry
12. Asst. Prof. Kajornvut Namsirikul, Ph.D. Audit Committee Independent Director (10 May 2002)	55	Doctorate in Business Administration(DBA) CHULALONGKORN UNIVERSITY Director Certification Program (DCP) 2003 Director Accreditation Program (DAP) 2004 Audit Committee Program (ACP) 2004 Finance For Non-Finance Director (FND) 2004	0.22% (112,300 Shares)	-	2011-2016 2011-2016	Asst .Prof of Commerce and Accounting Department Managing Director	Chulalongkorn University Union Power Engineering Co. Ltd.
13. Dr. Chin Chinsettawong Chairman of Audit Committee Independent Director Nomination Committee Remuneration Committee (16 May 1989)	79	Doctorate in Business Management, CALIFORNIA COAST UNIVERSITY Master in Business Management MBA HIGHER DIPLOMA, INSTITUTE OF COMMERCE F.C.I. LONDON, UK.	0.55% (278,572 Shares)	-	2011-2016 2011-2016	Chairman of the Board Associate Judge	Union Paper Carton Co. Ltd. Paper Carton Industry Medial Labor Court
14. Mr. Korn Sereerongjanasiri Audit Committee Independent Director (16 May 1989)	71	High School Certificate	0.12% (61,700 Shares)	-	2011-2016	Managing Director	Thai Group Textile Co. Ltd. Textile Trading
15. Mr. Paired Chuenchoochit Director (22 November 2013)	58	BUSINESS FINANCIAL MANAGEMENT, EASTBOURNE TECHNICAL COLLEGE (UK) CRAWLEY TECHNICAL COLLEGE (UK)	0.90% (450,000 Shares)	Brother of Mr. Kumjorn Chuenchoochit	2011-2016 2011-2016	Managing Director Managing Director	Rama Textile Industry (1998) Co. Ltd. Thai Rung Textile Co. Ltd. Textile Industry
16. Mr. Kasem Worarittichai Director (24 Febuary 2016)	45	MASTER OF SCIENCE IN FINANCE GOLDEN GATE UNIVERSITY, SAN FRANCISCO, USA (1996 -1997) B.BA.MANAGEMENT, Assumption Business Administration College (ABAC) (1988-1992) Assumption School (1978 -1988)	2.00% (1,000,000 Shares)	Brother of Miss Naruemon Worarittichai	2011-2016 2011-2015 1995-1996 1994-1995 1992-1994	Asst. Sales Manager Director	Thai Textile Industry Public Co. Ltd. KTN Intertrade Co. Ltd. Animal food trading TRT Garment Public Co. Ltd. Thai Kewtech Manufacturing Co.Ltd. Thai Textile Printing (1980) Co. Ltd. Textile Industry
17. Miss Naruemon Worarittichai Director (24 Febuary 2016)	42	MASTER OF ACCOUNTANCY, CASE WESTERN RESERVE UNIVERSITY, CLEVELAND, OHIO, USA (1996 -1998) Bachelor of Accountancy (1 class honors) Accounting Information System, Chulalongkorn University (1991 - 1995) Saint Joseph Convent School (1979 -1991)	1.92% (964,945 Shares)	Sister of Mr. Kasem Worarittichai	2011-2016 2011-2016	Asst. Account Manager Director	Thai Textile Industry Public Co. Ltd. Textile Industry KTN Intertrade Co. Ltd. Animal food trading
18. Mr. Charoen Laohathai Independent Director (14 November 2016)	65	Master of Economics Middle Tennessee State University Bachelor of Business Administration University of the Thai Chamber of Commerce Bangkok Christian College	0.00% (- Shares)	-	2011-2016	Managing Director Vice-President	Thai Textile Printing Public Co. Ltd. Thai Textile Development and finishing Company Limited Textile Industry

Details of Directors, Managers, Administrators, and Secretary of the Company

Name	Age	Education	Percentage Share of The Company %	Relationship between Directors and Managers	Experience		
Position / Date Appointed	(Years)				(5)		
(1)		(2)	(3)	(4)	Duration	Position	Company Type of Business
19. Mr. Narong PiriyaPrinsakul Company Secretary Board Secretary of Audit, Nomination, and Remuneration Committee (29 February 1978) HR and Law Manager (1 August 1987)	65	Bachelor in Law (with Honors) Ramkhamhaeng University	0.00% (- Shares)	-	2011-2016	Attorney	Charastam Law office and Accountant Attorney and Accountancy
20. Mr. Chalerm Techawal Factory Manager (1 October 1992)	63	Bachelor in Industrial Engineering Khon Kaen University	0.00% (- Shares)	-	2011-2016	Factory Manager	Thai Textile Industry Public Co. Ltd. Textile Industry
21. Mrs. Anchalee Tapaopong Information Technology Manager (1 May 2016)	49	Bachelor of Science Applied Statistics Branch King Mongkut's University of Technology North Bangkok	0.00% (300 Shares)	-	2011-2016 2016	Asst. IT Manager IT Manager	Thai Textile Industry Public Co. Ltd. Thai Textile Industry Public Co. Ltd. Textile Industry

Remarks: * Authorized Directors to sign on behalf of The Company.

Attachment 2**Profile of Subsidiary Directors**

Chart of Directors and Executive officers of the company, The Subsidiary and Related Companies

Name	Company	Subsidiary TRT	Associated company	Related Companies								
				TSI	TTP	RTI	PIC	TTDF	CIC	PCL	UTP	
Mr. Boonnam	Boonnamsup	*	//	//	*	//	//		//			//
Mr. Mongkol	Mungkomkanok	//	//	//	/	//		//			//	//
Mr. Tawatchai	Chaiyapinunt	//	//	//	/	//		//				
Mr. Kumjorn	Chuenchoochit	//	//	//	//	//		//				
Mr. Chuang	Kullawanwichit	//										
Mr. Phaiboon	Jaroonchaikanakij	//	//	//	/	//						
Mr. Korn	Sereerojanasiri	/										
Dr. Chin	Chinsettawong	/									//	//
Asst.Prof. Kajornvut	Namsirikul, Ph.D.	/										
Mrs. Siriwan	Boonnamsup	/						//		//		
Prof. Somsak	Chaiyapinunt, Ph.D.	/										
Mrs. Ratana	Suthipongchai	/									//	//
Mr. Preecha	Chaiyaprasith	/			//	/						
Mr. Suchart	Chantanakaracha	/	//	//							//	
Mr. Pirod	Chuenchoochit	/	//			//						
Mr. Kasem	Worarithichai	/										
Miss Naruemon	Worarithichai	/										
Mr. Charoen	Laohathai	/	//	//	//	//		//				
Mr. Narong	Piriyaprasakul	+										
Mr. Chalerm	Techawal	+										
Mrs. Anchalee	Tapaopong	+										

Remark	*	=	Chairman
	//	=	Executive Director
	/	=	Director
	+	=	Other officers

TRT	=	Thai Rung Textile Co. Ltd.
TSI	=	Thai Standard Industries Co. Ltd.
TTP	=	Thai Textile Printing Public Co. Ltd.
RTI	=	Rama Textile Industry (1988) Co. Ltd.
PIC	=	Pica Inter Co. Ltd.
TTDF	=	Thai Textile Development and Finishing Co., Ltd.
CIC	=	Cassardi International Co., Ltd.
PCL	=	Prachin Land Co., Ltd.
UTP	=	United Paper Public Co., Ltd.

Details of Directors at the Subsidiary Company

Profile of Subsidiary Directors.

