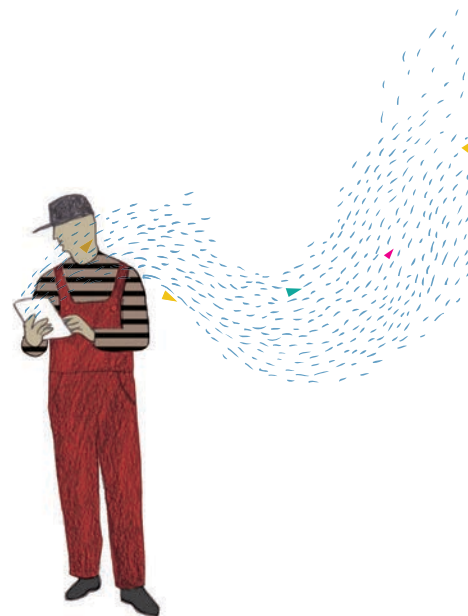


VISION

Recognized in ASEAN as a TRUSTED Food Company excelled in INNOVATION and QUALITY





Tipco

QUALITY PRODUCT

Tipco

VITAMIN A, B, C, B2, B1, E

HAPPY FRUITS

QUALITY PRODUCT

PREMIUM

Tipco



Employee

TIPCO people dare to think differently and embrace changes, are capable of using potential to the fullest, and continuously seek to develop themselves.



Customers

TIPCO understands its customers and develops products to cater to their needs as well as to ultimately promote their way of life, health and long life.



Community

TIPCO operates its business in a manner that supports social development. At TIPCO, social responsibility becomes an integral part of its business, ranging from taking care of employees and their families to communities and society.



Shareholders

TIPCO ensures that its shareholders, whether major or minor, enjoy economic profit and are entitled to rights and equitable treatment.



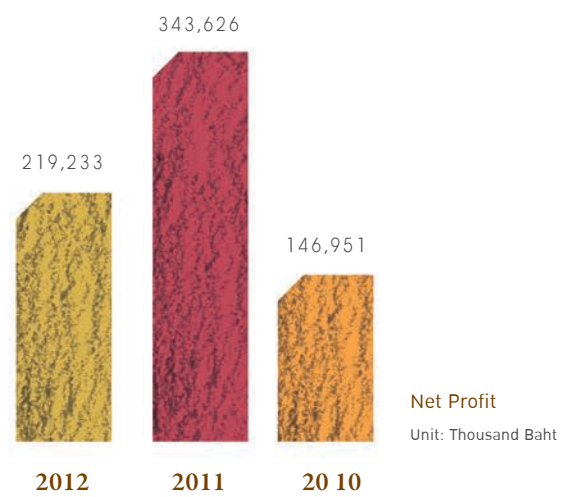
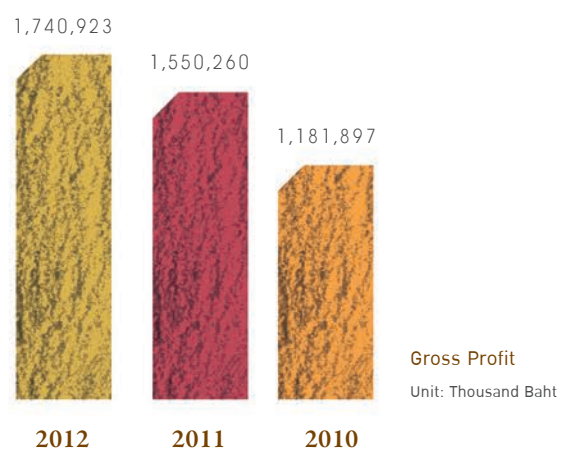
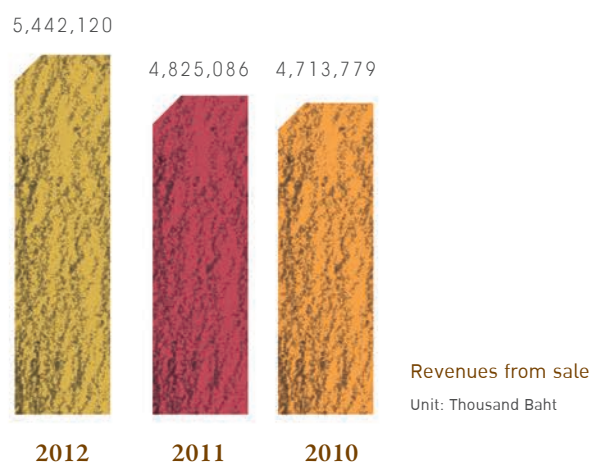
Partner

TIPCO treats its trading partners based on justice and fairness as well as walks and grows with them on the road towards sustainability.

Financial Highlights

Unit: Thousand Baht

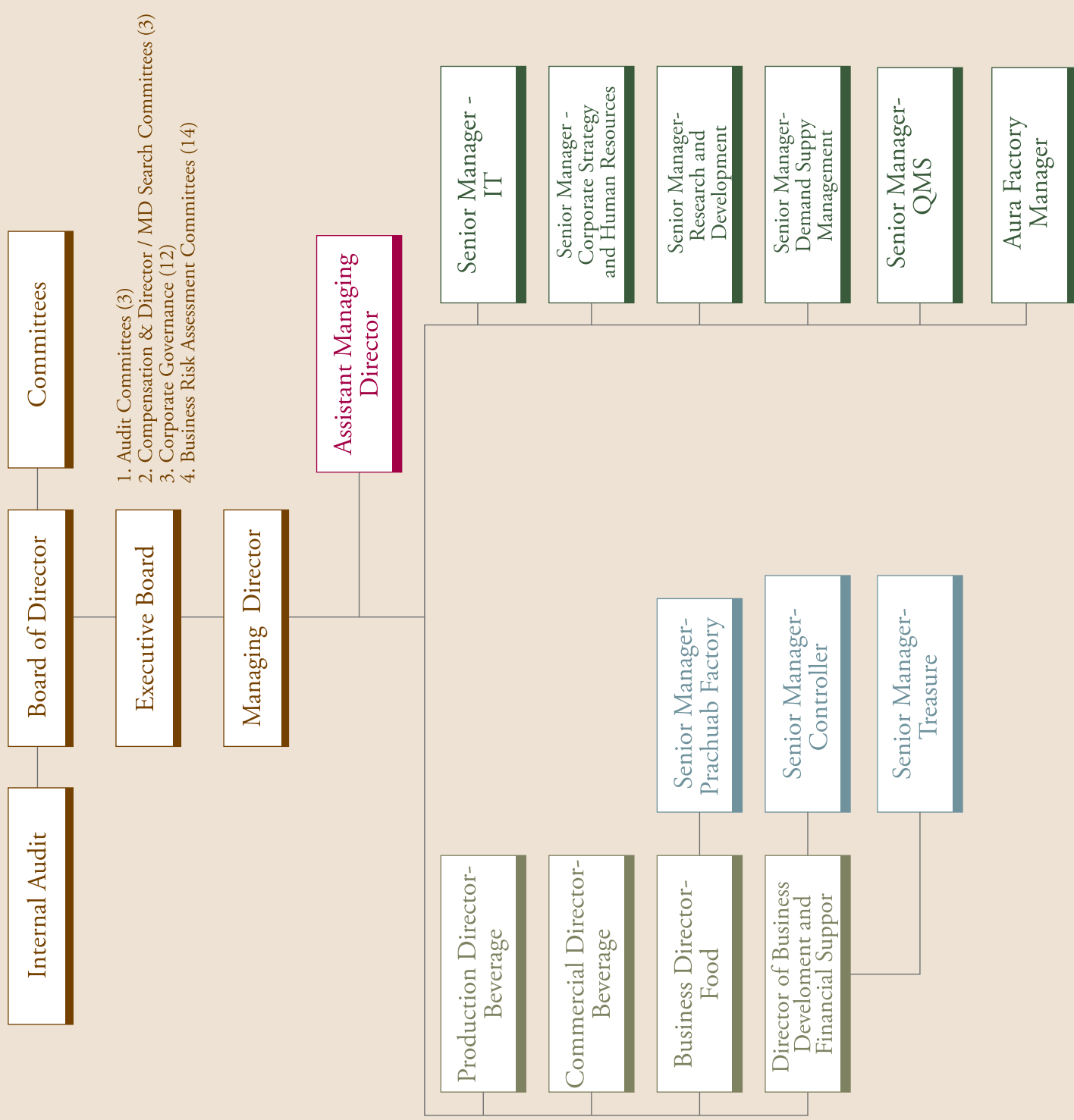
As of for the year ending 31 December	2012	2012	2011	2011	2010	2009	2008	2007
	(Consolidated)	(Company)	(Consolidated)	(Company)	(Consolidated)	(Consolidated)	(Consolidated)	(Consolidated)
Common Share								
Per share Per value *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Book value	5.35	3.42	4.99	3.44	4.25	4.13	3.96	3.81
Basic earnings per share	0.454	0.113	0.712	0.331	0.305	0.427	0.120	1.159
Diluted earnings per share	0.454	0.113	0.712	0.331	0.305	0.427	0.120	1.159
Operation Results (Thousand Baht)								
Revenues from sale	5,441,970	2,395,287	4,825,056	2,455,900	4,713,779	4,457,005	5,125,967	4,365,948
Total Revenues	5,442,120	2,397,625	4,825,086	2,458,308	4,713,779	4,457,005	5,125,967	5,162,808
Gross Profit	1,740,923	356,609	1,550,260	405,613	1,181,897	1,253,577	1,553,712	1,082,172
Earning before interest and tax	379,545	139,246	463,593	221,950	235,713	306,960	271,386	856,483
Net Profit	219,233	54,685	343,626	159,878	146,951	206,162	70,224	552,619
Balance Sheets (Thousand Baht)								
Current Assets	2,223,619	1,183,482	2,121,119	1,576,207	1,489,590	1,754,267	1,993,344	1,423,444
Total Assets	5,977,778	3,314,186	5,739,402	3,387,435	4,797,587	4,670,420	4,879,275	4,558,760
Current Liabilities	2,636,214	1,204,643	2,198,866	1,087,586	1,642,550	1,477,456	1,986,034	1,864,101
Total Liabilities	3,394,072	1,663,821	3,333,112	1,728,481	2,745,831	2,679,678	2,967,232	2,719,522
Issued and paid-up share capital	482,580	482,580	482,580	482,580	482,580	482,580	482,580	482,580
Shareholder's equity	2,583,707	1,650,365	2,406,289	1,658,954	2,051,757	1,990,742	1,912,043	1,839,238
Financial Ratios								
Gross Profit margin (%)	32.0%	14.9%	32.1%	16.5%	25.1%	28.1%	30.3%	24.8%
EBIT margin (%)	7.0%	5.8%	9.6%	9.0%	5.0%	6.9%	5.3%	19.6%
Net Profit margin (%)	4.0%	2.3%	7.1%	6.5%	3.1%	4.6%	1.4%	12.8%
Dividend Payout ratio (%)	0.0%	0.0%	16.9%	36.2%	0.0%	35.1%	224.8%	69.9%
Dividend yield (%)	0.0%	0.0%	3.0%	3.0%	0.0%	3.1%	4.5%	11.4%
Return on Equity (%)	8.5%	3.3%	14.3%	9.6%	7.2%	10.4%	3.7%	30.4%
Return on Fixed assets (%)	8.2%	5.4%	13.0%	17.2%	5.8%	8.8%	2.9%	23.3%
Return on Total assets (%)	3.7%	1.7%	6.0%	4.7%	3.1%	4.4%	1.4%	12.3%
Time interest earned	3.7	2.3	4.9	4.2	4.1	4.6	3.1	9.2
P/E as of Dec 31	12.0	48.1	5.3	11.3	13.9	11.2	40.8	6.2
Current ratio	0.8	1.0	1.0	1.4	0.9	1.2	1.0	0.8
Quick ratio	0.3	0.3	0.3	0.5	0.4	0.5	0.3	0.3
Debt - equity ratio	1.3	1.0	1.4	1.0	1.3	1.3	1.6	1.5



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Organization Chart



Message From the Chairman

01

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The year 2012 continues to be a challenging year with multiple obstacles. The bottoming out of the EU and U.S. economy combined with the strengthening Thai Baht reduced our export volume. The fluctuation of Thai Baht further reduced the export income. However, we were able to achieve Baht 5,442 million in sales or a 12.8% growth from last year, with Baht 55 million in company net profit and Baht 219 million in consolidated net profit. This net profit includes the realized profits of Baht 168 million from the associated company. The Board of Directors will propose to the AGM to withhold the dividend payment of 2012.

Export business confronts with economic slow down in the U.S and EU and also over supply volume of fresh pineapple in the country. So, export volume and selling price become lower export business income was 2.5% decrease from last year.

Domestic Beverage Business continues to be the growth engine to the aforementioned growth. Domestic Beverage Business revenue income had increased by 22.8% from last year due to success in launching new product and brand building.

The Retail and Food Services Business grew by 10% from last year, despite the impact from the increase in minimum wage in Bangkok. The growth could continue mainly from the strong Squeeze brand and the expansion of Squeeze Juice Bar.

Agriculture and Plant Extract Business had earned 4% more income than last year. Plant Extract Business was able to successfully develop numerous pilot extract which could be commercialized in the near future. In addition, the Plant Extract Business also had a new direction to research and develop new ingredients to add value to the existing food and beverage business products.

For the Export Business, the beverage export increased by 73%, mainly from the success of launching Tipco Juice in Korea. Tipco Juice in Korea was met with higher than expected acceptance due to our tireless effort in launching and brand building activities.

The company values and strictly follows Good Corporate Governance and Code of Conducts. In addition we incorporate these values into our culture, and continuously update ourselves with current and future regulations. The Company always take into account Corporate Environmental and Social Responsibility for better practices. Tipco strictly follow food management and food safety systems. All these practices ensured

our sustainable business growth with harmony in the society.

In 2012, the Company continue to follow its strict code of conduct and was rated by the National Corporate Governance Committee at 92% or 'Excellent', for fifth consecutive years, which is higher than the average rating of 88% among companies in the SET 50 Index; the 2012 Annual General Shareholder Meeting was rated by the Thai Investors Association at 95.52% or "excellence", which is higher than the average rating of 89.43% among the listed companies; and the Environmental Good Governance Certificate and accredited the Standard for Corporate Social Responsibility (CSR-DIW B.E.2555) by the Department of Industrial Works, for third consecutive years. Furthermore, the Company, has joined with other 26 companies, in declaration of intent in view of establishing private sector to work in cooperation with the government, civil society, media, and international organization for decreasing corruption in Thailand.

As year 2012 may have passed, the coming 2013 is anticipated to be more challenging due to worldwide increasing economical, political and climate problems. However, we see potential high demand for healthy beverage in Thailand and ASEAN countries, and the positive view of more worldwide demands for canned pineapple products than supplies. In addition, the Company and its employees at all levels who thoroughly understand and are aware of the highest importance of risk management, closely monitor and control every possible risk. Moreover, there is regular improvement to reduce operating costs while maintaining the Company's original product benefits and quality policies.



A. Tiamtan

Mrs. Anurat Tiamtan
Chairman

With all these, we strongly believe that the Company can maintain its business competency and be able to deliver reasonable benefits to the stakeholders.

On behalf of the Board of Directors, I would like to express our great appreciation to our management and employees for devotion and contribution of tireless efforts at their highest capacity especially during the tough and severe flood crisis, and thank our valued customers, shareholders, creditors and suppliers for their trust in the Company and its products, which have helped Tipco to attain today's success.

Board of Directors and Senior Management Team

02



01
Mr. Surachet Supsakorn
Director

02
Mr. Chalit Limpanavech
Independent Director

03
Mr. Virat Phairatphiboon
Independent Director

04
Mr. Pichawat Chomchuen
Independent Director

05
Miss Roumsin Supsakorn
Director

06
Mr. Ekaphol Pongstabhon
Managing Director

07
Mrs. La-or Chaowanamayta
Independent Director

08
Miss Laksana Supsakorn
Director

09
Mr. Sitilarb Subsakorn
Director

10
Mr. Paisan Pongprayoon
Independent Director

11
Mr. Lloyd Vatanakovarun
Senior Manager - Corporate Strategy
and Human Resources

12
Mr. Pornchai Phulsuksombati
Director of Business Development and
Financial Support

13
Mr. Napat Supsakorn
Business Director - Food

14
Mr. Kris Sertthin
Assistant Managing Director

15
Mr. Peerapong Archawapongsawat
Commercial Director - Beverage

16
Mr. Paisan Korsana-nga-luck
Senior Manager - Demand Supply Management

17
Mr. Somchit Sertthin
Director

18
Mrs. Anurat Tiamtan
Chairlady of the Board

19
Miss Nitima Aungatichart
Senior Manager - Treasurer

20
Mr. Phicharn Sluckpetch
Senior Manager - Controller and
Secretary of the Board of Directors

Board of Directors

1. Mrs. Anurat Tiamtan

Chairman of the Board

Mrs. Anurat Tiamtan

obtained her Bachelor's Degree of Science with Honours in Chemistry from Kasetsart University and Master's Degree of Science in Chemistry from The American University, Washington D.C., USA. She previously served a managing director of Tipco Foods PCL, and full-time lecturer at the Chemistry department, Kasetsart University. Currently, she is a chairman of several companies within Tipco Group, an advisor on AGRO-Industry for Kasetsart University Alumni Association, and also a Graduate Member of the Thai Institute of Directors (IOD).



2. Mr. Surachet Supsakorn

Director

Member of the Nomination &
Remuneration Sub-Committee

Mr. Surachet Supsakorn

obtained his Bachelor's Degree of Business Administration in Accounting from Rajamangala University of Technology Krungthep and his Master's Degree of Business Administration in Finance from Kasetsart University. He was previously an executive manager of Thanomwongse Service Co.,Ltd., and special lecturer at the Faculty of Business Administration at Chandrakasem Rajabhat University and at the Rajamangala University of Technology Krungthep. Currently, he is a chairman of the Audit Committee of United Paper PCL, a managing Director of Thanomwongse Service Co.,Ltd., and a fellow member of the Thai Institute of Directors (IOD).



3. Mr. Somchit Serththin

Director

Mr. Somchit Serththin

obtained his Bachelor's Degree of Business Administration from Babson College in Massachusetts, USA. He was previously director of Bank of Asia, PCL, and held many senior executive positions in banking sector, such as in the Continental Bank of Chicago and Chase Manhattan Bank for Taipei Branch. Currently, he is a chief executive officer of Tipco Asphalt PCL., a director in several companies within Tipco Group, and a general member of the Thai Institute of Directors (IOD).



5. Miss Laksana Supsakorn

Director

Miss Laksana Supsakorn

obtained her Bachelor's Degree of Accounting in honour from Chulalongkorn University and Master's Degree of Business Administration from Wharton Business School, University of Pennsylvania, USA. She was previously director of Tipco Asphalt PCL, finance director of Tipco Foods PCL. and director of Homer Co.,Ltd. Currently, she is a director of Ekachai Container Terminal Co.,Ltd, a director of Siam Container Transport and Terminal Co.,Ltd, director of Thanomwongse Service Co.,Ltd and director of Vanichapark Co.,Ltd. She is also a general member of the Thai Institute of Directors (IOD).



4. Miss Roumsin Supsakorn

Director

Miss Roumsin Supsakorn

obtained her Bachelor's Degree of Business Administration from Boston University in Massachusetts, USA., and Master's Degree of Business Administration in Finance from The American University in Washington D.C., USA. She was previously director of Tipco Asphalt PCL. and director of operations - International business division of Tipco Foods PCL. She is now a general member of the Thai Institute of Directors (IOD).