No.	Name	Position
1	Mr. Mongkol Mungkomkanok	Executive Director
2	Mr. Boonnam Boonnamsup	Executive Director
3	Mr. Phaiboon Jaroonchaikanakit	Executive Director
4	Mr. Tawatchai Chaiyapinunt	Executive Director
5	Mr. Kumjorn Chuenchoochit	Executive Director
6	Mr. Pirod Chuenchoochit	Executive Director
7	Mr. Suchart Chantanakaracha	Executive Director
8	Mr. Charoen Laohathai	Director

Attachment 3**Profile of Internal Auditor and Head of Company Compliance Unit**

Head Internal Auditor is Mr. Narong Piriyapinsakul, Bachelor in Law (With Honors), 34 years' Experience in law, Passed seminar in Taxation Law.

Head of Company Compliance Unit is Mr. Chalerm Techawal, Bachelor in Industrial Engineering, 40 years of experience in textile industrial.

Attachment 4

Detail of Asset Appraisal

No asset appraisal during the fiscal year.

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT





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Independent Auditor's Report

To the Board of Directors and Shareholders of
Thai Textile Industry Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Revenue recognition

Revenue from sales of yarns apparels and fabrics in domestic and export markets, representing of 95 percent of total revenue of the Group. The Group has a large number of customers and a variety of different commercial terms. As a result, the Company's revenue recognition based on the commercial term in sale agreement and sale document which are determined by management judgement. In addition, the economic slowdown has directly resulted in more intense competition in the industry effect the decreasing of sale quantity. I have paid particular attention to the Company's recognition of revenue from sales of goods in order to ensure that the revenue is recorded correctly and I have identified that requires special attention in the audit.

I have examined the revenue recognition of the Company by Assessing and testing the internal controls with respect to the revenue cycle, and selecting representative samples to test the operation of the designed controls, applying a sampling method to select sale agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy. On a sampling basis, examining supporting documents for actual revenue recognition transactions occurring during the year and near the end of the accounting period. Reviewing credit notes that the Company issued after the period-end. Performing analytical procedures on each product data to detect possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for diminution in value of inventories

Allowance for diminution in value of inventories of Baht 49 million as disclosed in the Note 8 to the financial statements derives from the estimation of the allowance for diminution of outdated or obsoleted inventories which highly require the exercise of management judgment in detailed analysis on the products' life cycle, market competition and economic and industry condition. As at 31 December 2016, the inventories included in the consolidated statement of financial position and the separate statement of financial position are Baht 1,121 Million and Baht 781 Million, respectively, accounted for 29 % and 30% of total assets, respectively. I therefore, determine this matter as significant in my audit.

I evaluated the appropriateness of the management's assumptions used in determination of the allowance for diminution in value of inventories by examining criteria used in the estimation, the consistency of such criteria and the reason in recognizing the allowance for diminution in value of inventories whether it was appropriate. I performed detail analysis on the sales incurred after the date in the financial statements compared to the cost of inventories, analyzed on the inventories turnover to identify the slow moving inventories and considered the loss incurred from sales and write-off inventories in the past and during the year compared to the allowance for diminution in value of inventories recognized in the prior years.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

NONGRAM LAOHAAREEDILOK

Certified Public Accountant

Registration No. 4334

Ast Master Co., Ltd.

28 February 2017

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		In Baht			
		Consolidated financial statements		Separate financial statements	
<u>ASSETS</u>	Notes	2016	2015	2016	2015
CURRENT ASSETS					
Cash and cash equivalents	6	136,252,958	96,668,428	42,683,148	10,613,697
Trade and other receivables	7	421,559,823	583,430,951	260,707,314	363,149,502
Inventories	8	1,121,418,496	1,238,972,442	780,781,621	813,619,322
Total current assets		1,679,231,277	1,919,071,821	1,084,172,083	1,187,382,521
NON - CURRENT ASSETS					
Investment in subsidiary	9	-	-	550,325,004	550,325,004
Other long-term investments	10	60,790,000	60,790,000	60,790,000	60,790,000
Property, plant and equipment	11	2,046,211,347	2,128,576,825	807,079,169	852,836,269
Investment properties - land	12	48,221,776	48,221,776	48,221,776	48,221,776
Computer software	13	5,288,406	3,658,406	5,288,406	3,658,406
Deferred income tax assets	21	65,604,774	48,276,078	65,604,774	48,276,078
Corporate income tax refundable		10,134,544	9,870,926	4,336,963	4,073,345
Other non - current assets		66,973	66,973	66,973	66,973
Total non - current assets		2,236,317,820	2,299,460,984	1,541,713,065	1,568,247,851
TOTAL ASSETS		3,915,549,097	4,218,532,805	2,625,885,148	2,755,630,372

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

In Baht

	Notes	In Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	14	896,657,104	978,086,472	850,000,000	885,427,392
Trade and other payables	15	348,292,772	312,371,285	243,979,467	215,087,117
Current portion of long - term loans	14	80,000,000	169,556,000	-	40,006,000
Short - term loans from related persons and related companies	5.2	839,700,000	892,200,000	-	-
Accrued income tax		2,375,443	-	-	-
Other current liabilities		718,579	701,036	116,572	99,029
Total current liabilities		2,167,743,898	2,352,914,793	1,094,096,039	1,140,619,538
NON - CURRENT LIABILITIES					
Long - term loans	14	-	80,000,000	-	-
Deferred income tax liabilities	21	24,681,312	20,070,109	-	-
Employee benefit obligations	16	107,097,926	105,647,370	76,627,916	76,613,668
Total non - current liabilities		131,779,238	205,717,479	76,627,916	76,613,668
Total liabilities		2,299,523,136	2,558,632,272	1,170,723,955	1,217,233,206
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 10 par value					
Authorized share 50,000,000 shares		500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid - up share 50,000,000 shares		500,000,000	500,000,000	500,000,000	500,000,000
Premium on common shares		623,840,000	623,840,000	623,840,000	623,840,000
Retained earnings					
Appropriated for legal reserve	18	50,000,000	50,000,000	50,000,000	50,000,000
Appropriated for general reserve		50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		289,406,211	338,463,095	231,321,193	314,557,166
Total equity attributable to the parent company		1,513,246,211	1,562,303,095	1,455,161,193	1,538,397,166
Non-controlling interests		102,779,750	97,597,438	-	-
Total shareholders' equity		1,616,025,961	1,659,900,533	1,455,161,193	1,538,397,166
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,915,549,097	4,218,532,805	2,625,885,148	2,755,630,372

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

		In Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2016	2015	2016	2015
REVENUES					
	Sales	3,631,882,400	3,844,000,061	2,482,652,869	2,749,592,945
	Services income	141,516,509	101,999,710	96,956,815	50,850,099
	Other income	51,387,545	45,997,029	18,348,428	29,824,377
	Total revenues	<u>3,824,786,454</u>	<u>3,991,996,800</u>	<u>2,597,958,112</u>	<u>2,830,267,421</u>
EXPENSES					
	Cost of sales	3,401,320,275	3,527,304,066	2,337,162,522	2,496,483,757
	Cost of services	118,574,883	83,860,236	91,037,904	45,163,799
	Selling expenses	93,674,155	99,578,235	87,449,128	93,448,092
	Administrative expenses	157,180,419	183,614,991	124,275,586	150,763,724
	Total expenses	<u>3,770,749,732</u>	<u>3,894,357,528</u>	<u>2,639,925,140</u>	<u>2,785,859,372</u>
	Profit (loss) before finance costs and tax income (expenses)	54,036,722	97,639,272	(41,967,028)	44,408,049
	Finance costs	(80,757,378)	(89,791,409)	(33,597,640)	(36,713,651)
	Profit (loss) before tax income (expenses)	<u>(26,720,656)</u>	<u>7,847,863</u>	<u>(75,564,668)</u>	<u>7,694,398</u>
	Tax income (expenses)	7,846,084	(1,062,062)	17,328,695	(784,422)
	Profit (loss) for the year	<u>(18,874,572)</u>	<u>6,785,801</u>	<u>(58,235,973)</u>	<u>6,909,976</u>
Other comprehensive income					
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
	Actuarial loss	-	(2,249,971)	-	(3,930,169)
	Less: Income tax effect	-	449,994	-	786,034
	Other comprehensive income for the year	<u>-</u>	<u>(1,799,977)</u>	<u>-</u>	<u>(3,144,135)</u>
	Total comprehensive income for the year	<u>(18,874,572)</u>	<u>4,985,824</u>	<u>(58,235,973)</u>	<u>3,765,841</u>
Profit (loss) attributable to:					
	Equity holders of the parent	(24,056,884)	6,653,348	(58,235,973)	6,909,976
	Non-controlling interests	5,182,312	132,453	-	-
	Profit (loss) for the year	<u>(18,874,572)</u>	<u>6,785,801</u>	<u>(58,235,973)</u>	<u>6,909,976</u>
Total comprehensive income attributable to:					
	Equity holders of the parent	(24,056,884)	4,682,837	(58,235,973)	3,765,841
	Non-controlling interests	5,182,312	302,987	-	-
	Total comprehensive income for the year	<u>(18,874,572)</u>	<u>4,985,824</u>	<u>(58,235,973)</u>	<u>3,765,841</u>
Basic earnings (loss) per share					
	Profit (loss) attributable to equity holders of the parent	(0.48)	0.13	(1.16)	0.14

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	In Baht								
	Equity attributable to the parent's shareholders								
	Issued and paid-up share capital	Premium on common shares	Appropriated for legal reserve	Retained earnings Appropriated for general reserve	Unappropriated reserve	Other components of equity	Total shareholders' equity of the parent	Non-controlling interests	Total
Balance as at 1 January 2015	500,000,000	623,840,000	50,000,000	50,000,000	383,780,258	-	1,607,620,258	97,294,451	1,704,914,709
Dividends paid	-	-	-	-	(50,000,000)	-	(50,000,000)	-	(50,000,000)
Profit for the year	-	-	-	-	6,653,348	-	6,653,348	132,453	6,785,801
Other comprehensive income for the year	-	-	-	-	(1,970,511)	-	(1,970,511)	170,534	(1,799,977)
Total comprehensive income for the year	-	-	-	-	4,682,837	-	4,682,837	302,987	4,985,824
Balance as at 31 December 2015	500,000,000	623,840,000	50,000,000	50,000,000	338,463,095	-	1,562,303,095	97,597,438	1,659,900,533
Balance as at 1 January 2016	500,000,000	623,840,000	50,000,000	50,000,000	338,463,095	-	1,562,303,095	97,597,438	1,659,900,533
Dividends paid	-	-	-	-	(25,000,000)	-	(25,000,000)	-	(25,000,000)
Profit (loss) for the year	-	-	-	-	(24,056,884)	-	(24,056,884)	5,182,312	(18,874,572)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(24,056,884)	-	(24,056,884)	5,182,312	(18,874,572)
Balance as at 31 December 2016	500,000,000	623,840,000	50,000,000	50,000,000	289,406,211	-	1,513,246,211	102,779,750	1,616,025,961

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Notes	In Baht						Total
	Issued and paid-up share capital	Premium on common shares	Appropriated for legal reserve	Appropriated for general reserve	Unappropriated	Other components of equity	
Balance as at 1 January 2015	500,000,000	623,840,000	50,000,000	50,000,000	360,791,325	-	1,584,631,325
Dividends paid	-	-	-	-	(50,000,000)	-	(50,000,000)
Profit for the year	-	-	-	-	6,909,976	-	6,909,976
Other comprehensive income for the year	-	-	-	-	(3,144,135)	-	(3,144,135)
Total comprehensive income for the year	-	-	-	-	3,765,841	-	3,765,841
Balance as at 31 December 2015	500,000,000	623,840,000	50,000,000	50,000,000	314,557,166	-	1,538,397,166
Balance as at 1 January 2016	500,000,000	623,840,000	50,000,000	50,000,000	314,557,166	-	1,538,397,166
Dividends paid	-	-	-	-	(25,000,000)	-	(25,000,000)
Loss for the year	-	-	-	-	(58,235,973)	-	(58,235,973)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(58,235,973)	-	(58,235,973)
Balance as at 31 December 2016	500,000,000	623,840,000	50,000,000	50,000,000	231,321,193	-	1,455,161,193

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

In Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before income tax	(26,720,656)	7,847,863	(75,564,668)	7,694,398
Adjustments to reconcile loss to net cash provided by operating activities :				
Doubtful accounts	-	24,000,000	-	24,000,000
Loss on obsolescence of inventories (reversal)	(5,848,073)	(6,606,218)	(5,848,073)	2,456,648
Depreciation	233,260,503	286,863,267	124,523,274	135,545,119
Amortization of computer software	420,000	165,429	420,000	165,429
Gain on disposal of equipment and write off	(4,252,513)	(7,191,053)	(757,737)	(7,191,053)
Write off withholding income tax	-	71,983	-	-
Employee benefit obligations	13,012,176	13,508,144	9,237,768	10,052,928
Unrealized gain on foreign exchange rate	(36,198)	(987,853)	(135,165)	(913,674)
Dividends income	(2,723,065)	(3,595,818)	(2,723,065)	(3,595,818)
Interest expense	80,757,378	89,791,409	33,597,640	36,713,651
Profit before changes in operating assets and liabilities	287,869,552	403,867,153	82,749,974	204,927,628
Decrease (increase) in operating assets				
Trade and other receivables	162,073,605	(127,325,802)	102,644,665	(73,554,097)
Inventories	123,402,019	12,298,534	38,685,774	26,718,866
Increase (decrease) in operating liabilities				
Trade and other payables	13,939,489	27,574,326	29,524,347	(21,281,504)
Employee benefit obligations	(11,561,620)	(7,388,390)	(9,223,520)	(6,710,490)
Cash received from operating activities	575,723,045	309,025,821	244,381,240	130,100,403
Interest paid	(81,081,752)	(90,445,217)	(33,709,035)	(37,056,646)
Income tax paid	(5,485,213)	(4,266,842)	(2,989,248)	(1,384,505)
Cash received from withholding income tax refund	2,725,629	4,766,667	2,725,629	3,128,790
Net cash provided by operating activities	491,881,709	219,080,429	210,408,586	94,788,042

The notes to financial statements are an integral part of these financial statements.