6. Mr. Sitilarb Subsakorn

Director

Mr. Sitilarb Subsakorn

obtained his Bachelor's Degree of Business Administration from Babson College in Massachusetts, USA. He was previously procurement director of Tipco Asphalt PCL. and Tipco Foods PCL. Currently, he is a director of Tipco Asphalt Pcl., Thanomwongse Service Co., Ltd., Siam Container Transport and Terminal Co., Ltd., and Ekachai Container Terminal Co., Ltd. He is also a general member of the Thai Institute of Directors (IOD).



7. Mr Virat Phairatphiboon

Independent Director
Chairman of the Audit Committee

Mr. Virat Phairatphiboon

obtained his Bachelor's Degree in Economics and Business Administration from Adams State College in Colorado, USA. and undertook an executive development program from Princeton University, USA. He held such positions a managing director of the CIMIC Finance and Securities PCL., an executive Vice president in Finance of Siam Motor Co., Ltd. and a credit control director of Chase Manhattan Bank N.A. for Bangkok branch. At present, he is an audit director and a member of the Nomination and Remuneration Committee, Bank of Ayudhya PCL. He is also a graduate member of the Thai Institute of Directors (IOD).

**9. Mrs. La-or Chaowanamayta**

Independent Director
Audit Director
Member of the Nomination & Remuneration Sub-Committee

Mrs. La-or Chaowanametha

obtained her Bachelor's Degree of Science in Food Technology from Chulalongkorn University and trained extensively in Mini MBA. she took an extended training course in Special Program of Mini MBA. She was previously plant manager of Sakol Bottling Co., Ltd., quality management representative of Sakol Group, manufacturing director of Tipco Food Group, a sub-committee on member of Thai Industrial Standards Institute and Technical sub-committee member of Thai Food Processors Association. Currently, she is an executive director of Natda Pirom Co., Ltd. and Sirin Pleasure Co., Ltd. and a graduate member of the Thai Institute of Directors (IOD).

**8. Mr Pichawat Chomchuen**

Independent Director
Audit Committee
Chairman of the Nomination & Remuneration Sub-Committee

Mr. Pichawat Chomchuen

obtained his Bachelor's Degree in Political Science from Thammasat University and Master's Degree in Political Science from Eastern New Mexico University in New Mexico USA. He was previously on independent director an audit committee member and chairman of the Nomination and Remuneration Sub-committee of Tipco Foods Pcl. With experience in the former government and held several executive positions in companies. He was human resources director of Bata Shoe (Thailand) PLC and a managing director of FORTIS Company Limited. and I.T.M.C Company Limited. Currently, he pitch a lecturer Valley University and also a graduate member of the Thai Institute of Directors (IOD).

**10. Mr. Paisan Pongprayoon**

Independent Director
Member of the Nomination & Remuneration Sub-Committee

Mr. Paisan Pongprayoon

obtained his Bachelor's Degree in Engineering concentrated in Civil Engineering from Villanova University, USA, and Master's Degree in Engineering concentrated in Industrial Engineering from Fairleigh Dickinson, USA. He was previously managing director of Samart Cable System Pcl., head of Business Partner at True Corporation Pcl., and director in Commercial Section of Telecom Asia Corporation Pcl. Currently, he is the Advisor of True Corporation Pcl. and special lecturer at Training Center of True Corporation Pcl. He is also a general member of the Thai Institute of Directors (IOD).



11. Mr. Chalit Limpanavech

Independent Director

Mr. Chalit Limpanavech

obtained his Bachelor's Degree of Business Administration in Marketing from Assumption University and Master's Degree in Public Administration from Chulalongkorn University. He took an extended training course in Special Program of Senior Marketing Management in the United Kingdom. He was previously an executive director at Lintas (Thailand) Co., Ltd., an audit director of Chuo Senko Advertising (Thailand) PCL., a chairman of marketing Management Group of the Thai Management Association, and chairperson in Marketing Department of Faculty of Business Administrations at Assumption University. He was also advisor to the Deputy Minister of Industry. Currently, he is a Dean of the Faculty of Communication Arts, Assumption University and also a graduate member of the Thai Institute of Directors (IOD).

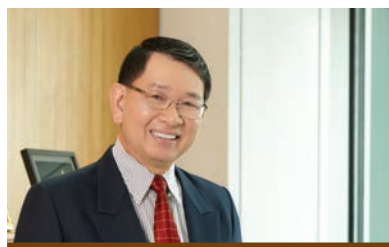


13. Mr. Phicharn Sluckpetch

Secretary of the Board of Directors

Mr. Phicharn Sluckpetch

obtained both his Bachelor's and Master's Degree in Accounting from Thammasat University. He also specializes in finance, accounting, Local Laws and Regulations, especially Thai Revenue Law and Regulations of the Stock Exchange of Thailand and served as He is also a Tax Auditor. At present, he is a senior manager in Accounting & Internal Control of Tipco Food PCL. He attended the company secretary program and the effective minute taking program from the Thai Institute of Directors (IOD).



12. Mr. Ekaphol Pongstabhoh

Managing Director

Mr. Ekaphol Pongstabhoh

obtained his Bachelor's Degree in Chemical Engineering from Chulalongkorn University, and Master's Degree in Finance and Marketing from Kellogg School of Management, Northwestern University, USA. He served as a managing director of various companies such as a managing Thai Film Industries PCL., an acting managing director of Thai Copper Industries PCL., a managing director of DHL Express Vietnam and regional sales Manager in Singapore. He is currently a managing director of Tipco Food Group and also a graduate member of the Thai Institute of Directors (IOD).



Management Team

1. Mr. Kris Sertthin

Assistant Managing Director

Mr. Kris Sertthin

obtained Bachelor's Degree of Business Administration in Finance and Economics from Babson College, USA. He had extended experience in finance sector for 7 years. Prior to Tipco, he was an investment banker at Phatra Security Pcl, an advisory staff to the Finance Minister of Thailand, and a founder of the first web application development company in Thailand that designed E-commerce social network-linked algorithmic platform.



3. Mr. Peerapong Archawapongsawat

Commercial Director - Beverage

Mr. Peerapong Archawapongsawat

obtained Bachelor's degree in Marketing from Assumption university and Master's Degree in International Business from University of New Orleans, USA. He had extended experiences in product management, new business development, and marketing in modern trade and food service channels. Presently, he is responsible for strategic planning and development of beverage business for domestic and ASEAN markets. He is also in charge of new out-of-home business opportunity analysis for retail market.



2. Mr. Napat Supsakorn

Businesses Director – Food

Mr. Napat Supsakorn

obtained one Bachelor's Degrees with Honours in Computer Science from Royal Holloway, UK and one Bachelor's Degree in Management from Bedford New College, University of London, UK. He later earned Master's Degrees in Information System Management from the London School of Economics and Political Science, University of London, UK. He had experiences in marketing from multiple leading international companies in Thailand; such as from IBM and SAS Software, etc. He was previously a business support director for Tipco Foods Group. He is now responsible for business strategic development, new product and new market expansion, and management of sales, marketing, and customer support teams.



4. Mr. Pornchai Phulsuksombati

Director of Business Development and Financial Support

Mr. Pornchai Phulsuksombati

earned two Bachelor's Degrees in Science and Veterinary Medicine, one Master's Degree in Business Administration from Chulalongkorn university. He had extended experiences in production management, export marketing, procurement, and empty can sales business. Currently, he is responsible for new business strategic development and management of accounting & internal control, finance & business planning, and investor relation departments. In addition, he now serves as a quality management representative (QMR) of many quality systems, and a chairman of business risk assessment sub-committee.



Core businesses of TIPCO

03



Beverage business

At present, consumers tend to be more concerned about their health. Thus, the number of health-related products has grown continuously. The Company has conducted research and development on products that fulfill the needs of health-oriented customers. The Company has focused on the procurement of new materials of good quality from various sources for development of products that cater to the needs of customers. This year, a new fruit juice flavor under the Tipco brand was developed and launched to the market in the second quarter, i.e. 100% apple and grape juice. Another new fruit juice flavor under the Super Kid brand, namely 100% apple and grape juice, was also introduced to the market in the third quarter. Furthermore, two additional flavors of Ready-to-drink Mirai Green Tea in the 250cc package were developed and unveiled to the market in the second quarter, namely Honey and Lemon and Original Minto. With the support from the innovations employed by the Company, the Company was able to unveil a new product, namely Tipco Fruit Plus, which is fruit juice with pulp in UHT package. The package is produced by the method called "Aseptic Single Serve" which involves sterilization and germ-free techniques. TIPCO is the first and only company that developed such kind of package in Asia. There are a total of 4 flavors, i.e. 100% mandarin orange juice with orange meat and pulp, 100% apple juice with aloe vera pulp, 100% fruit and vegetable juice with aloe vera pulp, and 100% aloe vera and grape juice with aloe vera pulp. The products were first marketed in April. The Company still maintained its market leader position in the health beverage segment and ranked no. 1 in the 100% fruit juice segment with the market share of 42%.

As regards Aura mineral water, in 2012, the product achieved a 34% growth with an ongoing growth trend. However the mineral water market in Thailand is still relatively small due to the fact that consumers still do not understand the benefits and differences between mineral water and general water. Due to limited sources and vagueness of information, provision of knowledge regarding mineral water has become necessary for the growth of the mineral water market in Thailand.





Aura mineral water is produced from the cool water fountain which is the one of its kind in Thailand. It is located 2,700 feet above sea level in Mae Rim district, Chiangmai province, a place with small population and without large industrial factories, hence no pollution. Considering the clear benefits and outstanding features of Aura mineral water, the Company aims to provide more knowledge to consumers regarding the outstanding features of mineral water produced from the cool water fountain as well as its cleanliness and purity. Mineral water is a valuable product of the natural mineral filtration process.

The Company continually strives to be the leader in both domestic and international health-related product markets. Focus is placed on the production of good quality, fresh and tasty products. The Company also aims to be one of the leaders in terms of consumer health by providing knowledge and understanding regarding healthcare through online communications as well as to be part of everyone's daily life through use of products under the Tipco brand. This is because TIPCO wishes all Thai people to be in good health.

Food business

With experiences and expertise in pineapple and the promises to develop and present new products of good quality that fulfill the needs of customers in various groups, in 2012, the Company focused on the development and production of 3 new products, for example, pineapple in plastic cup for the retail market. This package is suitable for consumers with modern lifestyle who care for convenience, comfort and health. As regards the food industry business and the food service business, the Company has expanded its production line to include pineapple in retort pouch, another choice for customers who want eco-friendly packages. Due to the popularity of Thai food around the world and the advantages of the location of the Company's factory in the area which is covered with the largest number of coconut trees in Thailand, the Company has been inspired to expand its line of products to cover the coconut product segment. With regard to the production, the Company has installed machinery for production



of coconut milk, expected to be ready for production for sale in the beginning of 2013. The coconut milk is not only an addition to the existing product line but also a driver to the strength of the coconut juice business of TIPCO.

As regards sales and marketing activities, as several European countries have continuously encountered economic difficulties, the Company has expanded the customer base to countries in the east, i.e. China, South Korea, Indonesia, the Philippines, and Indochina countries. With the support from distributors of Tipco fruit juice in many countries, the Company was able to expand its product and service lines to cover canned pineapple and fruit juice under the Tipco brand and received a warm welcome from consumers in such countries. In South Korea, Tipco products were used in the TV drama series called "The King of Drama" which gained worldwide popularity. As a result, Tipco logo appearing in such TV program was not viewed only by consumers in South Korea but also by consumers around the world.

In addition, the factory in Prachuap Khiri Khan province has expanded the scope of certification of new products such as the coconut water that passed the GMP/HACCP/BRC/IFS standards and the fruit in plastic cup that passed the GMP/HACCP/IFS standards. Also, the pineapple products passed the standards set by the factories of TESCO and YUM. After having passed the manufacturing process standard, the pineapple, the mixed fruit juice, the concentrated pineapple juice and the aloe vera products were successfully marked with "STAR K" sign by Kosher.

The Company will continue to translate its inspiration into offering of new products and methods to consumers for years to come. The Company will live up to its commitment towards fulfilling desires and changing lifestyle of customers.

Retail business

As regards the outlook of the Squeeze Juice Bar business in 2012, the business saw a slower growth than in the past year. The main factors affecting the business operations were the higher costs of locations and people. The upward adjustment of sales prices of products following the increased costs resulted in the slowdown of sales in short periods. Thus, the Company has deferred the opening of certain new branches which required further research and analysis. However, the Company has prepared itself in terms of planning and adjustment of some business models to ensure its competitiveness and strong position amidst substantial changes in the external environment. Relevant actions would gradually start from 2013 onwards.

In 2013, with the new business model, the Squeeze Juice Bar business will be re-expanded and grow according to the long-term strategy in order to fulfill the needs of consumers. Therefore, the Company is confident that it will continue to grow towards stability and sustainability while adhering to the commitments it has given to its stakeholders for years to come.





Agriculture and plant-extract business

The Company has experimented the development and plantation of Homsuwan pineapple for fresh consumption. The developed pineapples are of good quality and widely recognized by health-oriented consumers. It can be seen that from its first introduction to the market in 2008, Homsuwan pineapple has gained popularity from consumers. The sales doubled every year and the Company has a plan to grow more Homsuwan pineapples. It is expected that in 5 years, all pineapples planted in the fields of the Company will be Homsuwan pineapples.

2012 marked the first year of the Company's sale of plant extract products after a certain period of research and development. The Company's successes included the production and sale of plant extract products at the industrial level to its trading partners in Japan. Key products generating income for the Company included extracts from pineapple fibers and extracts from black galingale. Moreover, the Company was able to obtain income from the production and sale of other products such as mangosteen extracts, roselle extracts, emblic extracts, etc. Extracts produced by the Company can be used for several purposes, e.g. food, beverage, supplementary food, cosmetics and medicine.

As a result of ongoing business expansion, in the past year the Company recruited additional staff to join forces in developing products and business related to plant extracts to support the production of this year. In this regard, the Company plans to increase sales of products while conducting research and development of new products based on collaboration within and outside the organization. The research and development effort is aimed at developing innovative products for use in healthy food, medicine and cosmetics.



Corporate Social Responsibility

04



The Company conducted business operations in accordance with its Code of Conduct and the principles of good corporate governance with social and environmental care and consideration. Efforts in terms of internal and external social and environmental contribution and support activities were made. Employees were encouraged to participate in various activities in order to raise awareness of the importance of giving and being socially responsible to a wider extent and in sustainable manner. With the strong commitment to giving support and alleviating difficulties of others, the Company continuously made donations in the forms of money, beverage products and mineral water through various organizations, foundations, agencies and communities. Details are as follows:

Environment

- The Company supported the “Recycled Materials Management Center” activity undertaken at the factory in Prachuap Khiri Khan Province. This activity has been held continuously in accordance with the policy on encouraging communities to use the packaging and household waste management system. In so doing, employees were asked to sell recycled materials to the center to support the activity campaign.
- Members of the factory in Prachuap Khiri Khan Province jointly grew a total of 30,000 plants of vetiver grass under the royal initiative concerning vetiver grass at demonstration plots in KM5 Subdistrict Municipality.
- The mineral water factory in Chiang Mai Province implemented a project called “Construction of Dams from Upstream to Downstream on the Occasion of the 81st Birthday Anniversary of Her Majesty the Queen”. The project is a collaborative effort of Chiangmai people to construct a total of 81 dams in the sub basins of Huai Dan River and Mae Sa River, Mae Rim District, Chiang Mai Province. The project period is from December 2012 to December 2013.

Society

- A total of 1,700 packs of Tipco beverage products and Aura mineral water were provided to people who participated in the ceremony to celebrate the auspicious occasion of His Majesty the King’s birthday anniversary on 5 December 2012 at the Ananta Samakhom Throne Hall within the Dusit Palace.
- A number of Tipco beverage products and Aura mineral water were provided at the “Unity of Thais under the Reign of King Rama 9” event held at the Amphorn Satharn Villa. The event was jointly organized by the Ministry of Culture and the Ministry of



Interior as well as dhamma volunteer networks, government and private agencies, and public interest organizations, with the aim of mobilizing Thai people to express their respect, loyalty and gratitude to His Majesty the King and to pursue the aim of “Loving Dad in Practice” by following in the footsteps of His Majesty.

- The Company has continuously provided Tipco beverage products to the Thai Red Cross Society to support people donating bloods and activities of the organization from 2008 until present.
- Tipco beverage products and Aura mineral water were provided to the Office of International Agriculture, Faculty of Agriculture, Khon Kaen University at the national policy seminar on the topic of “Promotion of Underutilized Indigenous Food Resources for Food Security and Nutrition in Asia and the Pacific”. The seminar was attended by a total of 150 participants from 45 countries.
- The Company together with the Ayutthaya Provincial Authority presented Baht 100,000 to His Majesty the King upon his visit to Phra Nakhon Si Ayutthaya Province as well as provided Tipco fruit juice products and Auro mineral water to honorable guests and people who came to welcome His Majesty’s arrival at Thung Makham Yong paddy field, Phra Nakhon Si Ayutthaya Province.
- Tipco beverage products and Auro mineral water were provided to the Department of Export Promotion under the project of “Support from Behind the Lines: From Hands of Monks to Hands of Brave Soldiers and Police Officers”.
- Tipco beverage products and Auro mineral water were provided to the Royal Thai Air Force Operation Center for Combating Drugs at the “Kingdom’s Unity for Victory over Drugs in Celebration of Her Majesty the Queen’s 80th Birthday Anniversary” event. The event was held at the Royal Thai Air Force Meeting Hall to celebrate Her Majesty’s birthday throughout 2012 and to express loyalty and gratitude to Her Majesty for her kind concern over the drug problem.
- The Company was engaged in road repair work and installation of lights around the factory in Prachuap Khiri Khan Province in order to facilitate convenience to commuters in the community and reduce accidents. The total cost was Baht 1,582,332.

Education

- Two scholarships, each worth Baht 100,000, were granted for undergraduates. This scholarship program has been held continuously in order to provide financial support for students who have good academic performance but are in need of funds.



- A total of 246 scholarships worth Baht 609,500 were granted for children of employees and farmers as well as community schools around the factory.
- A financial support was given to Ban Bueng School, Prachuap Khiri Khan Province to support the expense on hiring of a kindergarten teacher
- Scholarships totaling Baht 50,000 were given to the International Good Deeds Association.

Religious places

- Tipco Group and affiliated companies as well as their executives and employees jointly participated in the annual robe offering ceremony at Khao Ophat Temple, Rayong Province. Also, the factory in Prachuap Khiri Khan Province joined the annual robe offering ceremonies at 6 temples in Prachuap Khiri Khan Province .
- The factory in Wang Noi District provided a financial support for the restoration of areas around temples affected by the flooding and gave Tipco products to temples participating in the project of dhamma practice and non-ordained Buddhist nuns training at Sahakorn Dhamma Nimit Temple.

The underprivileged

- The Company co-sponsored the project called “From Upstream to Downstream” with the TV program called “Think Good and Be Happy” arranged by the Royal Thai Army Radio and Television Channel 5. The project was aimed at providing learning opportunities and creating happiness for the underprivileged youth at Ban Mae O School, Chiang Mai Province, through several activities such as the children’s field trip to the Sattahip Naval Base, Chon Buri Province.
- The Company launched the “Aura Charity for Hill Tribe Children” project under the concept of “Care to Share”, aimed at providing support for hill tribe children through the construction of a library and learning center for the Thai hill tribe people at Ban A Hai, Mae Fah Luang District, Chiangrai Province.
- The factory in Wang Noi District gave Prabatnampu Temple Tipco beverage products and Aura mineral water as well as the donated funds and essential items totaling Baht 34,000.