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash paid for acquisition of plant and equipment				
(Supplement disclosures of cash flows information 1)	(152,278,943)	(131,892,985)	(80,078,103)	(109,607,621)
Proceeds from disposal of machinery and equipment	5,048,517	10,194,780	1,481,752	10,194,780
Increase in advance received from machinery and equipment	22,728,007	3,200,540	-	-
Cash paid for acquisition of computer software	(2,050,000)	(1,138,400)	(2,050,000)	(1,138,400)
Dividends income	2,723,065	3,595,818	2,723,065	3,595,818
Net cash used in investing activities	(123,829,354)	(116,040,247)	(77,923,286)	(96,955,423)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (decrease) in bank overdrafts and short - term loans from financial institutions	(81,429,368)	51,062,343	(35,427,392)	92,988,966
Repayments of long - term loans	(169,556,000)	(216,721,000)	(40,006,000)	(73,321,000)
Increase (decrease) in short - term loans from related persons and related companies	(52,500,000)	85,200,000	-	-
Cash paid for dividends				
(Supplement disclosures of cash flows information 2)	(24,982,457)	(49,949,174)	(24,982,457)	(49,949,174)
Dividends paid to non-controlling interests	-	(18,000)	-	-
Net cash used in financing activities	(328,467,825)	(130,425,831)	(100,415,849)	(30,281,208)
Net increase (decrease) in cash and cash equivalents	39,584,530	(27,385,649)	32,069,451	(32,448,589)
Cash and cash equivalents, beginning of the year	96,668,428	124,054,077	10,613,697	43,062,286
Cash and cash equivalents, end of the year	136,252,958	96,668,428	42,683,148	10,613,697
SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION				
1. The detail of cash paid for acquisition of plant and equipment is as follow;				
Acquisition of plant and equipment during the year	(151,691,029)	(131,240,627)	(79,490,189)	(109,428,463)
Interest capitalized as part of the cost of assets	33,526	156,022	33,526	156,022
Increase in payable from acquisition of assets	(621,440)	(808,380)	(621,440)	(335,180)
Cash paid for acquisition of plant and equipment	(152,278,943)	(131,892,985)	(80,078,103)	(109,607,621)
2. Cash paid for dividends				
Dividends paid	(25,000,000)	(50,000,000)	(25,000,000)	(50,000,000)
Increase in accrued dividends	17,543	50,826	17,543	50,826
Cash paid for dividends	(24,982,457)	(49,949,174)	(24,982,457)	(49,949,174)

The notes to financial statements are an integral part of these financial statements.

1 General Information

Thai Textile Industry Public Company Limited was listed on the Stock Exchange of Thailand in 1987.

The Company is engaged in the business of manufacturing, spinning service render and distributing yarns apparels and fabrics. The addresses of its registered office are as follows:

Head Office is located at 385 Moo 1, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 1 is located at 791-793, Mahajak Road, Jakkawad, Samphanthawong, Bangkok.

Branch Office 2 is located at 741 Moo 3, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 3 is located at 275 Moo 14, Soi Bang Make Khao, Sukhumvit Road, Taiban, Samutprakarn, Samutprakarn.

Branch Office 4 is located at 286 Soi Japanese School, Rama 9 Road, Bangkapi, Huay Kwang, Bangkok.

Branch Office 5 is located at 595 Moo 6, Sukhumvit Road, Bangpoo Mai, Samutprakarn, Samutprakarn.

2 BASIS FOR FINANCIAL STATEMENTS PREPARATION

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

For the preparation of financial statements in conformity with Thai generally accepted accounting principles, the consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy.

The consolidated financial statements include the financial statements of Thai Textile Industry Public Company Limited and subsidiary, Thai Rung Textile Company Limited, which are engaged in the business of manufacturing and distributing yarns. The Company holds 87.31% of the subsidiary’s registered share capital.

“The Company” represents “Thai Textile Industry Public Company Limited,” while “The Group” represents “Thai Textile Industry Public Company Limited” and subsidiary which is “Thai Rung Textile Company Limited”.

For the convenience of the user, an English translation of the consolidated and separate financial statements has been prepared from the financial statements that are issued in the Thai language.

3 NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

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

3.2 Financial reporting standard that will become effective in the future

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

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

TAS 27 (revised 2016) Separate Financial Statements

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

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

4 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below;

4.1 Cash and cash equivalents

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

4.2 Trade accounts receivable

Trade accounts receivable are carried at original invoice amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified.

4.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by:

Raw Cotton	Specific cost method
Raw materials and Supplies	Weighted average method
Work in Process	Weighted average method
Finished Goods	Weighted average method

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads, the latter being allocated on the basis of normal operating activities. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

4.4 Investment in subsidiary

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains (losses) on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group, respectively.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

4.5 General investment

Investments in non-marketable equity securities are classified as general investments and carried at cost less impairment (if any).

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged in profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

4.6 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings and structures	5-20 years
Machineries and equipment	3-10 years
Furniture and office equipment	3-5 years
Vehicles	5 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalized as part of cost of the asset, during the period of time required to complete and prepare the property for its intended use. The borrowing costs include interest on borrowing net of amortization of related deferred financial cost.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Building-in-progress and machinery under installation are stated at cost. These assets are not depreciated until such time as the relevant assets are completed and ready for their intended operational use.

4.7 Investment properties – land

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

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

4.8 Impairment of assets

Property, plant and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

4.9 Computer software

Costs associated with developing or maintaining computer software program are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year are recognized as computer software.

Expenditure which enhances or extends the performance of computer software program beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs recognised as assets are amortised using the straight-line method over their useful life for 5 years.

4.10 Leases

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged in profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in profit or loss on a straight-line basis over the period of the lease.

4.11 Income tax

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

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period. The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat 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 other long-term benefits are recognised immediately in other comprehensive income.

4.13 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is recognised when the service is rendered.

Interest income is recognized on an accrual basis.

4.14 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses, resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

4.15 Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the income (loss) attributable to shareholders by the weighted average number of common shares during the year.

4.16 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, trade accounts receivable and investments. Financial liabilities carried on the statement of financial position include trade accounts payable, bank overdrafts and loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts. Such instruments are not recognized in the financial statements on the inception.

4.17 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.18 Provision

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

4.19 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.

Allowance for net realizable value of inventories

The Group considers the allowance for net realizable value based on the estimate of selling price in the ordinary course of business and normal condition of inventory. The net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company's 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.

Leases

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

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.

5 TRANSACTIONS WITH RELATED PERSONS AND COMPANIES**5.1 Relationships and pricing policies**

The relationship and pricing policies among the Company, subsidiary, related persons and companies are as follows:

<u>Subsidiary</u>	<u>Relationships</u>
Thai Rung Textile Co., Ltd.	Shareholding by the Company and directorship
<u>Related companies</u>	
Thai Standard Industries Co., Ltd.	Shareholding by the Company and directorship
Thai Textile Printing Public Co., Ltd.	Shareholding by the Company and directorship
Rama Textile Industry (1988) Co., Ltd.	Shareholding by the Company and directorship
Picca Inter Co., Ltd.	Directorship
Thai Textile Development and Finishing Co., Ltd.	Directorship
Cassardi International Co., Ltd.	Directorship
Prachin Land Co., Ltd.	Directorship
United Paper Public Co., Ltd.	Directorship and Shareholding
Winner Textile Co., Ltd.	Directorship and Shareholding
Nida Trading (1997) Co., Ltd.	Shareholder of subsidiary
<u>Related Persons</u>	The Company's and subsidiary's directors and shareholder and closed cousin of shareholder of the subsidiary

Pricing policies for the subsidiary, related persons and companies

	Pricing Policy
Sales of products and raw materials	Compare to market price
Service income	Compare to market price
Disposal of fixed assets	Compare to market price
Other income	Compare to market price
Rental income	At contract price
Purchase of products	Compare to market price
Service expenses	Compare to market price
Acquisition of fixed assets	Compare to market price
Miscellaneous expenses	Compare to market price
Rental expenses	At contract price
Loans to / loan from	Interest charge at rate of 4.25% - 4.50% per annum