Apart from the above, the Company remains steadfast in providing its support and contribution to the development of the environment, society and quality of life. The Company always focuses on the policy of “Development of Both Business and Society” in order to promote the awareness of the importance of giving and being social responsible to a wider extent and in a sustainable manner.





Human Resource

05

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People have always been and always will be the focus of TIPCO to drive business. Aftermaths of the mega flood in 2011 left the Company to concentrate on boosting the morale of the employees particularly at the factory in Wang Noi district, Ayutthaya province. Through the Friends Help Friends (FHF) program, employees received various support during and after the flood including temporary shelters, allocation of accommodation fees, visitation to those affected from the disaster and grants to repair their houses. Throughout 2012, Happy Workplace remained the core theme to attract and retain employees. Numerous activities were initiated, such as, sport competition and company outings to make TIPCO a place to be for work. Nonetheless, talent retention continued to be a challenge especially when the economy was good and where the talent competition was high. In the mid of 2012, TIPCO relooked at its business model and how it was going to compete in the next 10 years. Key personnel were involved in the “Inspired” program which took 6 – 7 months and began in Q2 of 2012. The new strategy cannot be materialized without competent personnel. Therefore, a new talent development program called “Human Capital” which will be a joint project between Tipco Foods Pcl. and Tipco Asphalt Pcl. will transpire in the next 2.5 years. Its goal is to develop key talents at every level to become executive talents for the companies. With support by Suntory Beverage & Food Asia Co., Ltd.’s global development program, successors of every key position within TIPCO will be carefully screened and rigorously developed to encourage internal promotions. The belief of hiring by skills will be replaced by the practice of hiring by attitude which the Company believes will be the key to drive the new businesses of TIPCO. Human Capital will ultimately tie the performance and reward management to align the direction, attitude and commitment of every employee to accomplish the new Company’s targets.







Report of the Corporate Governance Subcommittee

The Board of Directors, in its capacity as the Corporate Governance Subcommittee, is committed to ensuring that the Company's operations comply with the good corporate governance guidelines which are stipulated by the Stock Exchange of Thailand and are in line with the international practice.

The Company encourages employees at all levels to operate according to the good corporate governance principles with the aim of assuring shareholders, investors, customers and stakeholders that the Company's has adopted efficient, transparent, accountable and fair management mechanism which adds values and promotes sustainable growth of the Company in accordance with its vision and goals of achieving continuous growth and remarkable competitiveness as well as gaining recognition and trust from both local and international customers.

In 2011, the Company constantly conducted the training program on good corporate governance and code of conduct in an effort to concretely communicate the Company's relevant policies to the management and employees at all levels; to encourage the employees to recognize the importance of good corporate governance and their roles and responsibilities and to comply with the Company's code of conduct; and to consistently cultivate the good corporate governance culture within the Company. In addition, the Company participated in a wide array of anti-corruption initiatives. According to the Employee Opinion Survey (EOS) for 2012, the average score of all entities under the topic of anti-corruption was 4.58 (out of the total of 5.00), which was the highest compared to other topics.

Our consistent adherence to the principle of good corporate governance earned the Company the Top Corporate Governance Report Award from the Stock Exchange of Thailand for five years (2003-2006 and 2010). In 2012, the National Corporate Governance Committee assigned the Company the good governance score of 92% or "Excellent" which was above the average score of 88% assigned to peer listed companies in the SET 50 Index. This marked the fifth consecutive year of the Company's accomplishment of the "Excellent" rating. In addition, the Company's 2012 shareholders meeting was rated 95.25 points or "Excellent" by the Thai Investors Association.

Throughout 2012, the Company actively and continuously implemented CSR activities which included the donation of funds, ready-to-drink beverages and mineral water as well as the Friends Help Friends (FHF) project which was aimed at extending support and help to both our employees and people in general during the flood disaster in order to encourage them to stay strong and get through the crisis together. As regards the human resources management, the Company focused on the competency development and the creation of good working atmosphere. As a result of our systematic and continuous human resources development initiatives, TIPCO Foods Public Company Limited received the 2012 Outstanding Company for Human Resources Planning and Development Award from the Department of Skill Development, Ministry of Labour. The Company implemented such initiatives to maintain a sustainable growth and to live happily and proudly in society as a socially and environmentally responsible member in accordance with our management policies and our ultimate goal of upholding the good corporate governance philosophy.



Mrs. Anurat Tiamtan

Chairman of Corporate Governance Subcommittee

Good Corporate Governance

Recognizing the importance of good corporate governance, TIPCO has adopted the Stock Exchange of Thailand's 2006 Principles of the Good Corporate Governance for Listed Companies by integrating 15 good corporate governance practices into its good corporate governance guidelines and code of conduct, which had originally been implemented from 2002-2006 and revised in 2007, in order to ensure alignment with the good corporate governance principles stipulated by the Organization for Economic Co-operation and Development (OECD). In 2010, TIPCO revised its good corporate governance and code of conduct handbook and restructured the organization to promote transparent, accountable and measurable operations. Guidelines related to proper business practices and relationship with every group of stakeholders are clearly set and are based on changes in social and economic environments, regulations and standards and are comprehensively included in the handbook. In addition, training programs covering contents of the handbook were conducted for all entities in its food business to ensure that employees thoroughly understand and strictly comply with the principles of good corporate governance and code of conduct as well as to continuously foster the compliance culture in order to build a foundation for the Company's growth and create added values to all groups of stakeholders.

The Board of Directors of TIPCO is comprised of highly qualified and capable individuals and. The directors have consistently participated in self-development programs arranged by the Thai Institute of Director Associations (IOD). The Board of Directors partakes in the formulation and endorsement of the corporate vision, strategies, goals, business plans and budget as well as supervises performance of the management to ensure that the Company's operations were undertaken efficiently and effectively in accordance with predetermined business plans and budget. It is the duty of the Board of Directors and the management to be responsible for shareholders. In this regard, the Company has implemented an effective system to ensure segregation of duties between the Board of Directors and the management, reviewed and evaluated internal control, and undertook risk management and control. TIPCO has complied with the laws, its objectives and regulations, and the resolutions of shareholders' meetings as well as protected the Company's interests based on the good corporate governance philosophy. In addition, 4 subcommittees have been established, namely the Audit Committee, the Nomination and Remuneration Subcommittee, the Corporate Governance Subcommittee, and the Business Risk Assessment Subcommittee. Members of the said subcommittees have qualifications and duties in accordance with the requirements specified by the Stock Exchange of Thailand. Roles, duties and responsibilities of the subcommittee members, the management, the Board of Directors and major shareholders are clearly defined in writing.

According to the annual corporate governance evaluation for 2012 conducted by the National Corporate Governance Committee, the Company received the total score of 92% or "Excellent" which was above the average score of 88% assigned to peer listed companies in the SET 50 Index. This marked the fifth consecutive year of the Company's accomplishment of the "Excellent" rating. Details of our rating in each dimension of the evaluation are as follows:

	2012	2011
Rights of Shareholders	97%	95%
Equitable Treatment of Shareholders	92%	92%
Rights of Stakeholders	92%	91%
Information Disclosure and Transparency	92%	94%
Board of Directors' Responsibility	86%	86%

Good Corporate Governance

In 2012, the Company reviewed its vision, operating goals, strategies and business plans in order to suitably respond to the current and future business landscape. The vision will guide the Company's operations from 2011-2015 and mainly focuses on gaining customers' trust in our quality and innovation. In order to realize the vision, the company emphasized 4 perspectives which are financial management, customer, internal process, and learning and growth of our human resources. In addition, the Company translated its critical success factors and excellence into the actual business operations. Targets of each individual, department, division or business have been linked to drive the achievement of the Company's goals and vision. Policies such as the policy on quality which focused on creating customer satisfaction through factors which included personnel, operating process, safety, environment, and society have been established in order to foster the commitment to good business practices and being a role model for the community and the nation. The Board of Directors established the Corporate Governance Subcommittee, consisting of all directors of the Company, and formulated the policies on good corporate governance and code of conduct which were disclosed in the Company's annual report and website. To actively encourage employees' compliance with the good corporate governance philosophy, the Company undertook initiatives to promote their awareness and understanding of the good corporate governance principles.

In 2007, the Corporate Governance Subcommittee approved the adoption of the 2006 Principles of the Good Corporate Governance for Listed Companies. Practices under said principles are as follows:

Right of Shareholders

Annual Shareholders' Meeting

In the 2012 Annual General Meeting of Shareholders, 7 directors, including the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Subcommittee, attended the meeting while 2 directors could not attend due to their engagement with overseas duties. The Company convened the meeting in accordance with the laws in every detail, from the announcement of the meeting, submission of documents, notification of the meeting and timely provision of adequate information for shareholders in advance of the meeting to the acceptance

of the shareholders' assignment of independent directors as their proxies for meeting attendance and voting in the case where shareholders could not attend the meeting. (For more information, please refer to the "Shareholders: Rights and Equitable Treatment" section.) The barcode registration system was used for the annual general meeting of shareholders in 2012 for faster processing of data in relation to the number of attending shareholders and the voting result of each agenda. Prior to the commencement of the meeting, the chairman of meeting informed shareholders of the process of voting on paper ballots. The vote counting process was witnessed by representatives of independent directors, auditors and our employees. The meeting was videotaped to ensure transparency and accountability. Furthermore, all shareholders were given equal opportunities to examine the details of the company's operations, raise questions, and express opinions. The minutes of the meeting were disclosed on the company's website. Since 2008, the Company has allowed minor shareholders proper time and opportunity to propose agenda items and nomination of candidates for directorship prior to the meeting via its website.

The Company's 2012 annual general meeting of shareholders was rated 95.25 points (out of 100 points) or "Excellent". The average score of listed companies was 89.43 points.

Equitable Treatment of Shareholders

Recognizing shareholders' equal rights to receive accurate and adequate information for their consideration within appropriate timeframe, the Company submitted the meeting notification, supporting documents of all agenda items, list of ID documents required for the meeting attendance, proxy form and proxy assignment procedure details to shareholders 14 days prior to the meeting date. Starting from the Annual General Meeting of Shareholders No. 1/2006 onwards, the Company disseminated supporting documents of each meeting agenda item via its website prior to the meeting document submission date in order to provide shareholders with faster access to such information. In 2009, the Company started adopting the practice of publishing such information on its website 30 days prior to the meeting date. Selection of meeting time and venue was based on the consideration of shareholders' convenience. On the meeting date, attendance registration could be made 2 hours prior to the meeting commencement and shareholders could freely express their opinions and raise questions. Voting was made for each agenda item in sequential order according to the predetermined agenda and no agenda item was added without prior notice to shareholders. Shareholders were informed of details of the voting process before voting. Clarification and discussion were made prior to casting of votes on each agenda item. In this regard, every shareholder had equal right to vote, except for shareholders having conflict of interest. For example, directors having conflict of interest in the directors' remuneration agenda item should refrain from casting votes on such item. From 2008 onwards, information regarding objectives and criteria concerned has been published on the Company's website to allow minor shareholders to propose agenda items and nominate qualified candidates for directorship. In 2012, the Company held 1 annual general meeting of shareholders and the meeting notification provided general details, rationale, additional impact and opinions of directors related to each agenda item to support shareholders' understanding, analysis and decision making. As for shareholders who could not attend the meeting, they could opt for either assigning their proxies to attend the meeting and offer opinions on their behalf or, as an additional option initiated by the Company, assigning independent directors as their proxies with the power to vote on their behalf. The directors have always placed the annual general meeting of shareholders as a top priority and would attend every annual general meeting of shareholders unless unavoidable circumstances prevent their participation therein. The Company's senior management team has regularly and consistently attended the shareholders' meetings.

The meeting minutes represented a complete record of all significant details such as attending directors, clarification provided by the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Managing Director and other relevant directors. The meeting minutes also included questions raised and opinions expressed by shareholders, voting and vote counting processes, the number of approval votes, disapproval votes and abstention votes, and other relevant information. The meeting minutes were submitted to the Stock Exchange of Thailand within 14 days from the meeting date and were posted on the Company's website to allow shareholders to check the accuracy of recorded details of resolutions, discussion and clarifications made at the meeting, and to suggest addition or amendment which should be made to the meeting minutes before the proposal of the minutes to the subsequent shareholders' meeting for adoption.

The voting ballots, documents and evidence were systematically compiled, retained and available for examination and use as reference.

The Company announced the resolutions of the shareholders' meeting through the news system of the Stock Exchange of Thailand on the day following the meeting date and clearly indicated the number of approval votes, disapproval votes and abstention votes of each agenda item in order that shareholders who did not attend the meeting could swiftly gain information regarding the meeting resolutions.

As regards the allocation of profits, the Company has the mechanism to assure shareholders of their fair share in the profits earned. The shareholding structure of the Company was clear and presented no cross-shareholding. However, the Company and its related party (TIPCO Asphalt Pcl.) jointly hold shares as a result of investment in ordinary shares of 24.33 percent. Related parties transactions were proposed to the Audit Committee for consideration and to the Board of Directors for approval without voting by directors having conflict of interest in such transactions. The Audit Committee has the authority and duty to oversee transactions to prevent against conflict of interest and to establish inside information management procedures to prevent against use of inside information for personal gain. From 2004 onwards, the requirement of reporting of changes in possession of shares by directors and executives to the Secretary to the Board of Directors has replaced the practice of individual reporting. Directors and executives are required to disclose their possession of the Company's shares at Board of Directors meetings.

Roles of Stakeholders

The Company has attached importance to the rights of both internal and external stakeholders and thus established the "Code of Business Ethics" which covered anti-corruption, responsible political involvement, equal and fair treatment of stakeholders, social and environmental responsibilities, compliance with labour laws and respect for employee rights. Code of practice for 3 key parties being involved in operations and the Company's stakeholders has also been established. The 3 key parties consist of the management (directors, senior executives, managers and supervisors), employees and major shareholders. In particular, the code of practice for the management indicated practices is related to 7 groups of stakeholders which included shareholders, employees, customers or consumers, trading partners and/or creditors, competitors, environment, and community involvement and development. The code of business ethics and code of practice are based on the commitment towards quality and integrity, and emphasize the good corporate governance process to prevent interference of major shareholders in the decision making of executives who operate based on the principles of honesty and professionalism. In addition, TIPCO, realizing its role as a member of the community, has adopted the CSR policy to operate businesses in accordance

with CSR principles and undertook activities which supported the policy. Employees have been assigned duties and responsibilities which support CSR activities and policy (Please refer to the CSR policy on the Company's website.) Example of our CSR activities included assistance and support in the form of scholarship for students, educational resources or facility improvement extended to schools located near our factories or other schools as appropriate; financial support or in-kind donations for activities of governmental agencies, schools, temples or other entities; and cooperation with the community in maintaining good environmental standards of our factories to prevent adverse environmental effects on the community etc.

Report on Environmental and Social Responsibilities

In operating its business, the Company aims to fulfill its responsibility to every group of stakeholders. Recognizing its status as a member of society, the Company is determined to act responsibly towards the environment and the society as well as to be a good and quality citizen. This ideology has been promoted to our employees at all levels, which include directors, senior executives, managers, supervisors and staff, as well as other stakeholders to encourage uniform practice. The CSR policy and principle have been developed in writing to serve as guidelines of practices in different situations to promote active and consistent demonstration of social and environmental responsibilities. With these, all stakeholders in the food business of TIPCO are well aware of their CSR responsibilities and live up to the motto of "TIPCO... developing business together with the environment and society".

To ensure that business management and CSR activities of the Company are efficient and in accordance with the said commitment, TIPCO established the Working groups on environmental and Social affairs which consists of representatives of the management responsible for CSR, the leaders, members and secretaries of working teams of factories and the headquarter. Duties and responsibilities of the committee are as follows:

1. Propose CSR activities related to governmental agencies and communities under responsibility for consideration and support;
2. Coordinate and organize CSR activities within the approved budgetary framework;
3. Oversee, monitor and propose activities which promote effective management of factory environment in compliance with provisions, laws and standards concerned;
4. Be a center responsible for promoting and communicating news related to CSR activities of the organization through local media;
5. Develop annual action plans for CSR activities and propose budget required for the activities;
6. Undertake other activities related to the promotion of the Company's image as an environmentally and socially responsible organization as assigned.

The Working groups on environmental and Social affairs is required to hold meetings to plan, implement and monitor activities as well as to report CSR activities to the management regularly. In 2012, the Working groups on environmental and Social affairs of all factories and the headquarters continuously implemented CSR activities, aiming to encourage employees to participate in the activities. As a result of their active efforts, all factories and the headquarters are able to successfully undertake duties and responsibilities in accordance with the Company's policies and goals. Such success is evident in the result of the community satisfaction level survey, the impressive cooperation of local communities and governmental agencies in CSR activities initiated by the Company and its employees, and consistent support from local media in relation to promoting and conveying positive image of the Company to the public.

In 2012, the factory in Prachuap Khiri Khan province was presented the CSR-DIW Continuous Award for the third consecutive year from the Department of Industrial Works, Ministry of Industry, in recognition of its continuous CSR efforts and readiness for the ISO 26000, an international standard contributing to sustainable development and achieve sustainable development, as well as the CSR for AEC Integration Award from the Department of Social Development and Welfare, Ministry of Social Development and Human Security.

The Company has continuously conducted the Community Satisfaction Level (CSL) survey. In 2012, the target CSL score was set at 4.40 points out of 5.00 points and the Company achieved the average score of 4.13 points, the factory in Prachuap Khiri Khan province 4.49 points which were higher than previous year's score of 4.44, the factory in Chiang Mai province 3.92 points which were lower than previous year's score of 4.50 points, and the factory in Wang Noi district 3.97 points. In this regard, the Company assigned relevant entities to translate recommendations shared by communities into actions.

Other stakeholders can address their concerns regarding the accuracy of financial reports, weaknesses in internal control systems, or non-compliance with laws or code of business conduct to the Board of Directors via addresses, telephone numbers and e-mail addresses of directors as shown on the Company's website.

To translate the recognition and awareness of stakeholders' rights into action, the stakeholders' rights have been incorporated into the Company's business framework and vision as follows:

"TIPCO is recognized in ASEAN as a trusted food company excelled in innovation and quality"

From 2003 – 2007, the "Culture Leads Organization" initiative had been implemented by the Company, highlighting the relation between the corporate vision and core values and their roles in driving sustainable growth. The Company continued such effort under the new vision which guided the Company's operations from 2008 – 2012. Also, 5 core values are collaboratively formulated by the management and represented by the acronym of TICO:

T stands for **Teamwork**

I stands for **Innovation**

P stands for **Pursuit for excellence**

C stands for **Commitment to Customer**

O stands for **Openness to learn and communication**

The core values incorporate the focus on the satisfaction of customers, both internal and external customers of every entity of the Company, and promote across the organization the awareness of and the commitment to quality of services and products in order to satisfy consumers and service users. Such awareness and commitment have fostered the culture of good corporate governance. According to the result of the Customer Satisfaction Index Survey conducted in 2012, the responses ranged from "Satisfactory" to "Excellent" and the average score was 97.1% which was slightly lower than previous year's score of 98.2% but higher than the target of 95.0%.