5.2 Balances of transactions with subsidiary, related persons and companies

Significant balances with subsidiary, related persons and companies as at 31 December 2016 and 2015 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts receivable				
Related companies	34,641,246	76,155,027	12,465,027	33,498,327
Trade accounts payable				
Subsidiary	-	-	44,872,891	30,344,576
Related companies	34,898,630	21,496,309	34,898,630	21,496,309
Total	34,898,630	21,496,309	79,771,521	51,840,885

The outstanding balance as at 31 December 2016 and the movement of short - term loan from related persons and companies for the year ended 31 December 2016 are as follows:

	In Baht			
	Balance as at	Movement		Balance as at
	1 January 2016	Increase	Decrease	31 December 2016
<u>Consolidated financial statements</u>				
Related companies	352,000,000	10,000,000	(130,000,000)	232,000,000
Related persons	540,200,000	188,000,000	(120,500,000)	607,700,000
Total	892,200,000	198,000,000	(250,500,000)	839,700,000

5.3 Revenues and expenses transactions with subsidiary, related persons and companies

Revenues and expenses transactions with subsidiary, related persons and companies for the year ended 31 December 2016 and 2015 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Sales of products and raw materials				
Subsidiary	-	-	561,353	45,447,685
Related companies	928,892,067	981,690,738	586,592,963	651,622,707
Total	928,892,067	981,690,738	587,154,316	697,070,392
Services income				
Related companies	10,996,647	8,169,789	9,592,372	7,655,284
Disposal of fixed assets				
Related companies	-	5,500,000	-	5,500,000
Other income				
Subsidiary	-	-	492,320	480,000
Related companies	1,305,051	1,382,286	1,305,051	1,382,286
Total	1,305,051	1,382,286	1,797,371	1,862,286
Rental income				
Related companies	1,740,000	1,470,000	1,740,000	1,470,000
Dividends income				
Related companies (Note 10)	2,625,000	2,625,000	2,625,000	2,625,000
Purchase of products				
Subsidiary	-	-	541,777,368	596,376,836
Related companies	566,041,315	548,379,881	565,828,882	547,984,619
Total	566,041,315	548,379,881	1,107,606,250	1,144,361,455
Service expenses				
Subsidiary	-	-	193,217	1,144,886
Related companies	191,599,232	214,406,362	191,599,232	214,406,362
Total	191,599,232	214,406,362	191,792,449	215,551,248
Acquisition of fixed assets				
Related companies	-	850,000	-	850,000
Miscellaneous expenses				
Subsidiary	-	-	3,720	18,140
Related companies	141,067	110,654	23,975	110,654
Total	141,067	110,654	27,695	128,794
Rental expenses				
Related companies	1,200,000	1,200,000	1,200,000	1,200,000

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Interest				
Subsidiary	-	-	-	426,822
Related companies	14,863,975	11,802,451	-	-
Related persons	23,709,544	24,272,689	-	-
Total	<u>38,573,519</u>	<u>36,075,140</u>	<u>-</u>	<u>426,822</u>
Directors and management's benefits	<u>26,290,131</u>	<u>26,657,196</u>	<u>19,573,391</u>	<u>20,095,756</u>

6 CASH AND CASH EQUIVALENTS

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Cash on hand	3,025,752	615,380	2,794,859	426,490
Regular checking accounts	50,400,284	78,537,501	543,914	1,472,815
Saving accounts	82,826,922	17,515,547	39,344,375	8,714,392
Total	<u>136,252,958</u>	<u>96,668,428</u>	<u>42,683,148</u>	<u>10,613,697</u>

Deposits at financial institutions are bearing interest rate of 0.375 - 0.50% per annum (2015 : 0.375 - 0.50% per annum).

7 TRADE AND OTHER RECEIVABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts receivable - related companies (Note 5.2)	34,641,246	76,155,027	12,465,027	33,498,327
Trade accounts receivable - others	363,198,585	488,362,784	232,199,313	316,078,906
Total trade accounts receivable	<u>397,839,831</u>	<u>564,517,811</u>	<u>244,664,340</u>	<u>349,577,233</u>
Advances for inventories	7,894,964	4,571,011	2,520,776	1,447,800
Value added tax receivable	7,168,710	5,828,993	7,168,710	5,828,993
Prepaid expenses	5,091,362	5,074,851	2,821,781	2,891,423
Unbilled input tax	3,435,116	3,336,171	3,407,637	3,302,799
Other receivables	129,840	102,114	124,070	101,254
Total	<u>421,559,823</u>	<u>583,430,951</u>	<u>260,707,314</u>	<u>363,149,502</u>

Aging of trade accounts receivable as at 31 December 2016 and 2015 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Trade accounts receivable - related companies				
Within credit terms	29,168,381	70,197,659	10,089,466	30,147,780
Overdue: Less than 3 months	5,472,865	5,957,368	2,375,561	3,350,547
Total trade accounts receivable - related companies	<u>34,641,246</u>	<u>76,155,027</u>	<u>12,465,027</u>	<u>33,498,327</u>
Trade accounts receivable - other companies				
Within credit terms	277,928,613	378,972,875	193,456,215	238,449,814
Overdue:				
Less than 3 months	80,214,746	93,531,684	33,687,872	61,770,867
3 - 6 months	1,966,991	6,405,233	1,966,991	6,405,233
6 - 12 months	2,854,275	11,045,691	2,854,275	11,045,691
Over 12 months	25,480,103	23,653,444	25,302,191	23,475,532
Total trade accounts receivable	<u>388,444,728</u>	<u>513,608,927</u>	<u>257,267,544</u>	<u>341,147,137</u>
Less allowance for doubtful accounts	<u>(25,246,143)</u>	<u>(25,246,143)</u>	<u>(25,068,231)</u>	<u>(25,068,231)</u>
Trade accounts receivable - others - net	<u>363,198,585</u>	<u>488,362,784</u>	<u>232,199,313</u>	<u>316,078,906</u>

8 INVENTORIES

	In Baht					
	Consolidated financial statements					
	Allowance for obsolescence					
	Cost		of inventories		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	330,668,272	312,890,075	(41,635,577)	(48,363,712)	289,032,695	264,526,363
Work in process	216,626,255	233,051,226	-	-	216,626,255	233,051,226
Raw materials	577,067,304	700,674,641	(7,746,372)	(6,866,310)	569,320,932	693,808,331
Material and supplies	46,438,614	47,586,522	-	-	46,438,614	47,586,522
Total	<u>1,170,800,445</u>	<u>1,294,202,464</u>	<u>(49,381,949)</u>	<u>(55,230,022)</u>	<u>1,121,418,496</u>	<u>1,238,972,442</u>

	In Baht					
	Separate financial statements					
	Allowance for obsolescence					
	Cost		of inventories		Inventories - net	
	2016	2015	2016	2015	2016	2015
Finished goods	266,209,926	269,567,896	(41,635,577)	(48,363,712)	224,574,349	221,204,184
Work in process	208,022,840	212,222,692	-	-	208,022,840	212,222,692
Raw materials	323,471,393	356,916,326	(7,746,372)	(6,866,310)	315,725,021	350,050,016
Material and supplies	32,459,411	30,142,430	-	-	32,459,411	30,142,430
Total	<u>830,163,570</u>	<u>868,849,344</u>	<u>(49,381,949)</u>	<u>(55,230,022)</u>	<u>780,781,621</u>	<u>813,619,322</u>

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Inventories recognised as an expense in 'cost of sale of goods':				
Cost	3,401,320,275	3,527,304,066	2,337,162,522	2,496,483,757
(Reversal of) write-down to net realisable value	(5,848,073)	(6,606,218)	(5,848,073)	2,456,648

9 INVESTMENT IN SUBSIDIARY

Separate financial statements as at 31 December 2016 and 2015

Invested company (Type of business)	Paid-up capital (Thousand Baht)	Proportion of shareholding (%)	In Baht		
			At cost	Dividends income	
				2016	2015
Thai Rung Textile Co., Ltd. (Type of business : Yarn spinning)	600,000	87.31	550,325,004	-	-

10 OTHER LONG TERM INVESTMENTS

Consolidated and Separate financial statements as at 31 December 2016 and 2015

Invested company (Type of business)	Paid-up capital (Thousand Baht)	Proportion of share holding (%)	In Baht		
			At cost	Dividends income	
				2016	2015
Investment in related companies					
Thai Standard Industries Co., Ltd. (Type of business : Weaving)	150,000	6.67	12,500,000	-	-
Thai Textile Printing Public Co., Ltd. (Type of business : Printing and dyeing)	350,000	3.57	12,500,000	-	-
Rama Textile Industry (1988) Co., Ltd. (Type of business : Yarn dyeing and selling)	250,000	8.75	23,750,000	2,625,000	2,625,000
Total			48,750,000	2,625,000	2,625,000
Investment in other companies					
Tajin Polyester Co., Ltd. (Type of business : Polyester producer)	548,224	1.63	11,915,000	98,065	970,818
Chantaburi Country Club Co., Ltd. (Type of business : Real estate)	75,000	0.17	2,000,000	-	-
Total			13,915,000	98,065	970,818
Less Allowance for declining in value of investment			(1,875,000)	-	-
Net			12,040,000	98,065	970,818
Total other long-term investments			60,790,000	2,723,065	3,595,818

11 PROPERTY, PLANT AND EQUIPMENT
Consolidated financial statements

	In Baht						Total
	Land	Building & structures	Machinery & equipment	Furniture & office equipment	Vehicle	Assets under installation	
As at 1 January 2015							
Cost	296,002,428	850,122,560	4,431,687,897	64,476,486	27,114,584	74,638,783	5,744,042,738
Less Accumulated depreciation	-	(575,090,234)	(2,806,902,274)	(61,275,776)	(13,571,262)	-	(3,456,839,546)
Net book value	296,002,428	275,032,326	1,624,785,623	3,200,710	13,543,322	74,638,783	2,287,203,192
For the year ended 31 December 2015							
Net book value, beginning of year	296,002,428	275,032,326	1,624,785,623	3,200,710	13,543,322	74,638,783	2,287,203,192
Acquisition	-	10,669,252	17,740,541	737,146	290,000	101,803,688	131,240,627
Transfer in (out)	-	-	135,677,656	3,600	-	(135,681,256)	-
Disposal	-	-	(3,003,726)	(1)	-	-	(3,003,727)
Depreciation	-	(32,658,841)	(247,286,890)	(1,252,726)	(5,664,810)	-	(286,863,267)
Net book value, end of year	296,002,428	253,042,737	1,527,913,204	2,688,729	8,168,512	40,761,215	2,128,576,825
As at 31 December 2015							
Cost	296,002,428	860,791,812	4,524,934,417	64,957,233	27,404,584	40,761,215	5,814,851,689
Less Accumulated depreciation	-	(607,749,075)	(2,997,021,213)	(62,268,504)	(19,236,072)	-	(3,686,274,864)
Net book value	296,002,428	253,042,737	1,527,913,204	2,688,729	8,168,512	40,761,215	2,128,576,825

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Consolidated financial statements

	In Baht						Total
	Land	Building & structures	Machinery & equipment	Furniture & office equipment	Vehicle	Assets under installation	
For the year ended 31 December 2016							
Net book value, beginning of year	296,002,428	253,042,737	1,527,913,204	2,688,729	8,168,512	40,761,215	2,128,576,825
Acquisition	-	1,248,000	15,412,683	1,193,334	3,856,183	129,980,829	151,691,029
Transfer in (out)	-	-	43,044,463	14,900	-	(43,059,363)	-
Disposal	-	-	(720,380)	(3,640)	(71,984)	-	(796,004)
Depreciation	-	(27,442,112)	(201,025,735)	(1,166,299)	(3,626,357)	-	(233,260,503)
Net book value, end of year	296,002,428	226,848,625	1,384,624,235	2,727,024	8,326,354	127,682,681	2,046,211,347
As at 31 December 2016							
Cost	296,002,428	862,039,813	4,557,779,944	64,760,178	28,143,261	127,682,681	5,936,408,305
Less Accumulated depreciation	-	(635,191,188)	(3,173,155,709)	(62,033,154)	(19,816,907)	-	(3,890,196,958)
Net book value	296,002,428	226,848,625	1,384,624,235	2,727,024	8,326,354	127,682,681	2,046,211,347

As at 31 December 2016 and 2015, the Group's machineries with net book value of Baht 508.4 million and Baht 575.8 million, respectively are mortgaged as collateral of credit facilities to financial institution as discussed in note 14 to the financial statements.

Separate financial statements

	In Baht						Total
	Land	Building & structures	Machinery & equipment	Furniture & office equipment	Vehicle	Assets under installation	
As at 1 January 2015							
Cost	36,143,749	495,936,056	1,778,560,279	42,387,011	23,289,229	74,458,783	2,450,775,107
Less Accumulated depreciation	-	(374,606,933)	(1,141,781,484)	(39,919,557)	(12,510,481)	-	(1,568,818,455)
Net book value	36,143,749	121,329,123	636,778,795	2,467,454	10,778,748	74,458,783	881,956,652
For the year ended 31 December 2015							
Net book value, beginning of year	36,143,749	121,329,123	636,778,795	2,467,454	10,778,748	74,458,783	881,956,652
Acquisition	-	4,507,380	12,081,424	546,060	-	92,293,599	109,428,463
Transfer in (out)	-	-	133,927,656	3,600	-	(133,931,256)	-
Disposal	-	-	(3,003,726)	(1)	-	-	(3,003,727)
Depreciation	-	(18,111,025)	(112,742,024)	(914,812)	(3,777,258)	-	(135,545,119)
Net book value, end of year	36,143,749	107,725,478	667,042,125	2,102,301	7,001,490	32,821,126	852,836,269
As at 31 December 2015							
Cost	36,143,749	500,443,436	1,864,397,683	42,676,672	23,289,229	32,821,126	2,499,771,895
Less Accumulated depreciation	-	(392,717,958)	(1,197,355,558)	(40,574,371)	(16,287,739)	-	(1,646,935,626)
Net book value	36,143,749	107,725,478	667,042,125	2,102,301	7,001,490	32,821,126	852,836,269

THAI TEXTILE INDUSTRY PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Separate financial statements

	In Baht						Total
	Land	Building & structures	Machinery & equipment	Furniture & office equipment	Vehicle	Assets under installation	
For the year ended 31 December 2016							
Net book value, beginning of year	36,143,749	107,725,478	667,042,125	2,102,301	7,001,490	32,821,126	852,836,269
Acquisition	-	1,248,000	15,102,685	681,334	3,094,100	59,364,070	79,490,189
Transfer in (out)	-	-	34,296,556	14,900	-	(34,311,456)	-
Disposal	-	-	(720,373)	(3,640)	(2)	-	(724,015)
Depreciation	-	(18,094,530)	(102,291,618)	(915,329)	(3,221,797)	-	(124,523,274)
Net book value, end of year	36,143,749	90,878,948	613,429,375	1,879,566	6,873,791	57,873,740	807,079,169
As at 31 December 2016							
Cost	36,143,749	501,691,437	1,907,327,782	41,967,616	23,985,651	57,873,740	2,568,989,975
Less Accumulated depreciation	-	(410,812,489)	(1,293,898,407)	(40,088,050)	(17,111,860)	-	(1,761,910,806)
Net book value	36,143,749	90,878,948	613,429,375	1,879,566	6,873,791	57,873,740	807,079,169

As at 31 December 2016 and 2015, the Company's machineries with net book value of Baht 95.3 million and Baht 107.0 million, respectively are mortgaged as collateral of credit facilities to financial institution as discussed in note 14 to the financial statements.