Recognizing that human resources are key driver of the continuous business growth, the Company conducted the Employee Opinion Survey (EOS) to evaluate employees' attitudes toward the organization in terms of its image, reputation, benefits, management and good corporate governance. In 2012, the survey result was 4.17 (on a total scale of 5.0), lower than the score of 4.19 achieved in 2011 and the target of 4.30. Ranked highest was the topic of anti-corruption followed by confidence in the organization, management and products. Ranked in the bottom 2 were

focus on work goals and variable pay. In this regard, the management agreed to work and improve on the said 2 issues. As regards human resources development, the Company has reviewed and identified core competencies and managerial competencies necessary for employees based on the Company's business goals. In doing so, the 360-degree competency assessment has been conducted for department managers and above. The assessment results are applied to the Employee Development Plan (EDP) to identify development roadmap and activities which are suitable for individual employees in order to improve their weaknesses. The Company has also organized the Executive Development Program for top management. In an effort to develop employees at other levels, each functional unit has conducted assessment and formulated individual development plans based on Core Competency Index (CCI) to develop competencies and career path for employees as well as to encourage talents to learn about different facets in order for them to grow and be ready for the Company's new vision.

The Supplier Satisfaction Survey was conducted and the Company achieved the satisfaction level of 4.62 out of 5.00, higher than the previous year's score of 4.57. The Company has made improvements based on comments and opinions provided; clearly determined personnel responsible for the improvements and target dates; and evaluated the progress regularly with a view to living up the good corporate governance principles and equitably treating stakeholders.

(Remark: The scale of 1-5 was applied where 5 is Excellent, 4 is Good, 3 is Satisfactory, and 2 and 1 are Unsatisfactory.)

Disclosure and Transparency

Corporate Governance Policy

To achieve the Company's goals, to be accountable for functional performance and operations, to promote transparency on the basis of integrity, to create long-term competitiveness, and to strengthen the confidence of stakeholders, the Board of Directors established the good corporate governance policy as follows:

1. The Board of Directors shall be supervised to ensure efficient performance of duties in accordance with the assigned roles and responsibilities;
2. The internal control and business risk management systems shall be implemented efficiently and systematically;
3. Guiding framework shall be provided and strategies/business plans shall be reviewed in collaboration with the management;
4. Conflicts of interest shall be prevented;
5. All shareholders and stakeholders shall receive equitable and fair treatment;
6. Principle of transparency, integrity and accountability shall be observed for business operations;
7. Information, particularly operating results and financial statements, shall be adequately disclosed to stakeholders;
8. The Company's code of conduct manual shall be made available to directors, the management and all employees for their compliance therewith;
9. CSR activities shall be concretely implemented.

The management adopted the policy and communicated it across the organization to ensure correct understanding and compliance of employees. For example:

Risk management: Previously, risk management was reviewed every 6 months. However, from 2004 onwards, the review frequency and period have been changed to be based on the nature of risk instead. In addition, the Company has adopted an early warning system and regularly reviewed risks to evaluate changes in severity levels and the efficiency of corrective/preventive measures. Early warning signs have been defined more clearly and colour codes have been used to indicate the severity levels such as the red colour signifies high severity. Besides the identification of severity levels, probability and impact of risk have been evaluated. To develop risk management awareness among employees at all levels, team meetings are held daily, department meetings and management meetings are held monthly, and the Business Risk Assessment Subcommittee's meetings are held semi-annually. Furthermore, the Audit Committee assigns the Internal Control Audit Department to examine the practicality of risk management practices and to track progress of issue rectifications on a quarterly basis. Issues which require improvement are reported to the Board of Director meeting by the Audit Committee.

Corporate secretary: Relevant officer possessing requisite skills and good knowledge about legal requirements as well as rules, regulations and practices stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission has been appointed by the Company as a corporate secretary and attended training on corporate secretarial practices in 2004.

Disclosure of agenda for shareholders' meetings: Disclosure of agenda for shareholders' meetings shall be made in advance via the Company's website before submission of relevant documents to the shareholders and at least 30 days prior to shareholders' meetings. This practice has been adopted since the Annual General Meeting of Shareholders No. 1/2008 which was held on April 24, 2008.

Nomination of candidates for independent directors by minor shareholders: Since 2006, the Company has provided minor shareholders with the opportunity to nominate candidates for independent directors. The Company submitted a letter to the Stock Exchange of Thailand (SET), requesting the announcement via the SET's website that minor shareholders of the Company may nominate qualified candidates to replace independent directors who will retire by rotation in accordance with the Company's selection process and within applicable timeline. From 2008 onwards, the nomination can be made directly via the Company's website.

Channels of communication between stakeholders and directors: Stakeholders having concerns regarding the accuracy of the financial reports, weaknesses in internal control systems, or non-compliance with laws or professional ethics can directly contact directors according to the contact information of directors which includes their names, positions, addresses, telephone numbers and e-mail addresses, and are published on the Company's website.

Formulation of clear CSR policy: The policy was established in 2006.

Inclusion of reports on performance and opinions of subcommittees in annual report: From 2005 onwards, such reports have been included in the Company's annual reports.

Chairman of the Board of Directors: The requirement prohibiting the Chairman of the Board of Directors from serving as a chairman or member of any subcommittees has been enforced since 2003. The rule that the Chairman shall not serve as the Chairman of the Executive Committee has been effective since 2007.

Reporting of operating results to the Board of Directors: In the case where the Board of Directors meetings are not held every month, the Company will ensure that the operating results are reported to the Board of Directors on a monthly basis. Such reporting practice was initiated in 2007 and adjusted in 2009.

Principle and policy regarding remuneration of the Managing Director and senior executives: The principle and policy had been drafted and presented by the Nomination and Remuneration Subcommittee to the Board of Directors for consideration before being proposed to and approved by the Annual General Meeting of Shareholders No. 1/2006.

Managing director succession planning: The Managing Director is required to regularly report on the succession plans for the position of managing director and other senior executive positions as well as to implement and report the executive development project on an annual basis, starting from 2005 onwards.

In 2008, the Board of Directors, at its meeting, conducted a self-assessment on compliance with the good corporate governance principle which covered 82 items by using the questionnaire as of August 2007 developed by the Corporate Governance Center, Stock Exchange of Thailand. The directors completed the questionnaire prior to the meeting and exchanged relevant opinions regarding during the meeting. In this regard, the directors viewed that compliance in relation to the following was not demonstrated or uncertain:

Proposal of meeting agenda by minor shareholders in advance: Since 2008, the Company has notified minor shareholders of their right to propose agenda items for Annual General Meetings of Shareholders as well as applicable criteria on its website.

The Chairman of the Board of Director being an independent director: Compliance with this practice has not yet been demonstrated because the major shareholders are not ready for the change and no independent directors intend to assume the position.

Clear office term of directors: The limit of consecutive office term of directors has not yet been determined due to concerns regarding difficulty in seeking qualified candidates for the position of director and the number of qualified persons listed by the IOD as chartered directors is very small.

Clear office term of members of subcommittees: The office term has not yet been clearly set due to the same reasons for lack of clear office term of directors.

Policy on service as directors of other companies in a suitable manner: According to the applicable policy, a director can serve as a director of up to 3 listed companies. However, there is no restriction on service as directors of companies which are not listed companies.

Compensation for loss suffered by stakeholders due to the Company's infringement of their legal rights: It is specified in the code of conduct that if the Company's legal acts result in the infringement of stakeholders' rights, the court shall decide whether associated loss is caused by the Company.

Meeting of non-executive directors held on the basis of necessity without management present to discuss management issues of interest as well as reporting of the meeting outcomes to the Managing Director: Non-executive directors has held such meeting at least once a year, starting from 2009 onwards.

To ensure that employees at all levels correctly understand and comply with policies related to good corporate governance and code of conducts, such topics are included in orientation programs for new employees and relevant refresher courses are facilitated at least twice a year. In addition, these subjects are incorporated into the Employee Opinion Survey (EOS) to allow employees to express their opinions towards statements such as “You agree with the principles of good corporate governance and code of conduct as well as treatment of shareholders, employees, customers and stakeholders with transparency” and “You agree that business operations should be based on the CSR principle and comply with policies of the organization”. In 2012, the ratings of the 2 topics were 4.39 and 4.44 respectively out of the total of 5.00. With a view to adhering to business ethics, the Company, apart from raising anti-corruption awareness among employees, added the statement “You agree and comply with the Company’s anti-corruption policies” to the 2012 Employee Opinion Survey (EOS). The score of this topic was 4.58 out of the total of 5.00. Such systemic good corporate governance initiatives are effective foundation for the Company’s promotion of consistent compliance and awareness among employees at all levels.

Remuneration of Directors and Executives

The Company has defined a clear and transparent policy on directors’ remuneration. The remuneration is within a suitable range of the industry standard and the market average as well as approved by the shareholders. Directors serving in the Audit Committee have received additional remuneration commensurate with their wider scope of responsibilities. The remuneration of the Managing Director and employees is based on their individual performance and reviewed by the Nomination and Remuneration Subcommittee. To ensure the transparency and clarity, policies and principles related to remuneration of the Managing Director and senior executives were proposed to shareholders for their consideration at the Annual General Meeting of Shareholders No. 1/2006 held on April 28, 2006.

In 2012, the remuneration of the Board of Directors and executives is as follows: (Directors did not receive any remuneration from the subsidiary companies.)

Cash (per year)

Remuneration of the Board of Directors

		Salary (THB)	Pension	Total (THB)
Mrs. Anurat Tiamtan	Chairman	360,000	-	360,000
Mr. Ekaphol Pongstabhon	Managing Director	180,000	-	180,000
Mr. Pichawat Chomchuen	Independent director	200,000	-	200,000
Mr. Virat Phairatphiboon	Independent director	240,000	-	240,000
Mr. Somchit Serththin	Director	240,000	-	240,000
Mr. Surachet Supsakorn	Director	240,000	-	240,000
Mr. Chalit Limpanavech	Independent director	240,000	-	240,000
Miss Roumsin Supsakorn	Director	240,000	-	240,000

		Salary (THB)	Pension	Total (THB)
Mr. Paisal Pongprayoon	Independent director	200,000	-	200,000
Mrs. La-or Chaowanamayta	Independent director	200,000	-	200,000
Mr. Sittilarb Supsakorn	Director	200,000	-	200,000
Miss Laksana Supsakorn	Director	200,000	-	200,000
		2,740,000	-	2,740,000

Remuneration of the Audit Committee

		Attendance fee
Mr. Virat Phairatphiboon	Chairman	180,000
Mr. Pichawat Chomchuen	Member	90,000
Mrs. La-or Chaowanamayta	Member	90,000

Remuneration of the Nomination and Remuneration Subcommittee

		Yearly Salary
Mr. Pichawat Chomchuen	Chairman	50,000
Mr. Paisal Pongprayoon	Member	30,000
Mr. Surachet Supsakorn	Member	30,000

Remuneration of executive directors and executives (Yearly)

- 9 executive directors and executives received the remuneration of Baht 27,843,768 in total.

Other remuneration

- The employer's contribution to the provident fund paid by the Company for 9 executive directors and executives totaled Baht 1,090,855.
- 3 executive directors and executives were provided with company cars and 6 executives were provided with vehicle allowances totaling Baht 1,245,540.

Board Evaluation

The Board of Directors of TIPCO Food Pcl. conducted an annual performance evaluation as follows:

Each director conducted self-evaluation and evaluated the performance of the Board of Directors by using the form developed by the Thai Institute of Director Associations (IOD) in terms of the completeness of their performance in the capacity as the Board of Directors and the Corporate Governance Subcommittee.

The Board of Directors evaluated its roles and performance by discussing and reviewing agenda items and key achievements such as the operating results of the past year compared to business plans, the effectiveness of risk management, the development of strategy, and the approval of business plans and significant investment, etc. as well as goals which were not yet fulfilled such as assigning of an independent director as the Chairman of the Board of Directors, composition of Board of Directors with more than 50% of directors being independent directors, participation of all directors in shareholders' meeting.

The directors evaluated the performance of the Chairman of the Board of Directors by way of discussion. In this regard, the directors admired that the Chairman performed her duties appropriately, promoted a highly productive meeting atmosphere, demonstrated fairness and objectivity, and allowed all directors to freely express their opinions without setting the time limit on each agenda. These contributed to their sense of accomplishment and worthiness as they were given the opportunity to best contribute to the organization.

The Audit Committee conducted self-evaluation and agreed that it fulfilled its duties as assigned and complied with rules and requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission. In addition, the Audit Committee held meetings with the external auditor and the internal auditor, both jointly and separately, and with the directors without management present. The meeting results were reported to the management for improvement and rectification. The Audit Committee also undertook the responsibility of auditing financial statements and examining conflict of interest.

The Nomination and Remuneration Subcommittee conducted self-evaluation and identified that its performance fully complied with established policies. In 2012, the Nomination and Remuneration Subcommittee did not nominate qualified candidates for directorships because all directors retiring by rotation were re-elected as directors.

The Managing Director conducted self-evaluation and was evaluated by the Nomination and Remuneration Subcommittee and the Board of Directors. The evaluation was based on his performance and achievements such as the Company's operating results, business performance scorecard, individual goals (SMART goals), achievement of business targets, budget and action plans etc.

The Board of Directors evaluated the performance of the Audit Committee and opined that the Audit Committee could effectively and completely fulfill its duties, enabled the Company to be aware of all associated risks, and provided recommendations which were based on correct and sound principles.

The Board of Directors evaluated the performance of the Nomination and Remuneration Subcommittee and opined that the Nomination and Remuneration Subcommittee could provide the Company with useful opinions and recommendations in different aspects such as human resources management and salary structure.

During the performance evaluation process, no significant areas for improvement were identified.

The Board of Directors concluded that it operated effectively with proper understanding of its roles and responsibilities as well as insight into the Company's business and environment, and that each director demonstrated dedication and contribution to the performance of the Board of Directors.

Investor Relations

The Board of Directors has attached importance to accurate and timely disclosure of information which included financial reports and generation information in a transparent manner. The Company established a unit to be specifically responsible for investor relations activities. The said unit is supervised by Finance and Planning Senior Manager, Miss Nitima Aungatichart, mainly responsible for coordination with investors. To inquire about the Company's information, investors may contact us via telephone at 02-2736801 or via website at www.TIPCO.net or via e-mail at nitima@TIPCO.net. In 2013, the Company has improved its website to facilitate ease of access to information of the Company and set up the investor relation section as a separate section on the website.

Dividend Payment Policy

The Company pays dividend when it has positive retained earnings. The dividend payout ratio depends on the Company's operating results and investment projects planned but shall not be less than one third of the corporate operating results and future investment project obligations. However, the payment of not less than one third of net profits recorded in the separate financial statements.

Appointment of Auditor and Consideration of Audit Fee

The Audit Committee considers the qualifications and performance of the auditors and presented the information to the Board of Directors on an annual basis to support the appointment of auditors and the determination of audit fees which shall be proposed to the shareholders' meetings for approval. The proposed auditors shall be on the approved auditor list of the Securities and Exchange Commission, to be proposed, are required to be duly approved by the Securities and Exchange Commission.

In 2012, the remuneration of the auditor included:

1. Audit fee

The Company and its subsidiaries paid the audit fee of Baht 2,135,000 in total. Details are as follows:

- The Company's financial statements and the consolidated financial statements: Fee of Baht 990,000.
- Financial statements of 5 subsidiaries: Fee of Baht 1,135,000.

2. Non-audit fee

The Company and its subsidiaries paid the non-audit fee of Baht 260,000.

The Board of Directors' Responsibilities

Yearly, the Board of Directors considers revision of the good corporate governance policy in order to achieve the Company's goals, to be accountable for functional performance and operations, to promote transparency on the basis of integrity, to create long-term competitiveness, to strengthen the confidence of stakeholders, and to ensure alignment with current business environment and practices. In 2009, the Board of Directors passed the resolution to revise item 9 of the good corporate governance policy to be "9. CSR activities shall be concretely implemented."

Leadership and Directors' vision

The Board of Directors has leadership, vision and independence in making decisions based on the consideration of the benefit of the Company and its shareholders. The Board of Directors partakes in the formulation and endorsement of the corporate vision, strategies, goals, business plans and budget as well as supervised performance of the management to ensure that the Company's operations were undertaken efficiently and effectively in accordance with predetermined business plans and budget. According to their duties, the Board of Directors and the management have a responsibility to shareholders. In this regard, the Company has implemented an effective system to ensure segregation of duties between the Board of Directors and the management through the clear determination of roles and duties of the Board of Directors, the Managing Director and shareholders. (Please see details regarding shareholding structure and management, and code of business conduct of TIPCO Foods in the Rights of Stakeholder section.)

The Company's directors possess remarkable knowledge, skills and potential and have completed the following training programs:

List of Directors who have completed Directorship Training Program

List of directors who have completed IOD Directorship Program is as follows:

All directors completed the IOD Directorship Programs (DCP), except for Mr. Somchit Sertthin and Miss Roumsin Supsakorn. However, both of them have already passed the Director Accreditation Program (DAP) organized by Thai Institute of Director Association and will participate in the IOD Directorship Program.

In addition, directors who have completed additional training include:

Mrs. Anurat Tiamtan completed IOD Chairmanship Program, Finance for Non-Finance Directors course and Corporate Governance Roundtable Executive Discussion with Professor Ulrich Eteger, Sufficient Economy and Good Corporate Governance (IOD 25/07/2006), The Natural Disasters (IOD 5/09/2006), Board Performance Evaluation (IOD 12/12/2006), Sufficiency Economy: the Path for Sustainable Growth (11/05/2007), Corporate Governance and Added Value for Business (9-10/11/2007), and Making Corporate Responsibility (CR) Tangible-Sharing Experience (3/6/2009). Mr. Somchit Sertthin completed Advanced Management Program (Harvard Business School 2002). Mr. Surachet Supsakorn passed "Oil Outlook in 2006" program (IOD 12/01/2006) and Thailand's Economic Outlook 2006/07 program (IOD 8/08/2006). Mr. Virat Phairatphiboon completed Director Certification Program (DCP), Audit Committee Program (ACP), AC vs Changes in Financial Reporting (SET 30/3/2011), and Audit Committee Effectiveness Seminar (IOD 22/6/2012). Mr. Chalit Limpanavech completed Director Certification Program (DCP), Financial Statements for Directors (IOD 2-3/09/2009), and Audit Committee Program (IOD 17-18/09/2009). Miss Roumsin Supsakorn completed Director Certification Program (DCP). Mr. Pichawat Chomchuen passed Director Certification Program (DCP), Roles of Effective Director and Corporate Consultant Program, Board Performance Evaluation Program, CEO Performance Evaluation Program, Audit Committee Effectiveness Seminar (IOD 22/6/2012), and Director Remuneration Survey Seminar (IOD 13/12/2012). Mrs. La-or Chaowanamayta passed Director Certification Program (DCP), Audit Committee Effectiveness Seminar (IOD 22/6/2012), Monitoring the Internal Audit Function (MIA) Program (IOD 12/10/2012), and Monitoring the System of Internal Control and Risk Management (MIR) Program (IOD 9/11/2012). Miss Laksana Supsakorn passed Director Accreditation Program (DAP) (IOD 3/9/2012).

Mr. Sittilarb Supsakorn passed Director Accreditation Program (DAP) (IOD 3/9/2012). Mr. Paisal Pongprayoon passed Director Accreditation Program (DAP) (IOD 3/9/2012). Mr. Ekaphol Pongstabhonn passed Directory Certification Program (DCP), Shopper Marketing & Category Management Summit 2012 (19-20/7/2012), "Great Source of Fund for Business Growth in the Age of Innovation and Globalization" (SET 21/8/2012), Anti-Corruption for Executive Program (IOD 29/8/2012), Positioning Thailand for the Next Growth Phase (SET 30/8/2012), "Weakness of Thailand's Food Business in AEC Market, (NFI 19/9/2012), First 100 Companies: Collective Power in Anti-corruption (IOD 21/9/2012), and CEO Forum: Perspective on AEC & Competitiveness (TNSC 19/11/2012).