12 INVESTMENT PROPERTIES - LAND

	In Baht
	Consolidated and Separate financial statements
For the year ended 31 December 2016	
Net book value, beginning of the year	48,221,776
Impairment loss	-
Investment properties - land - net	48,221,776

As at 31 December 2016, the fair value of investment properties was Baht 495.3 million.

13 COMPUTER SOFTWARE

The net book value of computer software as at 31 December 2016 and 2015 is presented below.

	In Baht	
	Consolidated and Separate financial statements	
	2016	2015
As at 1 January		
Cost	18,189,247	17,050,847
<u>Less</u> Accumulated amortization	(14,530,841)	(14,365,412)
Net book value	3,658,406	2,685,435
Transactions during the year ended 31 December		
Net book value, beginning of year	3,658,406	2,685,435
Acquisition of computer software	2,050,000	1,138,400
Amortization	(420,000)	(165,429)
Net book value, end of year	5,288,406	3,658,406
As at 31 December		
Cost	20,239,247	18,189,247
<u>Less</u> Accumulated amortization	(14,950,841)	(14,530,841)
Net book value	5,288,406	3,658,406

14 BANK OVERDRAFTS AND LOANS FROM FINANCIAL INSTITUTIONS

	Interest rate (%) p.a.		In Baht			
			Consolidated		Separate	
			financial statements		financial statements	
2016	2015	2016	2015	2016	2015	
Short-term loans						
Bank overdrafts	-	7.375	-	3,077,694	-	3,077,694
Liabilities under						
trust receipts	3.28 - 3.30	3.30 - 5.00	46,657,104	125,008,778	-	32,349,698
Promissory notes	3.60 - 4.28	3.50 - 4.45	850,000,000	850,000,000	850,000,000	850,000,000
Total			896,657,104	978,086,472	850,000,000	885,427,392
Long-term loans						
Long - term loans	4.00	4.25 - 4.50	80,000,000	249,556,000	-	40,006,000
<u>Less</u> Current portion						
of long - term loans			(80,000,000)	(169,556,000)	-	(40,006,000)
Long-term loans - net						
of current portion			-	80,000,000	-	-

As at 31 December 2016 and 2015, the Group has overdrafts and short - term trade financing facilities from financial institutions according to the loan agreements with a total maximum credit limit of Baht 2,264 million and Baht 2,795 million, respectively. The Group's partial short - term loans from financial institutions are guaranteed by the Company and the subsidiary and The Group's long - term loans from financial institutions are guaranteed by the Group's machines as discussed in Note 11 including providing negative pledge of property, plant and equipment.

15 TRADE AND OTHER PAYABLES

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
2016	2015	2016	2015	
Trade accounts payable - related companies (Note 5.2)	34,898,630	21,496,309	79,771,521	51,840,885
Trade accounts payable - other companies	169,649,979	149,048,836	83,991,952	67,042,563
Total trade accounts payable	204,548,609	170,545,145	163,763,473	118,883,448
Accrued expenses	91,294,572	100,341,015	59,030,112	66,277,113
Payable from acquisition of assets	2,188,950	2,810,390	2,188,950	2,810,390
Advance received from sales of goods	16,849,314	24,832,520	15,911,574	24,011,521
Advance received from machines & equipment	25,928,547	3,200,540	-	-
Value added tax payable	3,790,470	7,003,028	-	-
Social security and other taxes	3,692,310	3,638,647	3,085,358	3,104,645
Total	348,292,772	312,371,285	243,979,467	215,087,117

16 EMPLOYEE BENEFIT OBLIGATIONS

The Group operates post employment based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	In Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Defined benefit obligations at 1 January	105,647,370	97,277,645	76,613,668	69,341,061
Included in profit or loss:				
Current service cost	10,369,842	11,151,812	7,412,947	8,366,744
Interest cost	2,642,334	2,356,332	1,824,821	1,686,184
Included in other comprehensive income:				
Remeasurements of post-employment benefit obligations				
Actuarial loss	-	2,249,971	-	3,930,169
Benefits paid by the plan	(11,561,620)	(7,388,390)	(9,223,520)	(6,710,490)
Defined benefit obligations at 31 December	<u>107,097,926</u>	<u>105,647,370</u>	<u>76,627,916</u>	<u>76,613,668</u>

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

Cost of sales and services	11,615,428	10,830,665	8,242,276	7,789,767
Administrative expenses	1,396,748	2,677,479	995,492	2,263,161
Total expenses recognized in profit or loss	<u>13,012,176</u>	<u>13,508,144</u>	<u>9,237,768</u>	<u>10,052,928</u>

The Group expect to pay Baht 7.5 million of long-term employee benefits during the next year (Separate financial statements: Baht 5.9 million)

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit of the Group is 7 years (Separate financial statements: 7 years).

Principal actuarial assumptions at the reporting date

Discount Rate	2.51 – 2.62% per annum
Salary Increase rate	5%
Turnover Rate	Scale related to Age ranging from 0 - 43%
Mortality rate	According to Thailand TMO 2008 male and female tables

Sensitivity analysis

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

	In Baht			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation 31 December 2016				
Discount Rate (1% movement)	(6,635,190)	7,485,479	(4,702,363)	5,298,716
Salary Increase Rate (1% movement)	7,752,058	(7,007,966)	5,497,048	(4,975,319)
Turnover Rate (1% movement)	(7,124,949)	6,493,952	(5,067,843)	5,230,823

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

17 DIVIDENDS PAID

At the ordinary shareholders' meeting dated 25 April 2016, the shareholders approved the payment of dividends at Baht 0.5 per share for 50 million shares totaling Baht 25 million and the Company has already paid for such dividends on 24 May 2016.

At the ordinary shareholders' meeting dated 28 April 2015, the shareholders approved the payment of dividends at Baht 1 per share for 50 million shares totaling Baht 50 million and the Company has already paid for such dividends on 27 May 2015.

18 LEGAL RESERVE

The legal reserve of the Company was established in accordance with the provisions of the Thai Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net income for the year after deduction of the deficit brought forward (if any) until the reserve reaches 10% of the authorized share capital. This reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside

19 OTHER INCOME

Other income for the year ended 31 December 2016 and 2015 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Rental income	25,828,080	24,838,080	1,920,000	1,650,000
Gain on disposal of fixed assets	4,252,512	7,191,053	757,737	7,191,053
Gain on foreign exchange rate	10,990,127	2,336,366	7,015,732	12,239,916
Tax coupon income	1,032,937	1,025,610	1,032,937	1,025,610
Miscellaneous sale income	2,738,690	2,843,103	2,738,690	2,843,103
Dividend income	2,723,065	3,595,818	2,723,065	3,595,818
Other income	3,822,134	4,166,999	2,160,267	1,278,877
Total	<u>51,387,545</u>	<u>45,997,029</u>	<u>18,348,428</u>	<u>29,824,377</u>

20 EXPENSES BY NATURE

Significant expenses by nature for the year ended 31 December 2016 and 2015 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Changes in finished goods and work in process	(1,353,226)	69,093,344	7,557,822	41,532,200
Raw materials and consumable used	2,014,715,636	2,225,769,695	924,228,598	1,128,846,963
Staff costs	514,951,494	511,275,127	368,167,388	367,037,541
Depreciation and amortization	233,680,503	287,028,696	124,943,274	135,710,548
Doubtful accounts	-	24,000,000	-	24,000,000

21 INCOME TAX

Income tax for the year ended 31 December 2016 and 2015 are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax				
Current year	4,871,409	-	-	-
Deferred tax				
Relating to origination and reversal of temporary				
Differences	(12,717,493)	1,062,062	(17,328,695)	784,422
Income tax expenses (income) recognized in				
comprehensive income	(7,846,084)	1,062,062	(17,328,695)	784,422
Income tax recognized in other comprehensive income				
Defined benefit plan actuarial loss	-	449,994	-	786,034

Reconciliation of effective tax rate

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Accounting profit (loss) before corporate income tax	(26,720,656)	7,847,863	(75,564,668)	7,694,398
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before corporate income				
tax multiplied by applicable tax rate	(5,344,131)	1,569,573	(15,112,934)	1,538,880
Effects of:				
Addition expenses deductible for tax purposes	(4,294,656)	(1,481,448)	(3,689,332)	(1,481,448)
Expenses not deductible for tax purposes	1,104,206	6,202,557	794,972	7,446,354
Income not subject to tax	(544,613)	(719,164)	(544,613)	(719,164)
Taxable loss of current year recognized to				
deferred income tax assets	18,551,907	979,469	18,551,907	-
Utilization of taxable loss carried forward	(4,898,464)	(6,784,622)	-	(6,784,622)
Effect of elimination entries on the consolidated				
financial statements	297,160	233,635	-	-
Current tax	4,871,409	-	-	-
Relating to origination and reversal of temporary				
differences	(12,717,493)	1,062,062	(17,328,695)	784,422
Income tax expenses (income) recognized in				
comprehensive income	(7,846,084)	1,062,062	(17,328,695)	784,422

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

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Balances of deferred income tax assets				
Allowance for doubtful accounts	5,049,228	5,049,228	5,013,646	5,013,646
Allowance for declining in value of investments in other company	375,000	375,000	375,000	375,000
Allowance for obsolescence of inventories	9,876,390	11,046,004	9,876,390	11,046,004
Accumulated tax losses	35,014,155	21,417,158	35,014,155	16,518,694
Employee benefit obligations	21,419,584	21,129,474	15,325,583	15,322,734
Total deferred income tax assets	<u>71,734,357</u>	<u>59,016,864</u>	<u>65,604,774</u>	<u>48,276,078</u>
Balance of deferred income tax liabilities				
Land	(30,810,895)	(30,810,895)	-	-
Total deferred income tax liabilities	<u>(30,810,895)</u>	<u>(30,810,895)</u>	<u>-</u>	<u>-</u>
Deferred income tax - net	<u>40,923,462</u>	<u>28,205,969</u>	<u>65,604,774</u>	<u>48,276,078</u>

Presentation in the statements of financial position are as follows:

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred income tax assets	65,604,774	48,276,078	65,604,774	48,276,078
Deferred income tax liabilities	(24,681,312)	(20,070,109)	-	-
Deferred income tax - net	<u>40,923,462</u>	<u>28,205,969</u>	<u>65,604,774</u>	<u>48,276,078</u>

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

22 FINANCIAL INFORMATION BY SEGMENT

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 operations of the Group involve the single industry segment of manufacturing and distributing yarns, apparel and fabrics. The Group operates in single geographical area, in Thailand, therefore, these financial statements do not present the financial information by segment. The Group's revenues included sale in both domestic and export markets.

The revenues classified by domestic and export markets for the year ended 31 December 2016 and 2015 are as follows;

	In Thousand Baht					
	Domestic		Export		Total	
	2016	2015	2016	2015	2016	2015
Revenues	2,652,567	2,845,269	1,120,831	1,100,731	3,773,398	3,946,000
Cost	(2,542,219)	(2,705,137)	(977,676)	(906,027)	(3,519,895)	(3,611,164)
Gross profit	110,348	140,132	143,155	194,704	253,503	334,836

Major customers

For the year 2016, the Group has revenue from a major customer, represented at 14% of total revenues (2015: the Group has revenue from a major customer represented at 14% of total revenues).

23 FINANCIAL INSTRUMENTS

The principal financial risks faced by the Group are liquidity risk, foreign currency risk, interest rate risk, and credit risk. The risk management policies of these particular risks are as follows:

23.1 Liquidity Risk

Liquidity risk, or funding risk, is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

23.2 Foreign Currency Risk

As part of the international trading, the Group has significant exposures to market risks from changes in foreign exchange rates. The Group uses forward exchange contracts to mitigate those risks. Forward exchange contracts are accounted for as foreign currency transactions. Gains or losses on derivative financial instruments used for hedging of foreign currency transactions are recognized as income or expense on the same basis as the corresponding hedged position.

As at 31 December 2016, assets and liabilities of the Group which are not hedged as follows:

	Currencies	Amount	Equivalent to approximately (In Million Baht)
Trade accounts receivable	U.S. Dollars	2,431,271	86.5
Trade accounts payable	U.S. Dollars	2,156,169	77.6
	Euro	29,648	1.1
Accrued expenses	U.S. Dollars	310,445	11.2

23.3 Interest Rate Risk

The Group was exposed to interest risks because it held deposits to and loans from financial institutions. However, the Group believes that the future fluctuation on market interest rate would not provided significant effect to its operation and cash flow; therefore, no financial derivative was adopted to manage such risks.

23.4 Credit Risk

The Group was exposed to credit risks mainly relating to its trade accounts receivable. However, the management has policies to provide adequate allowances for any possible losses that might be incurred in connection with its receivables.

23.5 Fair Value

The financial assets and liabilities include cash and cash equivalents, trade accounts receivable, accounts payable and loans. Their carried values approximate to their fair values.

24 COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2016,

A) Commitments

The Company has capital commitment on the lease agreement of land and structure with a related company for the period of 12 years commencing from 19 July 2005 to 19 July 2017. The monthly rental fee is Baht 100,000.

The Group has unused letter of credit amounting to approximately U.S. Dollars 10.1 million, Euro 0.2 million and Yen 56.0 million, equivalent to approximately Baht 392.4 million.

The Company has commitments for software license and system consulting agreement amounting of Baht 3.9 million.

B) Contingent liabilities

The Group has contingent liability in relation to letter of guarantees issued by the financial institutions in favor of the government and private company are as follows :

	Company	Subsidiary	Total
Letters of guarantees (In Million Baht)	19.47	28.00	47.47

25 CAPITAL MANAGEMENT

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

As at 31 December 2016, debt to equity ratio in the consolidated financial statements is 1.42 : 1 (Separate financial statements: 0.80 : 1).

26 EVENTS AFTER THE REPORTING PERIOD

On 28 February 2017, the Company's Board of Directors meeting No. 1/2017 approved for payment of a final dividend of Baht 0.50 per share for 50 million shares totaling Baht 25 million, from the retained earnings.

However, this resolution will be further proposed for the shareholders' approval in the Ordinary General Meeting of Shareholders for fiscal year 2017.

27 APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 28 February 2017.

บริษัท โรงงานผ้าไทย จำกัด (มหาชน)

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