List of Directors with Financial Knowledge

Directors with financial experiences of 20-30 years include:

Mr. Pichawat Chomchuen, Mr. Somchit Serththin, Mr. Ekaphol Pongstabhonn and Mr. Virat Phairatphiboon.

Conflict of Interest

With a view to preventing conflict of interest, the Company has adhered to the policy on code of business ethics and defined code of practice for various stakeholder groups, especially major shareholders, focusing on the prevention of adverse impact on other stakeholder groups. The Board of Directors is informed of transactions that may pose a conflict of interest and regarded related parties transactions as well as carefully reviews the suitability of each transaction. (Please refer to the elimination of conflict of interest topic in the Equitable Treatment of Shareholders section.) The Company has complied with rules and requirements of the Stock Exchange of Thailand and made amendment to its Article of Association in order to protect the interests of minor shareholders. The amendment was duly approved by the 2003 Annual General Meeting of Shareholders and is as follows:

"The Company's Articles of Association, Section 8, item 48: In the case where the Company or subsidiaries agree to make a related parties transaction, or a transaction related to the acquisition or divestiture of assets of the Company or its subsidiaries in accordance with the announcements the Stock Exchange of Thailand governing related parties transactions of listed companies or the acquisition or divestiture of assets of listed companies; the Company shall comply with applicable rules, regulations and methods contained in such announcement."

In an attempt to prevent against potential conflicts of interest, the Company has had its employees sign a "Conflict of Interest Agreement". The agreement specifies the disciplinary procedures and punishments which include employment termination which will be imposed in the event of intentional violation or breach of the agreement. As an additional preventive measure against use of inside information for personal gain, directors and executives shall disclose their possession of the Company's shares at each Board of Directors meeting every quarter and to the Secretary to the Board of Directors upon change in shareholding.

Related parties transactions, according to the definitions set by the Stock Exchange of Thailand, must be reviewed by the Audit Committee and then proposed to the Board of Directors for approval. Directors having conflict of interest in such transactions shall abstain from voting. If such related parties transactions are of high value, they shall be subject to approval from the shareholders' meetings and must be announced in the newspaper. The value of related parties transactions shall be marked to market and compared with the market prices determined by at least 3 companies.

Business Ethics

Business ethics are incorporated in the code of business conduct of TIPCO Foods and provide details regarding guidelines and proper practice. The business ethics are based on the ideology of good corporate governance, commitment to excellence and social responsibility. The business ethics are translated into ethical business practices which cover anti-corruption, responsible participation in political process, equitable and fair treatment of stakeholders, and social and environmental responsibility as well as into labour practices and respect for employees' rights. In addition, ethical practices applicable to stakeholders, i.e. the management, employees and major shareholders as well as recommended approaches for handling issues and concerns are determined. All directors and employees are consistently informed of the business ethics and are required to express their acknowledgement and commitment to complying with the business ethics every 2 years. It is the management's duties to ensure that all employees under their supervision strictly comply with applicable requirements. Employees demonstrating non-compliance with the Company's code of conduct shall be subject to punishment in accordance with the Company's regulations.

Balance of Power of Non Executive Directors

The Board of Directors consists of 12 directors who are fully equipped with vast knowledge and experiences as follows:

1 executive director,	representing 8%	of all directors
11 non-executive directors,	representing 92%	of all directors
In this regard, the Board of Directors has 5 independent directors,	representing 42%	of all directors

More than one third of directors are independent directors and non-executive directors represent more than 50% of all directors.

The proportion of directors representing the group of significant shareholders is considered fair to other shareholders.

The Board of Directors has the responsibility to perform its duties in accordance with the law, the objectives and Articles of Association of the Company, as well as the resolutions of Shareholders' Meetings based on the principles of integrity and good corporate governance. The office term of directors is specified in the Company's Articles of Association which prescribe that one third of the directors shall end their office term upon each annual general meeting of shareholders. (Please refer to item 9.2 of "Nomination of Directors and Managing Director.") From 2003 onwards, the directors have conducted self-assessment together with the assessment of the Board of Directors' performance. All directors are committed to self-development with the aim of enhancing their knowledge, skills and performance standards as well as strengthening the Company's performance and good corporate governance.

(Please refer to the "Board Evaluation" topic.)

Aggregation and Segregation of Duty

The Chairman of Board of Directors and 3 directors, or a total of 6 persons, represent the major shareholder.

The Managing Director is a professional executive and has no connection or relation with the major shareholder. More than one-third of directors are independent director and non-executive directors represent more than 50% of the Board of Directors. This contributes to proper checks and balances. In addition, the duty of governance policy formulation and the duty of routine management are clearly segregated. (Please refer to details regarding roles, authority and duties of the Managing Director, the Board of Directors and subcommittees under the Management Structure section.) The Board of Directors has assigned the Nomination and Remuneration Subcommittee to screen and nominate qualified candidates based on requirements set by the Board of Directors for the positions of managing director and director. The Nomination and Remuneration Subcommittee is also responsible for considering remuneration of directors and the management.

To ensure integrity and transparency of the checks and balances mechanism, the internal audit function has the independence in determining the audit scope and presentation of audit reports directly to the Audit Committee which is comprised of 3 independent directors. The scope of authority and duties of the Audit Committee is shown on pages 80-81.

Remuneration Determination Process and Suitability of Remuneration

The Company has defined a clear and transparent policy on directors' remuneration. The remuneration is within a suitable range of the industry standard and the market average as well as approved by the shareholders. Directors serving in the Audit Committee have received additional remuneration commensurate with their wider scope of responsibilities. The remuneration of the Managing Director and employees is based on their individual performance and reviewed by the Nomination and Remuneration Subcommittee. To ensure the transparency and clarity, policies and principles related to remuneration of the Managing Director and senior executives were proposed to shareholders for their consideration at the Annual General Meeting of Shareholders No. 1/2006 held on April 28, 2006.

The Nomination and Remuneration Subcommittee reviews the directors' remuneration annually by benchmarking the remuneration of the Company with the directors' remuneration of companies of comparable size in the same industry.

Meetings of the Board of Directors and Subcommittees

Board of Directors

A meeting of the Board of Directors is held quarterly within 45 days from the quarter end. Special meetings may be convened as necessary. At each meeting, the date and agenda of the subsequent meeting is clearly determined. The agenda contains the performance consideration and monitoring as a regular agenda item. The Company Secretary submits a meeting notification together with meeting agenda and supporting documents to directors 14 days in advance of a meeting to ensure that directors have sufficient time for studying the relevant details prior to each meeting. Each ordinary meeting generally takes 4 hours. In 2011, the Board of Directors had 6 meetings, of which 4 were ordinary meetings and 2 were special meetings. The meeting attendance of each director is summarized below:

Name-surname		Office term	Attendance/ total number of ordinary meeting	Attendance/ total number of special meeting	Attendance/ total number of meeting
1. Mrs. Anurat Tiamtan	Chairman	Apr. 2010–Apr. 2013	4/4	2/2	6/6
2. Mr. Virat Phairatphiboon	Independent director	Apr. 2012–Apr. 2015	4/4	2/2	6/6
3. Mr. Surachet Supsakorn	Director	Apr. 2011–Apr. 2014	4/4	2/2	6/6
4. Mr. Somchit Sertthin	Director	Apr. 2011–Apr. 2014	4/4	2/2	6/6
5. Mr. Chalit Limpanavech	Independent director	Apr. 2011–Apr. 2014	4/4	2/2	6/6
6. Miss Roumsin Supsakorn	Director	Apr. 2010–Apr. 2013	4/4	2/2	6/6
7. Miss Laksana Supsakorn	Director	Apr. 2012–Apr. 2015	3/3	2/2	5/5
8. Mr. Sittilarb Supsakorn	Director	Apr. 2012–Apr. 2015	2/3	2/2	4/5
9. Mr. Paisal Pongprayoon	Independent director	Apr. 2012–Apr. 2015	3/3	2/2	5/5
10. Mrs. La-or Chaowanamayta	Independent director	Apr. 2012–Apr. 2015	3/3	2/2	5/5
11. Mr. Pichawat Chomchuen	Independent director	Apr. 2012–Apr. 2015	3/3	2/2	5/5
12. Mr. Ekaphol Pongstabhon	Managing director	May 2012–Apr. 2013	3/3	1/1	4/4

The Company accurately and completely recorded the minutes of each meeting. The meeting minutes adopted by the Board of Directors were properly kept and available for examination by the Board of Directors and relevant parties.

(Please refer to the report on directors' responsibilities to financial reporting.)

Audit Committee

The Audit Committee members serve a term of 3 years. The current Audit Committee is comprised of 3 independent directors and the composition of the Audit Committee is as follows:

1. Mr. Virat Phairatphiboon	Chairman
2. Mr. Pichawat Chomchuen	Member
3. Mrs. La-or Chaowanamayta	Member
4. Miss Wantanee Poorpadong	Secretary

In 2012, there were 5 meetings of the Audit Committee. The meeting attendance of each member is summarized below:

Name-surname		Attendance/total number of meeting
1. Mr. Virat Phairatphiboon	Independent director	5/5
2. Mr. Pichawat Chomchuen	Independent director	3/3
3. Mrs. La-or Chaowanamayta	Independent director	3/3

(Please refer to the report of the Audit Committee.)

Nomination and Remuneration Subcommittee

The Nomination and Remuneration Subcommittee members serve a term of 3 years and the committee is comprised of 3 directors. The appointment of the subcommittee members is based on the good corporate governance principle and more than half of its members are qualified external experts or independent directors. The composition of the Nomination and Remuneration Subcommittee is as follows:

1. Mr. Pichawat Chomchuen	Independent director	Chairman
2. Mr. Paisal Pongprayoon	Independent director	Member
3. Mr. Surachet Supsakorn	Director	Member

In 2012, there was 1 meeting of the Nomination and Remuneration Subcommittee. The meeting attendance of each member is summarized below:

Name-surname		Attendance/total number of meeting
1. Mr. Pichawat Chomchuen	Independent director	0/0
2. Mr. Paisal Pongprayoon	Independent director	0/0
3. Mr. Surachet Supsakorn	Director	1/1

In 2012, the Corporate Governance Subcommittee held 1 meeting. As the Board of Directors serves as the Corporate Governance Subcommittee, the good corporate governance evaluation which was required by the Corporate Governance Center, Stock Exchange of Thailand, was included as an item in the agenda of the Board of Directors Meeting No. 6/2012 held on 30 November 2012 and all directors attended the said meeting. (Please refer to the Good Corporate Governance Policy section for the evaluation results.)

Internal Control and Internal Audit

The Board of Directors has taken actions to ensure the implementation of the internal control system for financial management, operations, compliance and risk management. In addition, proper checks and balances system and an effective internal audit system were adopted in order to enhance the efficiency of administration and asset

management as well as to ensure fair compensation and returns for all stakeholders. The Company has defined the scope of authority and responsibilities according to the hierarchical order, established written operating procedures, developed employees at managerial level and talents through the Internal Quality Audit ISO 9001:2000 program in support of cross-functional audit, and established an independent internal audit entity. From 2004 onwards, the Company has engaged an external firm to conduct internal audits for the Company. Internal audit plans and audit reports have been reviewed by the auditor and the Audit Committee to ensure accuracy and consistency.

The Board of Directors adjusted the scope of authority and responsibilities of the Nomination and Remuneration Subcommittee to promote fairness of the selection of competent and qualified candidates for the position of director and managing director as well as to ensure that the remuneration offered to directors and employees is faire and based on performance. In addition, the Corporate Governance Subcommittee has been established to be responsible for the formulation of good corporate governance policy and code of business ethics. The policy and the results of its implementation have been periodically reviewed. The Company has fostered the culture of good corporate governance as it strongly believes in the principles of quality, integrity, transparency and equitable treatment which will lead to the achievement of sustainable business growth.

Internal Control and Internal Audit System in Brief

Operating control: The Company has clearly defined the authority and operating procedures applicable to operating officers and executives in writing to facilitate audits. Utilization of the Company's resources and assets are controlled and monitored. Also, the budget management system is implemented and feasibility study is conducted for investment projects. To ensure effectiveness, the Company adopts the monitoring and tracking system to analyze gaps between the planned budget and the actual results. Duties of operating officers, controllers and assessors are clearly separated to promote proper checks and balances. Internal controls are enforced for financial management and financial reports are presented to division heads concerned.

Internal audit: The Company has contracted an external firm to conduct internal audits for the Company with the aim of ensuring that its key operations and financial activities are undertaken in accordance with predetermined guidelines. Compliance with the laws and relevant requirements has been audited. To promote the auditor's independence and abilities to conduct audit activities in accordance with the checks and balances principle, the Board of Directors instructed the auditor to report directly to the Audit Committee and to determine the scope of audit in collaboration with the Audit Committee.

Risk management: The Board of Directors established the Business Risk Assessment Subcommittee which is responsible for determining the risk management scope and policy. The subcommittee holds a meeting with managers of relevant departments to identify and assess business risks every 6 months (in Q2 and Q4). Also, team meetings are held daily while department meetings, management meetings and senior executive meetings are held monthly. Measures for preventing and managing risks affecting the Company's operations have been identified and early warning signs have been defined. Compliance with relevant laws and requirements has been monitored. Risk management reports have been prepared and made available for examination. From 2004 onwards, the Audit Committee has required the internal auditors to monitor risk management and to identify if the management has adopted approaches as planned and if such approaches effectively contribute to risk mitigation. The results shall be presented to the Audit Committee on a quarterly basis.

Corporate Secretary

The Company has assigned individual possessing suitable qualifications and experience to assume the duties of company secretary. The requisite qualifications and responsibilities of this position are:

Qualifications

- Bachelor's Degree (in Accounting or Law);
- Knowledge of legal principles and requirements related to the Company and the SEC;
- Good interpersonal and communication skills
- Previous experience in this position
- Knowledge of good corporate governance

Responsibilities

- Oversee operations related to the meetings of the Board of Directors, the Audit Committee and the Nomination and Remuneration Subcommittee, including the shareholders' meeting
- Prepare and retain minutes of the Board of Directors meetings
- Oversees the disclosure of information and reporting in accordance with the law, relevant regulations and the good corporate governance principle
- Provides preliminary recommendations and advice on legal issues, operating procedures and good corporate governance practices for the Board of Directors;
- Circulate resolutions and policies of the Board of Directors to relevant parties as well as follow up on progress and report the progress to the Board of Directors
- Communicate with and provide for directors information concerning the Company's business
- Arrange orientation sessions for new directors and provides support for continuous development of directors
- Coordinate matters with external consultants such as legal counsel

Nature of Business

Tipco Foods Public Company Limited was established on 22 March 1976 with the initial registered capital of Baht 10 million. Its head office is located at Tipco Tower, 118/1 Rama 6 Road, Samsen Nai, Phayathai, Bangkok. The Company is mainly engaged in the production and export of canned pineapple and mixed fruits, concentrated pineapple juice, crushed pineapple, canned pineapple juice and crushed aloe vera. The production takes place at the factory located in Muang district, Prachuap Khiri Khan province. Currently, the Company has the registered capital of Baht 500 million, with the paid-up capital of Baht 482.6 million. The Company was granted the investment privileges by the Board of Investment of Thailand for its operations.

The Company was listed on the Stock Exchange of Thailand in 1989, which led to a change in the shareholder structure as a result of the public offering of shares. However, the group of majority shareholders remains unchanged with the decrease in the shareholding proportion.

In 1993, Tipco F&B Co., Ltd. was established as a subsidiary of the Company because of the investment diversification into the ready-to-drink fruit juice business. Subsequently, the Company's fruit juice products received good response from domestic consumers. As a result, the Company has been committed to ongoing research and development of new products in order to meet the needs of consumers. The Company has adopted the policy of introducing new products in at least one category on an annual basis starting from 1997.

As regards the beverage business, TIPCO has adopted the strategies for driving continuous growth, with the main focus on product quality, introduction of new products developed by a team of professionals, and investment and improvement in modern technologies. The Tipco brand has thus secured its position in the market and earned wide approval and trust from consumers throughout all these years. Today, the products of Tipco F&B Co., Ltd. can be divided into the following 5 categories:

1. **UHT 100% fruit and vegetable juice products:** Tangerine Orange Juice, Sai Nam Phueng Orange Juice, Shogun Orange Juice, Si Thong Orange Juice, Medley Orange Juice (formerly known as "4 Variety Orange Juice"), Mandarin Orange Juice, Valencia Orange Juice, Red Grape Juice, Apple and Grape Juice, Pineapple Juice, Guava Juice, Tomato Juice, Broccoli and Mixed Fruit Juice, Beetroot and Mixed Fruit Juice, Carrot and Mixed Fruit Juice, Purple Carrot and Mixed Fruit Juice, Kiwi and Grape Juice, Prune and Grape Juice, Pomegranate and Mixed Fruit Juice, Cranberry and Mixed Fruit Juice, Aloe Vera and White Grape Juice, Cherry Berry Juice, Mangosteen and Mixed Fruit Juice, Apple Cider and Pomegranate Juice, 32 Veggie and Mixed Fruit Juice, Super Fruit Essence Pomegranate Extract Juice, Super Fruit Essence Prune and Fig Extract Juice, Fruit Plus Mandarin Orange Juice with Orange Pulp and Sac, Fruit Plus 100% Fruit and Vegetable Juice with Aloe Vera Pulp, etc.
2. **Pasteurized 100% fruit and vegetable juice products:** Shogun Orange Juice, Valencia Orange Juice, Sai Nam Phueng Orange Juice, Strawberry Juice, Fuji Apple Juice, Cherry Berry Juice, Mango and Mixed Fruit Juice, Lemon Juice with Lemon Pulp, Kiwi and Grape Juice, Pomegranate and Mixed Fruit Juice, Aloe Vera and White Grape Juice, and Mixed Vegetable and Mixed Fruit Juice.
3. **30-40% fruit and vegetable juice products:** Kiwi Mix, Orange Mix, Grape Mix, Berry Mix and Veggie Mix.
4. **100% natural mineral water under the Aura brand.**
5. **Green tea under the Suntory Mirai brand** with 3 flavors: Original, Sakura, and Honey and Lemon.

In 2004, the Company expanded its horizon into the retail business of blended beverage made from fresh fruit (smoothy) under the Squeeze Juice Bar brand. At the beginning, there were only 10 branches in total. Tipco Retail Co., Ltd. was established in 2007 in order to support the expansion of this business.

In addition, in 2007, the Company invested in Tipco Biotech Co., Ltd. having valuable assets consisting of the plantation areas of 6,899 rai, 1 ngan and 20.4 square wah, the biological laboratory named Tissue Culture Lab used for selection and expansion of plant varieties, and the plant extraction factory. In 2009, the Company introduced the new variety of pineapple named Homsuwan to the market. It was very well received by consumers because of its outstanding characteristics such as strong aroma, evenly distributed golden yellow colour, firm texture, dry but juicy flesh, shallow eyes, uniform ripeness, and containing of 4 times higher vitamin C than the Sriracha variety.

The Company places great importance on the quality of products and has thus continuously undergone audit and obtained various international quality standard certifications. Details are as follows:

- 1994 ISO 9002 for the canned pineapple factory (the first canned pineapple factory in the world to receive this certification) by the Thai Industrial Standards Institute (TISI) and by Rheinisch Westf lischer Technischer bewachungs Verein (RWTUV) in Germany.
- 1995 HACCP by SGS (Thailand).
- 2000 ISO 9002 for pineapple juice and concentrated pineapple juice by SGF International E.V./IRMA in Germany.
- 2002 HALAL by the Central Islamic Committee of Thailand (CICOT).
KOSHER by Thai Kashurt Service Co., Ltd.
- 2002/2003 BRC Standards for compliance with the requirements of the British Retail Consortium for food processors of foods imported to the United Kingdom by SGS (Thailand) and by EFAIA (SAI GLOBAL).
- 2003 ISO 9001 version 2000 by SGS (Thailand).
- 2004 International Food Standard (IFS) for compliance with the requirements of the German & French Retail Consortium for food processors of foods imported to European countries by SGS (Germany).
- 2006 ISO 22000 for food safety management by SGS (Thailand). TIPCO became the first food company in Thailand to receive this certification.
- 2007 Certification through an integrated audit against all 5 standards, i.e. ISO 22000, ISO 9001, GMP, HACCP and IFS (Single Food Audit Pack), by SGS (Thailand). TIPCO became the first company in Thailand to receive this kind of certification. TIPCO was highlighted by SGS as the global model for such integrated audit. In the same year, TIPCO was also awarded the certification for food safety under the GMA-SAFE program of the United States by Food Audit International (FAI).
- 2007/2008 Certified organic standards for aseptic crushed aloe vera, from plantation to production in factory, by the Department of Agriculture.
- 2008/2009 Certified IFOAM Organic Standards for aseptic crushed aloe vera, from plantation to production in factory, by the Organic Agriculture Certification Thailand.
- 2009 Certification under the Food Safety and Food Security Audit program of the United States by FAI (Thailand) with the rating of "Excellent".
- 2010 ISO 9001 version 2008 by SGS (Thailand).
- 2011 Environmental Governance Award for the factory in Prachuap Khiri Khan province
Certificate of Thai Labour Standard (TLS 8001-2010) at the initial, completion level
Best Practice Workplace on Labour Relations and Labour Welfare Award

2012 The factory in Prachuap Khiri Khan province has expanded the scope of certification of new products such as the coconut water product that passed the GMP/HACCP/BRC/IFS standards and the fruit in plastic cup product that passed the GMP/HACCP/IFS standards. Also, the pineapple products passed the standards set by the factories of TESCO and YUM. Apart from passing the manufacturing process standard, the pineapple, the mixed fruit juice, the concentrated pineapple juice and the aloe vera products were successfully marked with "STAR K" sign by Kosher.

Structure of revenue from sale of products or provision of services to external parties in the past 3 years:

Unit: Baht Million

Product/ service	Operated by	% stake held by the Company	2010		2011		2012	
			Revenue	%	Revenue	%	Revenue	%
Canned pineapple and concentrated pineapple juice	Tipco Foods Pcl.		1,748.02	37.08	1,684.74	34.92	1,734.53	31.87
	Tipco Marketing Co., Ltd.							
Mixed fruits, others	Tipco Foods Pcl.		657.17	13.94	661.62	13.71	508.30	9.34
	Tipco Retail Co., Ltd.	75.49						
	Tipco Biotech Co., Ltd.	100.00						
Ready-to-drink beverage	Tipco F&B Co., Ltd.	50.00	2,308.59	48.98	2,478.73	51.37	3,199.29	58.79
Total			4,713.78	100.00	4,825.09	100.00	5,442.12	100.00

Development in the Past Year

In 2012, Tipco F&B Co., Ltd., the producer and distributor of ready-to-drink beverage, developed a new product in the fruit juice product category, i.e. 100% apple and grape juice, under the Tipco brand and the Tipco Super Kid brand. Furthermore, two additional flavors of ready-to-drink Mirai Green Tea in the 250cc package were developed, namely Honey and Lemon and Original Minto. The Company still maintained its market leader position in the health beverage segment and ranked no. 1 in the 100% fruit juice segment with the market share of 42%. As regards Aura mineral water product, in 2012, the product achieved a 34% growth with an ongoing growth trend. As regards international sales and marketing activities, the Company has expanded the customer base to cover countries in the east, i.e. China, South Korea, Indonesia, the Philippines, and Indochina countries. With the support from distributors of Tipco fruit juice in many countries, the Company's products received a warm welcome from consumers in such countries.

As regards the canned pineapple and concentrated pineapple juice business, in 2012, the Company developed and produced new products, i.e. pineapple in plastic cup and pineapple in retort pouch, another choice for customers who want eco-friendly packages.

As regards the retail business, in 2012, Tipco Retail Co., Ltd. has a total of 62 Tipco Squeeze Juice Bar branches. Of this, 50 were the company's own branches and 12 were franchises. The branch network was expanded to cover

other provinces. In addition, the upward adjustment of sales prices of products following the higher costs was made. During the past year, the opening of certain new branches was deferred due to additional costs and thus required further research and analysis.

As regards the plant extract business, 2012 marked the first year of the Company's sale of plant extract products at the industrial level to the trading partners in Japan. Key products generating income for the Company included extracts from pineapple fibers and extracts from black galingale. Moreover, the Company was able to create income from the production and sale of other products such as mangosteen extracts, roselle extracts, emblic extracts, etc. Extracts produced by the Company can be used for several purposes, e.g. food, beverage, supplementary food, cosmetics and medicine. Due to the business expansion, in the past year, the Company recruited additional staff to join forces in developing products and business related to plant extracts to support this year's production.

Industry Overview and Future Competition

As regards the international business, in light of the economic slowdown faced by the United States and Europe, the Company has focused on the business expansion to new markets, especially the Asian market with a strong economy by tapping into the use of the distributors of the ready-to-drink fruit juice products available in the market to also help promote canned fruit products. The Company has also put emphasis on the development of new products with a view to supporting market growth to a full potential.

The trend of the ready-to-drink beverage market will see expansion of production lines to cater to the needs of specific groups of customers. All players will invest more in advertising and sales promotion. The Company has monitored these trends and has thus developed the policy to introduce new products at least in one category on an annual basis related to food, fruit and beverage, in which the Company has extensive expertise. The diversification of the Company's products lines will help drive sales growth and secure the market share of the Company.

As regards the mineral water business, the Company has focused on the provision of knowledge of the benefits and differences between mineral water and general water as well as the signature and outstanding characteristics of Aura mineral water as compared to other brands. With better understanding among customers, the Company is strongly confident that it will gain higher market share.

As for the Squeeze Juice Bar business, the business has focused on expansion of both its own branches and franchises. Main consideration will be given to locations with high population and household income. Based on the overview of the retail store and food service business, the business will still see a stable growth with the branch expansion at the level of 10-15 branches each year. This business will continue to be positioned as a premium juice bar business and to broaden the customer base to cover other provinces by taking into consideration high business potential areas in each province.

With regard to the agricultural business, the Homsuwan pineapple has received a warm welcome from customers. TIPCO has a plan to expand the plantation areas to support more production to the market while ensuring product quality consistency.

As regards the plant extract business, due to the ability to export the first fruit extract products to Japan in 2012, the Company has a plan to increase sales of such products as well as to conduct research and development of new products based on collaboration within and outside the organization. The research and development effort is aimed at developing innovative products for use in healthy food, medicine and cosmetics.

Management's Discussion and Analysis of Financial Position and Results of Operations

Annual operating results

The Company's net profit totaled Baht 219.2 million, a decrease of Baht 124.4 million (or 36.2%) compared to the previous year, due to the decrease in sales in the canned fruit export business following the economic slowdown of the United States and the European countries who are the Company's major customers. The decline in the purchase orders led to the price competition, hence the substantial drop in sales prices. In addition, the Company set aside an allowance for loss on expired goods(reversal) by malfunctioning machineries totaling Baht 54.8 million, resulting in the reduction in the net profit. However, the aforesaid problem was rectified. The revenue from sales and services of Baht 5,442.1 million increased from the previous year by Baht 617.0 million (or 12.8%). The increase in revenue was due to the beverage and the retail businesses. Other income amounted to Baht 245.3 million, a decrease of Baht 78.9 million (or 24.3%). Cost of goods sold and services totaled Baht 3,701.2 million, an increase of Baht 426.37 million (or 13.0%), resulting in a gross profit of Baht 1,740.9 million, an increase of Baht 190.7 million (or 12.3%).

Revenue Analysis

Unit : Baht Million

Analysis of Total Sales Revenue

Sales revenue (Baht Million)	2010		2011		2012		Growth rate (%)	
	Revenue	%	Revenue	%	Revenue	%	2011/2010	2012/2011
Domestic	2,714.1	57.6	2,917.3	60.5	3,292.3	60.5	7.5	12.9
Export	1,999.7	42.4	1,907.8	39.5	2,149.8	39.5	-4.6	12.7
Total	4,713.8	100.0	4,825.1	100.0	5,442.1	100.0	2.4	12.8

Sales Revenue in 2010 and 2011

In 2010, the growth of total sales revenue was mainly due to the domestic sales growth as the domestic economy started to recover and the political situation improved, leading to an increase in local consumers' spending. At the same time, the Company focused on communication concerning characteristics, qualities and benefits of its products. Besides, the Company continued to maintain its strategy of launching new products to meet consumers' needs. The retail sales business also grew significantly as the products offered exactly met consumers' demand. The Company was, therefore, able to open up many branches as these retail outlets became well-known by the market and appreciated by a lot of tenants as well as department stores. This development allowed the Company to increase its distribution channels and to make its image directly known to consumers. As for food services,

the Company was able to increase sales of its ready-to-drink beverage through restaurants, hotels, bus lines and airlines. With regard to its agricultural and plant extract businesses (for food, beverage and cosmetic ingredients), the company's fresh pineapple named Homsuwan was increasingly marketed through convenience stores. However, being in the introduction state to the market, availability of this pineapple was still limited. At the same time, the Company continued to focus on research and development of plant extracts in order to develop products which could be of interest and profitable for the Company in the future.

With regard to revenue from export sales, last year those of canned fruit and concentrated pineapple juice declined mainly due to the strengthening of the Thai Baht of an average of 10% during the year, causing the Baht denominated sales revenue to decrease by 2.1% compared to an increase of 10% when denominated in US Dollar.

The market for exports of fruit juice to ASEAN countries under the Company's brand and to non-ASEAN countries as an OEM manufacturer under customers' formulas and brands continued to expand since countries within this region have been less affected by the global financial crisis and their economies remained relatively strong.

In 2011, total sales revenue grew from the previous year by 2.4% with the increase in domestic sales revenue and the decrease in export sales revenue. Total domestic sales increased, especially during the first 3 quarters of the year as economic figures showed signs of recovery and the political situation improved with the new government, resulting in improved public confidence with subsequently led to an increase in consumers' spending. The growth in sales of the ready-to-drink beverage business resulted from the launch of several as well as a variety of products during the previous year. Both the increase in different flavors of existing products and the launch of new categories led to a variety of products and the ability to better respond to consumers' needs. Furthermore, a lot of focus was placed on sales promotion in the form of public relations through various media, sales promotional activities as well as games allowing consumers to play and win prizes. These promotional activities help lift up sales substantially as they enabled TIPCO products to become well-known by the public and have a more modern image. However, during the 4th quarter of the year which is normally its peak sales period, the Company suffered significantly from the floods. Even though the Company's production at its manufacturing factories was not so much affected due to its preventive measures and was obliged to stop production only during 2 weeks but the flooding disaster in Bangkok and the surrounding areas caused the distribution centers of its distributors to be inundated and transportation routes to be cut off, causing the sales distribution of some products to be halted. The sales revenue during the 4th quarter was, therefore, not according to the established plans.

The revenue of the Squeeze Juice Bar continued to grow continuously throughout the first 3 quarters of 2011 before slowing down during the 4th quarter due to floods which obliged several branches to close down temporarily. Sales revenue continued to increase as a result of new product developments in response to customers' needs. With regard to its food service, the Company continued to gain new customers in the group of restaurants, hotels, bus lines and airlines.

As for the agricultural and plant extract businesses (for food, beverage and cosmetics ingredients), the increase in revenue was due to the agricultural business or the Homsuwan pineapple production. The strength of the Homsuwan pineapple comes from its special characteristics which were well accepted by the market. The fact that it is cultivated in an area where the climate is ideal as well as its cultivation process having been suitably adjusted to the cultivation area as well as the climate conditions in the said area have resulted in more production having

been marketed and, evidently, in more sales revenue. As for the plant extract business, the Company undertook research and development in cooperation with a main customer which is a major plant extract producer in Japan and succeeded in obtaining the first product, a fruit extract, which was exported to Japan at the end of 2011. It is expected that the sales revenue from this product should increase in the future.

The export sales of canned fruit and concentrated pineapple juice declined as the United States' economy did not yet recover and the European countries started to enter a recession, causing a decline in the purchase orders coming from customers in these countries who are the company's major customers. The Company had striven to find new markets in replacement thereof but had not been able, in the short term, to completely compensate for such reduction.

As for fruit juice exports to the ASEAN markets where sales are made under the Company's brand and to non-ASEAN countries as an OEM manufacturer under customers' formulas and brands, the expansion continued to grow.

Total Sales Revenue in 2012

In 2012, total sales revenue grew from the previous year by 12.8% with domestic sales revenue increasing by 12.9% and export sales revenue increasing by 12.8%.

Revenue from Domestic Sales

As the overall business condition improved earlier than expected after the flooding crisis in 2011 and the government issued the measures to stimulate consumption of the public, the consumers' spending increased considerably. Consequently, the domestic sales in relation to the ready-to-drink beverage business, the retail and food service businesses, and the agricultural and plant extract businesses, saw considerable growth.

1. Ready-to-Drink Beverage Business

The growth in sales of the ready-to-drink beverage business saw signs of recovery after the slow down at the end of 2011. The Company continued to maintain its strategy of conducting research and development and issuing new products to cater to customers' needs. The new products launched in 2012 were as follows:

1. The 100% juice category: 100% Apple and Grape Juice under the Tipco brand and 100% Apple and Grape Juice under the Super Kid brand.
2. The tea category: two additional flavors of green tea (boxes) under the Suntory Mirai brand, namely Honey and Lemon and Original Minto.

As for the Aura mineral water product, the business saw ongoing sales growth and was able to acquire additional market share due to the product's outstanding quality and features.

2. Retail and Food Service Businesses

The revenue of the Squeeze Juice Bar continued to grow continuously from the past year. However, this business incurred higher costs in terms of higher rental fees and labour wages, resulting in adjustment of sales prices and slowdown of sales growth. At the end of 2012, the Squeeze Juice Bar had a total of 65 branches of which 53 were operated by the Company and 12 operated under franchise.

Its food service business saw a significant growth in 2012 as a result of its success in entering the restaurant, hotel, bus line and airline markets.

3. Agricultural and Plant Extract Businesses

As regards the fresh fruit business, Homsuwan pineapple still received a good response from consumers due to its quality consistency, hence continued sales growth.

As regards the plant extract business, 2012 marked the first year of the Company's success in the production and sale of plant extract products at the industrial level to customers in Japan, hence an increase in sales revenue for the business. Moreover, the Company was able to create income from the production and sale of a more variety of extracts for use in food, beverage, supplementary food, cosmetics and medicine. The Company will continue to conduct research and development of new products to support sales growth.

Revenue from Export Sales

As regards the canned pineapple business, the decline in the purchase orders coming from customers in the United States and the European countries led to a substantial decrease in an average sales price, hence the sluggish sales growth in this business. However, the Company has expanded the customer base to the Asian region where economies remain strong and there is the existing customer base of the fruit juice beverage. The Company has expanded the list of products to also cover canned pineapple and canned fruit juice under the Tipco brand, which have earned a good response from those countries. To enhance the export potential, in 2012, the Company has developed and unveiled new products to the market to fulfill customers' needs as follows:

1. Pineapple in Plastic Cup
2. Pineapple in Retort Pouch

These new packages are alternatives for consumers who have different needs and want to enjoy a wider selection. Growth in terms of market and new product is expected to support business growth in the long term.

As for fruit juice exports to the ASEAN markets where sales are made under the Company's brand, in 2012, the business expanded significantly due to the collaboration and support from distributors in many countries. The expansion to new markets in Asian countries was also a great success, hence the Tipco brand gaining wider recognition from foreign consumers. Export sales to non-ASEAN countries as an OEM manufacturer under customers' formulas and brands also enjoyed a significant growth.

Proportion of Domestic and Export Sales Revenue

In 2012, the proportion between the domestic and export sales revenue was equivalent to 60.5: 39.5, the same as 2011. The export sales revenue did not grow as expected due to the canned pineapple business which was affected by the lower sales prices following the decline in the purchase orders. Nonetheless, the Company continued to adopt the policy to maintain the said proportion at 50:50 in order to manage and balance risks associated with nature of businesses in Thailand and foreign countries.

Analysis of Other Income

Other Income	Unit : Baht Million		
	2010	2011	2012
Gain on exchange rates	15.7	2.4	43.7
Reversal of doubtful accounts	0.2	-	0.5
Loss on expired goods(reversal)	18.5	7.8	-
Revenue from claim goods	10.5	-	-
Marketing support income	90.9	248.7	144.9
Sale scraps income	5.4	6.3	6.0
Others	35.3	59.0	50.2
Total	176.5	324.2	245.3

Gain on exchange rates:

As exchange rates have been extremely volatile, the Company maintained its policy of purchasing and selling forward exchange contracts periodically to mitigate potential risks, resulting in a gain from exchange rates of Baht 15.7 million in 2010, Baht 2.4 million in 2011 and Baht 43.7 million in 2012.

Reversal of doubtful accounts:

As one of the doubtful accounts has been classified as bad debt, the amount has been included in the category of other expenses.

Loss on expired goods (reversal):

The allowance set aside by the Company for expired goods in accordance with the accounting standard based on the remaining useful life which was in excess during the previous year was reversed and booked as income.

Marketing support income:

This was a financial support provided by Suntory Beverage and Food Asia Ltd. (previously known as “Suntory Beverage and Food Ltd.”) for advertisement and sales promotion for products under its commercial brand, produced and distributed by the subsidiary company (Tipco F&B Co., Ltd.). This amount included also the special rebate for purchasing goods according to the set target.

Other income:

The Company’s recorded sales revenues were on the FOB basis and revenues from shipping and insurance under CIF term were booked as other income while expenses on shipping and insurance were booked under selling and administrative expenses.

Analysis of Cost of Goods Sold and Gross Profit

	2010		2011		2012	
	Baht Million	% of sales	Baht Million	% of sales	Baht Million	% of sales
Total sales	4,713.8	100.0	4,825.1	100.0	5,442.1	100.0
Cost of goods sold	3,531.9	74.9	3,274.8	67.9	3,701.2	68.0
Gross profit	1,181.9	25.1	1,550.3	32.1	1,740.9	32.0

In 2010, the gross profit ratio declined mainly due to the export of canned pineapple business. The drought crisis became more severe and greatly affected the production of pineapple. Apart from causing prices of fresh fruits to rise continuously, the weather condition affected their quality as well, resulting in a decline in output per ton of fruits. At the same time, the appreciation of the Baht caused sales denominated in Baht to slump. As most of the cost of the canned fruit business was in Thai Baht, it directly affected the declining export business’ gross profit ratio. Total sales of the domestic beverage business increased substantially as a result of marketing activities emphasizing on the positive benefits, characteristics and quality of the Company’s products. At the same time, improvements in the chain of supply and demand management initiated since 2009 led to substantial cost savings. As for the retail business, total sales grew drastically, resulting in an economy of scale which led to an increase in the overall of the domestic gross profit ratio.

In 2011, the gross profit ratio increased as a result of the export business which benefited from the company’s production process adjustment to ensure a higher productivity from inputs of raw materials. This led to a substantial increase in the gross profit of the export business while gross profit from domestic businesses, both beverage and retail, declined slightly as sales were not according to plans during the period of the floods and raw material costs also increased.

In 2012, the gross profit ratio remained similar to that in 2011. The Company was able to keep the gross profit ratio unchanged, despite the decrease in sales of canned pineapples in light of the decline in the purchase orders and

the reduction in prices, due to the substantial decrease in the cost of pineapple following a large supply in the market and the effective management in terms of productivity from inputs of pineapples. Also, the domestic sales growth was satisfactory, despite the rising rental fees and labour costs experienced by the retail business, as the Company adjusted the sales prices in alignment with the rising costs.

Selling and Administrative Expenses

Expenses	2010		2011		2012	
	Baht Million	% of sales	Baht Million	% of sales	Baht Million	% of sales
Selling and administrative expenses	1,334.6	28.3	1,560.4	32.3	1,741.8	32.0

The selling and administrative expenses to total sales ratio in 2010 increased as a result of the Company's emphasis on marketing policies, especially in the 100% fruit juice business, in order to deal with the intensified competition in the domestic market. This strategy proved to be successful as total domestic sales increased significantly. In 2011, the increase in selling and administrative expenses was due to marketing efforts in the beverage business in order to support the several new products which were launched during the year. However, the fact that sales were not in accordance with plans during the 4th quarter led to an increase in the selling and administrative expenses to total sales ratio of the beverage business. The said ratio was unchanged in 2012 due to the slowdown of sales in the canned pineapple business following the decrease in sales prices as well as the policy to continuously conduct sales promotional activities in the ready-to-drink beverage business.

Report on Cash Flow Analysis

Unit : Baht Million

Expense	2010	2011	2012
Cash flow from operations			
Profit before income tax	178.8	369.8	277.1
Adjustments to reconcile profit before income tax to net cash provided by operating activities	-0.2	101.4	226.9
Adjustments to decrease (increase) in working capital	220.1	-638.6	0.7
Net cash provided (used in) operating activities	396.0	-167.4	504.7
Net cash provided by (used in) investing activities	-319.8	-258.7	-272.8
Net cash provided by (used in) financing activities	-115.9	422.4	-226.2
Effects of foreign currency exchange on cash & cash equivalents	-2.7	0.1	0.1

Expense	2010	2011	2012
Increase (decrease) in cash & cash equivalents	-39.7	-3.6	5.5
Cash & cash equivalents at the beginning of the periods	84.5	44.7	41.1
Cash & cash equivalents at the end of the periods	44.7	41.1	46.7

Cash flow from operations: Cash flow from operations in 2010 declined owing to rising costs of fresh fruits caused by fresh fruit shortages as well as an increase in marketing and promotional expenses. In 2011, cash flow from operations was negative due to declining fresh fruit prices caused by oversupply. The Company's inventory balance at the end of the year was high due to its policy to produce and keep finished goods in order to benefit from low costs and to sell them when prices are at appropriate levels. In 2012, cash flow from operations was positive due to the Company's sale of finished goods to customers and the decreasing fresh fruit costs. Due to no sign of rising fresh fruit prices, the Company did not have a policy to keep finished goods for subsequent sale as applicable in the past year.

Cash flow from investing activities: In 2010, at the beverage factory in Wang Noi district, additional machineries were acquired to support the expansion of the production capacity of existing products with a view to supporting sales growth. Moreover, additional investment in machineries was made to support the production line of packaging of products using PET bottles so as to cater to customers' diversified needs. At the factory in Prachuap Khiri Khan province, apart from expenses for normal maintenance of fixed assets, the Company made additional investment in machineries to support the empty can line for enhanced efficiency. At the Aura mineral water factory, additional machineries were bought to support the production line expansion.

In 2011, the Company made additional investment at the beverage factory in Wang Noi district in order to enhance efficiency of the current production line. As regard the factory in Prachuap Khiri Khan province, the Company incurred investment expenditures for the empty can line through replacement of certain parts of existing machineries and additional investment for enhanced efficiency of the production line.

In 2012, investment was made to support the existing production line at the factory in Wang Noi district and the factory in Prachuap Khiri Khan province, covering pineapple in plastic cup and pineapple in retort pouch. At the Aura mineral water factory, investment was made in terms of overhauling machineries of the existing production line.

Cash flow from financing activities: In 2010, the Company entered into a Baht 200.0 million long-term loan contract for the investment in machineries at the beverage factory in Wang Noi district and partially disbursed Baht 180.0 million to pay for the machineries according to the term of payment. The Company then repaid the long-term loan obligations of Baht 200 million during the year. Also, the Company paid dividends of Baht 72.4 million based on the 2009 operating results. In 2011, the Company entered into an additional Baht 300.0 million long-term loan contract to obtain funds for use as working capital and to replace certain portions of short-term loans. The level of funds obtained was deemed commensurate with the Company's minimum working capital requirements. This long-term credit facility would also help enhance the Company's liquidity in the future when it is expected that there will be an increasing demand for short-term credit facilities to support business expansion. In the same year,

the Company also paid long-term debt obligations of Baht 274.0 million. The increase in the short-term loans was due to the Company's plan to keep inventory for subsequent sale. In 2012, the Company disbursed the remaining credit facility of Baht 20 million for the payment of machineries at the beverage factory in Wang Noi district. The Company also paid long-term debt obligations totaling Baht 293.8 million and dividends totaling Baht 57.9 million based on the 2011 operating results.

Liquidity

Liquidity ratio (times)	2010	2011	2012
Current Ratio	0.9	1.0	0.8
Interest Coverage Ratio	4.1	4.9	3.7
Debt to Equity Ratio	1.3	1.4	1.3

Current Ratio: In 2010, the current ratio declined to lower than 1 (time) as a result of a reduction in inventory and a reduction in trade accounts receivable from the export business following a decline in sales caused by the lack of raw materials – fresh fruits. In the meantime, current liabilities increased as the current portion of long-term liabilities increased. (The long-term loans of the Company were due for payment starting from the 3rd quarter of 2010. The subsidiary was scheduled to make the first payment in the 2nd quarter of 2010.) Additionally, the Company still had accrued expense payable related to the marketing and promotional support program. The Company also had accounts payable totaling Baht 59.2 million for machineries at the beverage factory in Wang Noi district which were due for payment in April 2011. The Company would use funds obtained from approved long-term credit facilities to pay off such accounts payable. In 2011, the Company's current ratio slightly increased due to the increase in inventory and the replacement of a portion of the short-term loans with the long-term loans used as working capital. In 2012, the Company's current ratio decreased as the Company is scheduled to pay the first portion, i.e. Baht 100 million, of the Baht 300 million long-term credit facility in September 2013. The Company also had accrued marketing and promotional support expense payable to Suntory Beverage and Food Asia Ltd.

Interest Coverage Ratio: In 2010, the Company's additional long-term loan for machinery investment at the beverage factory and the upward trend of interest rates starting from the 3rd quarter caused a slight decrease in the Company's interest coverage ratio. In 2011, interest rates rose continuously from the previous year and began to decline in the 4th quarter owing to diminishing concerns about inflation rates. Also, due to the flooding situation, the Bank of Thailand had lifted financial restrictions to some degree to help business operators. Apart from that, the Company's profit before interest and tax rose, hence an increase in the Company's interest coverage ratio in 2011. The Company's interest coverage ratio decreased in 2012 due to a substantial decrease in the Company's profit before interest and tax.

Debt to Equity Ratio: The Company's debt to equity ratio increased in 2011 as compared to 2010 due to an increase in total liabilities and slightly decreased in 2012 due to a minimal increase in total liabilities.

Profitability

Profitability ratio (%)	2010	2011	2012
Gross profit margin (%)	25.1	32.1	32.0
Net profit margin (%)	3.1	7.1	4.0
Return on equity	7.2	14.3	8.5

Gross profit margin: In 2010, the gross profit margin declined as a result of the negative effects of the lack of fresh fruit supplies for production as planned and the rise in fresh fruit prices which were aggravated by the Baht appreciation in 2010. In 2011, the gross profit margin increased thanks to the export business which saw improvements in the efficiency and effectiveness of the manufacturing process. In 2012, the gross profit margin remained close to that in 2011 due to Company's ability to consistently manage productivity from inputs of pineapples as well as the offsetting of the decrease in export sales of canned pineapple and the decrease in the fruit costs.

Net profit margin: In 2010, the Company realized a profit from investments in associated companies amounting to Baht 245.2 million. The declining sales of the export business along with the increase in costs of goods sold (fruits) and administrative and selling expenses on the beverage business, according to the Company's marketing policy, resulted in a lower net profit margin. In 2011, despite the fact that the Company realized a profit from investments in associated companies amounting to Baht 179.0 million, lower than that of 2010 and incurred a large amount of marketing expenses to support several launches of new products during the year, the Company's net profit margin increased as a result of the substantial decrease in costs of fruits in the export business. In 2012, the Company's net profit margin decreased drastically partly due to the Company's setting aside of an allowance for expired goods caused by temporary malfunction of machineries, hence a decrease in the Company's net profit.

Return on equity: In 2010, the Company's return of equity was low due to the negative effects on the canned pineapple export business. Nonetheless, in 2011, the decline in the cost of sale of the canned pineapple export business resulted in a considerable increase in the return on equity. In 2012, the return on equity dropped sharply due to the decrease in the net profit as aforesaid.

Asset Quality and Financial Ratio

% of Total Assets	2010	2011	2012
Accounts receivable - net	10%	8%	10%
Inventory	17%	26%	23%
Investments and loans – net	16%	16%	18%
Property, plant and equipment - net	52%	45%	44%
Deposits and guarantees	-	-	-
Others	5%	5%	5%

Accounts receivable: The ratio of accounts receivable to total assets decreased from 2010 to 2011 and increased in 2012. The average collection period in 2010 was 39 days. In 2011, the Company expanded its market to attract new customers in replacement of the existing customers in countries with economic problems. On entering new markets with risks, the Company had to exercise extra caution in considering and granting credits to new customers and strictly follow up on debt payment, hence a reduction in the average collection period to 33 days. In 2012, due to the sluggish economic recovery, certain debtors requested to extend the debt payment period to avoid the liquidity problem and the Company granted relaxation as deemed appropriate especially for regular and long-term customers, hence an increase in the average collection period to 39 days.

Inventory: In 2011, the ratio of inventory to total assets increased from that in 2010 and the number of days in inventory was 84 days. In 2010, the inventory level was in line with the forecast of raw material price changes as the Company's inventory increased at the time when the raw material prices were expected to increase. In 2010, despite the Company's forecast of the worsened drought crisis, shortages of fresh fruit supply led to the Company's inability to keep inventory according to the Company's policy, hence a decline in inventory level. In 2011, fresh fruit supply in the market was at a high level, hence a reduction in costs. The Company, therefore, gradually produced and kept finished goods in inventory for further sale according to the inventory management policy, resulting in the increase in the ratio of inventory to total assets and the increase in the number of days in inventory to 165 days. In 2012, the Company gradually exported finished goods in inventory and the fresh fruit prices decreased and were not likely to increase due to the oversupply of fresh fruits in the market. As a result, the Company did not have a policy to keep a high level of inventory, hence the decrease in the number of days in inventory to 135 days.

Investment: The Company made an investment in Tipco Asphalt Pcl. in which the Company had the policy to hold 20-25% of shares. Such investment was recorded using the equity method in accordance with generally accepted accounting principles. The investment cost was shown in the notes to the financial statements. The Company had the policy to maintain the investment and make a profit in the form of a return on investment to at least cover such investment cost as a minority shareholder.

Property, plant and equipment: The Company has regularly undertaken repairs and maintenance on a yearly basis. In 2010, additional machinery investments were made at the beverage factory in Wang Noi district, the factory in

Prachuap Khiri Khan province, and the Aura mineral water factory with a view to enhancing production efficiency. In 2011, most of the investments were related to repairs and maintenance of existing buildings, machineries and equipment. As regards the factory in Prachuap Khiri Khan province, most of the investments were related to the empty can line to replace old machineries and enhance efficiency. In 2012, additional investment was made to support the existing production line at the beverage factory in Wang Noi district. At the factory in Prachuap Khiri Khan province, investment was made to support the new production line applicable to pineapple in plastic cup and pineapple in retort pouch. At the Aura mineral water factory, investment was related to repairs and maintenance of existing machineries and equipment.

Operating Efficiency

Operating Efficiency Ratio (%)	2010	2011	2012
Return on assets	3.1%	6.0%	3.7%
Return on fixed assets	5.8%	13.2%	8.2%

In 2010, the continued decrease in return on assets was due to the decrease in sales in the export business. In 2011, sales bounced back and the Company did not make additional investment in assets while enjoying and optimizing the benefits of assets it had invested in earlier. Thus, the return on assets and the return on fixed assets increased substantially. In 2012, both ratios decreased due to the decrease in sales in the canned pineapple business and the setting aside of an allowance for expired goods, hence a decrease in the net profit.

Trends in the Future

2013 will still be another difficult and challenging year for the export business, especially the canned fruit business as the economic situation of countries being key customers has not yet recovered. The Company has a policy to enter new potential markets such as countries in Asia through the beverage business sales agents. Moreover, the Company has a plan to add new products so as to cater to customers' diversified needs. However, the Baht appreciation still impedes the export business growth and the Company's management plans to tackle the aforesaid issue include the coordination between the financial function and the sales function. In this regard, the sales function should keep abreast of information of exchange rates so as to restructure selling prices as appropriate. The financial function should also be provided with sales information so as to enter into a forward foreign exchange contract to hedge against risks associated with the sales orders mutually agreed upon. The Company has also studied and considered other financial tools as risk management alternatives.

As regards the beverage business, factors such as the government's measure to stimulate spending have a positive impact on domestic sales. The Company remains steadfast in doing research and development of new products to fulfill consumers' needs and also continues to implement marketing strategies which will be key forces that will drive sales. The beverage export business is expected to see signs of an upward trend due to the availability of potential distributors in countries where the Company has a customer base and the Company's plan to expand its market by tapping into the use of distributors in other countries. As regards the "Squeeze Juice Bar" retail

business, the Company continues to adopt a strategy of branch expansion to appropriate areas both in the forms of the Company's own management and franchise management to stimulate business growth.

As regards the plant extract business, the Company started exporting products of this segment in 2011 and thus has initiated a project to drive sales as well as develop new products. As regards the fresh fruit business, in 2013, as TIPCO's Homsuwan pineapple has become widely recognized and received a good response from the market, the Company aims to grow a higher number of such pineapples to support the increasing demand.

Financial Situations

The anemic economic recovery of the United States and the economic problems of Europe for which there were no clear resolution measures as well as strong capital flows into Asia and the Thai economy being viewed as relatively strong, have aggravated the Baht appreciation as compared to US Dollars. In 2013, it is expected that the Baht value will remain strong throughout the year. As part of the Company's risk management measures, the coordination between the financial function and the sale function is encouraged so as to enter into a forward foreign exchange contract to hedge against risks associated with the acquired sales orders. The Company has also studied other financial mechanisms as alternatives for enhanced efficiency of risk management. As regards interest rates which are another key financial risk factor, although the Baht appreciation would be a factor that causes the Bank of Thailand to potentially maintain interest rates at a low level for a certain period of time, the upward trend of inflation rates would trigger the upward adjustment of the interest rates earlier than expected. As the Company's entire long-term loan obligations were tied up with floating interest rates, the Company would be exposed to risks should interest rates rise. Thus, the Company has entered into interest rate swaps to exchange floating rates with fixed rates for a portion of its long-term loans in order to mitigate interest rate risks. In this regard, the Company has constantly assessed interest rate risks and financial tools as well as negotiated with financial institutions to adjust financial costs to ensure that they remain within an appropriate level.

Future goals

The businesses of Tipco Foods have always concentrated on product attributes, namely, fruit juices, mineral water, smoothies, pineapples and the likes. It was fine up until now for the trend and competition has changed tremendously. The society has grown and become better off, to some degree, and it wants something more than just functional values. Our challenge into the future is how the Company can leverage all of our expertise together and be closer to end-users. We want to be a big part of Thai society promoting good health so that people can live a longer and productive life. Knowing customers and providing them with such intimacy requires the synergy in the group to create high-valued products and bringing forth forward integration. TIPCO people have to be not only competent but also innovative. It is the journey that we will embark in 2013 and the next 10 years. In return, we want to reward our shareholders with not just accounting profits but economic profits to ensure the Company is sustainable from generation to generation.

Risk factors

According to the resolution of the Business Risk Assessment Subcommittee's Meeting, business risks are divided into two categories: short-term and long-term. The degree of severity of risks can be divided into 5 levels: Level 5-maximum, Level 4-high, Level 3-moderate, Level 2-low, and Level 1-minimum. Details are as follows:

Short-term business risks

Category	Nature of risk	Degree of risks	Reason	Impact and Mitigation Measure
Production and export of canned pineapple, pineapple juice concentrate and mixed fruit	(A) Foreign exchange rate volatility	4	The economic problems in the United States and Europe lead to a large amount of capital inflow into the Asian region including Thailand, hence trends of Baht appreciation against US dollars.	Baht appreciation has led to the decrease in the Company's profit. In this regard, the financial function has worked closely with the sales function in notifying foreign exchange rates used for determining sales prices at a particular period such that the Company can enter into a forward contract to hedge against risk according to a particular sales order.
	(B) Cost of fund increase	4	Although Baht appreciation would be a factor that causes interest rate to stay at a low level, there might be other factors that make interest rate go up faster than expected.	A higher interest rate will result in an increased cost of fund since all of the Company's long-term loans are floating interest rate loans. Thus, the Company has entered into an interest rate swap applicable to a portion of loans in order to change from a floating rate to a fixed rate to mitigate risks arising from an increase in interest rate. Nevertheless, the Company has adopted a measure to closely monitor information such that it can adjust its strategies as appropriate to the situation in a timely manner.

Category	Nature of risk	Degree of risks	Reason	Impact and Mitigation Measure
	(C) World economic recession	4	The economic crisis in European countries and the United States still poses a problem against purchase and sale of products.	Due to the decrease in the sales volume in the countries with economic problems such as European countries and the United States, the Company has adjusted sales prices to ensure better competitiveness as well as penetrated new groups of customers and markets.
	(D) High level of inventory	4	The economic crisis in European countries causes deferred purchase order and decreased purchase volume.	As a higher level of inventory leads to a higher cost of production, the Company has adjusted sales prices to ensure improved competitiveness as well as increased channels for sales competition for canned pineapple products applicable to pieces, tidbits and crush types in the 20 ounces package and concentrated pineapple juice.
	(E) Shortage of raw materials (Fresh pineapple)	4	Due to drought, the volume of raw materials (pineapple) may decrease to the level below the planned production level.	The problem regarding insufficient amount of raw materials for production has led to delayed delivery of products to customers. Thus, the Company has to manage raw materials to ensure maximum effectiveness in terms of production. In so doing, the Company has to plan its production according to the situation, retain its member suppliers, promote efficiency as well as find raw materials from other resources to ensure that there is always sufficient amount of pineapples for the factory.

Category	Nature of risk	Degree of risks	Reason	Impact and Mitigation Measure
	(F) Income and profit from sale of empty cans	5	The past year's economic crisis plus the quality problem has led to the decrease in the number of sold empty cans due to deferred or terminated purchase order.	The decreased empty can sales volume has resulted in the reduction in the Company's income. The Company has thus adjusted the strategy related to empty can sale by negotiating and making long-term contracts with customers as well as by considering and improving the quality of products to the level accepted by customers.

Long-term business risks

Category	Nature of risk	Degree of risks	Reason	Impact and Mitigation Measure
Production and export of canned pineapple, pineapple juice concentrate and mixed fruit	(A) Foreign exchange rate volatility	5	There is still no concrete measure to resolve the economic crisis in European countries.	Fluctuation in foreign exchange rate may cause the Company's profit to drop. In this regard, the Company has a policy to hedge against risk by entering into a forward contract according to a particular sales order.
	(B) Interest rate increase	4	The increasing inflation rate trend may pressure the Bank of Thailand to increase interest rate.	A higher interest rate will result in an increased cost of fund since all of the Company's long-term loans are floating interest rate loans. Thus, the Company has entered into an interest rate swap applicable to a portion of loans in order to change from a floating rate to a fixed rate to mitigate risks arising from an increase in interest rate. Nevertheless, the Company has adopted a measure to closely monitor information such that it can adjust its strategies as appropriate to the situation in a timely manner.

Category	Nature of risk	Degree of risks	Reason	Impact and Mitigation Measure
	(C) World economic recession	4	The economic crisis in European countries and the United States still poses a problem against purchase and sale of products.	Due to the decrease in the sales volume in the countries with economic problems such as European countries and the United States, the Company has adjusted sales plan by focusing on markets in the countries with better economic conditions such as Middle East and China.
	(D) High level of inventory	4	The economic crisis in European countries causes deferred purchase order and decreased purchase volume.	As a higher level of inventory leads to a higher cost of production, the Company has adjusted sales prices to ensure improved competitiveness as well as increased channels for sales competition for canned pineapple products applicable to pieces, tidbits and crush types and concentrated pineapple juice.
	(E) The decrease in material quality (High level of nitrate in pineapple)	4	Due to constant changes in weather, pineapple size decreases, hence the need to use growth stimulatory substances and the increase in the nitrate level.	The issue regarding pineapple with high nitrate level makes the Company unable to sell products as required by customers. Accordingly, the Company has arranged a campaign which involves promotion of nitrate-free issue, refusal to purchase pineapple with high level of nitrate or purchase of such pineapple at low prices, and sale of pineapple core and pineapple with white meat containing nitrate.
	(F) Shortage of raw materials (Coconut)	4	Due to changing weather and uncertain production, there could be a problem related to insufficient amount of raw materials for production.	As the low amount of raw materials causes failure to produce products in a timely manner as required by customers, the Company has planned procurement of raw materials from back-up sources to support production.
	(G) Labour shortage	3	Labour shortage arises especially during the beginning of new production due to the production shutdown for 2 months.	The labour shortage causes the Company's production to fall behind the schedule. As a result, the Company has formulated a plan to support work of Thai and Burmese labour forces during the shutdown period.

Shareholding Structure and management (12/03/2012)

No.	Name	No. of Shares	%
1.	Mr. Sitilarb Supsakorn	60,265,043	12.49
2.	Miss Roumsin Supsakorn	51,146,798	10.60
3.	Mrs. Rieam Supsakorn	39,721,054	8.23
4.	Miss Laksana Supsakorn	33,621,968	6.97
5.	Miss Piyaratana Supsakorn	30,379,229	6.30
6.	Mrs. Anurat Tiamtan	26,966,765	5.59
7.	Mr. Napat Supsakorn	24,155,203	5.01
8.	Mr. Sommard Tubejinda	12,500,000	2.59
9.	Mr. Krissanun Keawalee	12,000,000	2.59
10.	Mr. Somchit Sertthin	11,599,846	2.40

Organization Structure

Board of Directors

1. Mrs. Anurat Tiamtan	Chairman
2. Mr. Surachet Supsakorn	Director
3. Mr. Somchit Serththin	Director
4. Miss Roumsin Supsakorn	Director
5. Mr. Sitilarb Subsakorn	Director
6. Miss Laksana Supsakorn	Director
7. Mr. Virat Phairatphiboon	Independent Director
8. Mr. Chalit Limpanavech	Independent Director
9. Mr. Pichawat Chomchuen	Independent Director
10. Mr. Paisan Pongprayoon	Independent Director
11. Mrs. La-or Chaowanamayta	Independent Director
12. Mr. Ekaphol Pongstabhon	Managing Director
13. Mr. Phicharn Slucketch	Secretary to the Board of Directors

Audit Committee

1. Mr. Virat Phairatphiboon	Chairman
2. Mr. Pichawat Chomchuen	Member
3. Mrs. La-or Chaowanamayta	Member
4. Miss Wantanee Puapadong	Secretary to the Audit Committee

Nomination and Remuneration Subcommittee

1. Mr. Pichawat Chomchuen	Chairman
2. Mr. Surachet Supsakorn	Member
3. Mr. Paisan Pongprayoon	Member

Corporate Governance Subcommittee

All members of the Board of Directors shall serve as members of the Corporate Governance Subcommittee.

Business Risk Assessment Subcommittee

1.	Mr. Pornchai Phulsuksombati	Chairman
2.	Mr. Kris Sertthin	Member
3.	Mr. Napat Supsakorn	Member
4.	Mr. Peerapong Archawapongsawat	Member
5.	Mr. Teerapong Saisin	Member
6.	Mr. Mikio Suda	Member
7.	Mr. Parit Harnphadungkit	Member
8.	Mr. Athapol Thongprasert	Member
9.	Mr. Phicharn Sluckpetch	Member
10.	Mrs. Nitima Angatichart	Member
11.	Mrs. Apasara Sujaritvanich	Member
12.	Mr. Paisan Korsang-luck	Member
13.	Mr. Chatchawat Rungthong	Member
14.	Mrs. Udomporn Punpatch	Member

Management Team

1.	Mr. Ekaphol Pongstabhon	Managing Director
2.	Mr. Kris Sertthin	Assistant Managing Director
3.	Mr. Napat Supsakorn	Business Director-Food
4.	Mr. Peerapong Archawapongsawat	Commercial Director-Beverage
5.	Mr. Pornchai Phulsuksombati	Director of Business Development and Financial Support

Authority and Duties of the Board of Directors

1. Oversee and manage the Company's business undertakings to ensure compliance with relevant laws, the Company's objectives and Articles of Association, and resolutions of shareholders meetings, as well as preserve the Company's interests in accordance with the principles of good corporate governance.
2. Determine the Company's policies and business directions as well as monitor and supervise performance of the management to ensure effectiveness, efficiency and compliance with such policies with a view to maximizing the Company's economic value and shareholders' wealth.
3. Arrange for the organization of an annual general meeting of shareholders within 4 months from the end of the Company's accounting period and convene an extraordinary general meeting of shareholders as necessary.
4. Hold a Board of Directors meeting on a quarterly basis whereas at least one-half of the total number of directors must be present. Decisions at the meetings will be resolved by a majority vote. If votes result in a tie, the Chairman of the meeting shall have a casting vote.

5. Provide recommendations, discuss problems in a collaborative and comprehensive manner, and make decisions with discretion and prudence concerning agenda items proposed at Board of Directors meetings.
6. Arrange for the preparation of the balance sheets and the profit and loss statement at the end of the Company's accounting period and have them audited before submission thereof to the annual general meeting of shareholders for consideration and approval.
7. Appoint the Managing Director and determine his remuneration.
8. Empower the Managing Director to direct the Company's business, to appoint and terminate employment of employees, to determine remuneration in accordance with policies of the Board of Directors, and to grant authority to employees to take actions in accordance with business situations.
9. Consider and approve the capital expenditure and the annual operating budget and supervise the usage of the Company's resources.
10. Determine guidelines and policies for remuneration of senior management.
11. Arrange for the establishment of internal control and audit, have in place control systems related to finance, operations and compliance, and control and manage risks.
12. Arrange for the preparation of reports on financial and other general information that is important to shareholders in a complete, correct and adequate manner, as well as confirm the verification and certification of such reports.

Authority and Duties of the Executive Committee

1. Determine guidelines and strategies on business operations of the Company to ensure maximum efficiency and effectiveness.
2. Review performance on a regular basis in order to promptly determine corrective measures and ensure the achievement of business goals.
3. Evaluate and screen large-scale investment projects and the annual budget prior to submission to the Board of Directors for consideration.
4. Provide advice to the Board of Directors when making important decisions.
5. Handle transactions with financial institutions within the scope of authority, concerning short-term loans, disbursement and account opening.
6. Handle mortgage registration transactions with the Department of Lands within the scope of authority.
7. Authorize investment budgets within the scope of authority.
8. Represent the Company and deal with external parties on behalf of the Company.

Authority and Duties of the Managing Director

1. Manage and direct the Company's operations in accordance with policies and authorities determined by the Board of Directors.
2. Determine short-term and long-term business goals, annual business plan, expenditure budget, and long-term strategic plan for submission to the Board of Directors for approval.
3. Manage operations through the management to achieve goals according to the business plan as well as to ensure sustainable competitiveness and appropriate returns for shareholders.
4. Allocate resources and recruit high potential personnel for maximum benefits of the Company.
5. Promote and develop a strong organizational culture to support the Company's vision and business growth.
6. Closely monitor the Company's operations, evaluate performance, and report activities undertaken by the management to the Board of Directors on a regular basis and in a timely manner.
7. Consider, screen and present to the Board of Directors for approval the following matters: Policies and business directions of the Company, affairs which may bring about a significant impact on the Company's business after their implementation, and issues related to compliance with laws and regulations of the Stock Exchange of Thailand.
8. Prepare details of the scope of authority for submission to the Board of Directors for approval. The determined scope of authority is aimed at delegating authority to employees to perform duties and make decisions efficiently as well as ensuring flexibility and control management.
9. Prepare reports on financial status and financial statements for submission to the Board of Directors for consideration and approval on a quarterly basis.

Authority and Duties of the Audit Committee

1. Ensure that the Company's financial reports are correct, according to actual facts, complete, adequate and reliable.
2. Ensure that the Company and its management arrange for the establishment of a suitable and efficient internal control system. The committee may, as appropriate, invite directors, executives or staff members concerned to attend its meeting and provide relevant information.
3. Consider, select and nominate an auditor and propose his/her remuneration.
4. Ensure that the Company and its management comply with relevant regulations and laws.
5. Ensure that there is no conflict of interest.

6. Prepare the Audit Committee's report which must be disclosed in the Company's annual report. The Audit Committee's report must be signed by the Chairman of the Audit Committee and contain opinions on matters as required by the Stock Exchange of Thailand.

Authority and Duties of the Nomination and Remuneration Subcommittee

1. Select and nominate persons who are qualified for the position of director according to the Company's operating regulation on selection and nomination of the Company's directors. Also, consider the performance, qualifications and appropriateness of the directors who retire by rotation and are qualified for re-election. Then, propose a list of candidates to the Board of Directors for consideration and approval and to the shareholders meeting for election as directors.
2. Propose remuneration rates and employment conditions including remuneration rates of Chairman of the Executive Committee, Managing Director, and high-level executives of the Company as assigned by the Board of Directors.
3. Provide opinions to the Board of Directors regarding remuneration rates of Chairman of the Board of Directors and directors according to the regulation on consideration of remuneration before approval is granted by the Board of Directors and then the shareholders meeting.
4. Provide recommendations to the Board of Directors regarding successors of the Chairman of the Executive Committee and the Managing Director. Review succession plans for high-level executives, executives and key positions as prepared by the Chairman of the Executive Committee or the Managing Director.
5. Have duties and responsibilities related to the following strategies:
 - 5.1 Human resources strategies for high-level executives
 - 5.1.1 Consider and provide opinions on human resources policies for high-level executives as proposed by the Chairman of the Executive Committee and/or the Managing Director to ensure alignment with business strategies of the Company before submission to the Board of Directors.
 - 5.1.2 Ensure that qualified candidates are included in succession plans of high-level executives, executives and key positions, and ensure that these plans are regularly reviewed by the Chairman of the Executive Committee and the Managing Director.
 - 5.2 Strategies on performance evaluation and remuneration of high-level executives
 - 5.2.1 Review remuneration strategies and propose them to the Board of Directors for endorsement.
 - 5.2.2 Review and propose remuneration to the Board of Directors in order to motivate high-level executives to enhance and develop themselves and their subordinates in terms of potential and to devote themselves to the performance of duties in the short and long terms, which will ultimately contribute to the business development of the Company. Also, consider giving the Company's shares as remuneration.
 - 5.2.3 Provide recommendations to the Chairman of the Executive Committee and the Managing Director regarding guidelines for consideration of salary, welfare and benefits for high-level executives of the Company.

5.2.4 Consider and provide opinions to the Board of Directors on policies and programs on incentives intended for retaining personnel with capabilities, quality and potential.

Authority and Duties of the Corporate Governance Subcommittee

1. Determine corporate governance policies in accordance with regulations of the Stock Exchange of Thailand.
2. Review corporate governance policies and assess the compliance with such policies on a regular basis.
3. Consider and approve the Company's Code of Conduct.

Authority and Duties of the Business Risk Assessment Subcommittee

1. Ensure that all possible risks which can affect the stability of the Company are avoided.
2. Ensure compliance with the business direction, strategies, and organizational core values.
3. Determine the severity of risks of all activities.
4. Specify clear risk indicators.
5. Inspect risks independently or set up a regular self-assessment system.
6. Compare between potential damage from risks associated with business decisions and the cost of controlling such risks and determine a balanced solution.
7. Encourage employees to communicate feedback or warning to the management immediately when an adverse situation occurs.
8. Benchmark with other companies possessing excellent risk management systems.

Nomination of Directors, Independent Directors, and Managing Director

The process for consideration, nomination and appointment of directors, independent directors and managing director is as follows:

1. The Board of Directors determines qualifications for directors, independent directors, and managing directors.
2. The Nomination and Remuneration Subcommittee screens and selects persons possessing appropriate qualifications as required by the Board of Directors and proposes the matter to the Board of Directors for consideration.
3. The Board of Directors considers and selects the appropriate candidates for the position of director and proposes the selected candidates to the shareholders meeting for consideration and appointment as directors.
4. The Board of Directors considers the appointment of an appropriate candidate as Managing Director.

Qualifications for Directors

1. Possess an unblemished record.
2. Have a vision and demonstrate a broad business perspective.
3. Exhibit good interpersonal skills, a sense of justice, and an amenable personality.
4. Possess effective communications skills.
5. Demonstrate systematic business thinking and decision making.
6. Possess good knowledge and understanding related to financial, commercial or industrial matters as well as experience in the area of business management.
7. Have prior experience as director of a company or state enterprise.

Criteria for Consideration and Selection of Directors

1. Candidates must possess the required qualifications.
2. Overall, the Board of Directors should be comprised of persons with a variety of skills that are beneficial to the determination of corporate direction and guidance.

Qualifications for Independent Directors

1. Possess the required qualifications for directors.
2. Perform duties and express opinions using independent judgment as well as uphold integrity by taking into consideration the benefit of the Company as a priority. He/she shall not consider only the interests of major shareholders, individual shareholders or him/herself.
3. Possess all qualifications as required by the Stock Exchange of Thailand and best practices as follows:
 - 3.1 Hold no shares in excess of 2% of the total number of shares with voting rights in the Company, affiliated companies, associated companies or persons with possible conflict of interest (including related persons as per Section 258 of the Securities and Exchange Act).
 - 3.2 Have no involvement in company management and do not hold a position of a staff member, employee, advisor receiving regular monthly salary, or person with the controlling authority in the Company, affiliated companies, associated companies or persons with possible conflict of interest. He/she must have had no interest or stake in such a manner for at least one year.
 - 3.3 Have no business relation and have no interest or stake, whether direct or indirect, in financial or management matters of the Company, affiliated companies, associated companies or persons with a possible conflict of interest of a nature that may compromise independence.

- 3.4 Have no relationship as a close relative of management members and major shareholders of the Company, affiliated companies, associated companies or persons with a possible conflict of interest or those who are appointed as representatives to protect the interests of directors or major shareholders.
- 3.5 Disclose to the Board of Directors any relationship which may compromise independence.

Qualifications for Managing Director

1. Uphold integrity and possess an unblemished record.
2. Do not hold a position of major shareholder. Possess professional management skills.
3. Possess skills and experience in various areas, including international business.
4. Exhibit strong leadership, broad vision and good interpersonal and communication skills with an amenable personality.
5. Possess the ability to coordinate differences and various skills and capabilities of employees to ensure the achievement of business goals and alignment with the corporate culture.
6. Demonstrate skills in marketing, finance and personnel management.
7. Demonstrate the proven ability to oversee, supervise and direct the overall operations of the organization.
8. Be able to identify business opportunities and excel in problem solving.

Procedures and Rules for Election of Directors at Shareholders Meeting

1. The shareholders meeting shall cast votes to elect each director one by one.
2. In casting votes for election of each director, each shareholder shall have one vote for each share held.
3. In casting votes for election of each director, the person so elected shall receive a majority vote of the shareholders who attend the meeting and are entitled to vote.

Company's Articles of Association Regarding the Board of Directors

16. At every annual general meeting of shareholders, one-third of the number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third shall retire from the office. The directors to retire during the first and second years following the registration of the Company shall be determined by drawing lots. In the subsequent years, directors who have served in office the longest will be required to leave their positions.

A retiring director may be eligible for re-election.

17. Apart from vacancy upon the expiry of his/her term of office, a director shall vacate the office upon:
- (1) death;
 - (2) resignation;
 - (3) lack of qualifications or subject to prohibition under Section 68 of the Public Company Limited Act B.E. 2535;
 - (4) being removed by the resolution of shareholders meeting; or
 - (5) being removed by the court order.

18. Any director wishing to resign from office shall submit a resignation letter to the Company. The resignation shall be effective from the date on which the resignation letter reaches the Company.

The director who has resigned under the first paragraph may also notify the registrar of his/her resignation for acknowledgement.

19. In case of a vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the Board of Directors shall elect a person who has the qualifications and does not possess any prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535 as a replacement director at the next meeting of the Board of Directors, except in the case where the remaining term of office of such director is less than 2 months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces.

The resolution of the Board of Directors under the first paragraph must be passed by a vote of not less than three-fourths of the number of the remaining directors.

20. The shareholders meeting may pass a resolution to remove a particular director prior to the expiry of his/her term of office. Such resolution shall comprise not less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote whereas the combined number of shares shall not be less than one-half of the total number of shares held by the shareholders who attend the meeting and are entitled to vote.

21. It is not required that directors shall be the shareholders of the Company.

Connected Transactions

Persons with Mutual Interest and Related Transactions

Stake holding interest of management is considered in relation to connected companies, subsidiaries and associated companies. Certain business are suppliers providing product or materials transport services in which the cost of such products or services provided to the company is calculated at market rates stated in mutual price policies referring to the Notes to Financial Statements No. 4, and with no contractual obligations between the Board of Directors with stake-holding interest owing to their status as Directors or shareholders are:

1. Mrs. Anurat Tiamtan
2. Mr. Surachet Supsakorn
3. Mr. Somchit Sertthin
4. Miss. Roumsin Supsakorn
5. Miss Laksana Supsakorn
6. Mr. Sitilarb Subsakorn

Details of connected relations among the Company's Directors with related companies are summarized mainly as the table below:

Related company	Type and Nature of Business	Relationship with the related companies	Relationship with the company/ shareholder name and equity stake of the related company's total share
Thanomwongse Service Co., Ltd.	Distributor of petroleum products, constructor of buildings, roads and surface maintenance	Mrs. Anurat Tiamtan Director Miss Roumsin Supsakorn director Miss Laksana Supsakorn director Mr. Sitilarb Subsakorn director Mr. Surachet Supsakorn Director	15.23% held by Mrs. Anurat Tiamtan 15.23% held by Miss Roumsin Supsakorn 15.23% held by Miss Laksana Supsakorn 15.23% held by Mr. Sitilarb Supsakorn 1 share held by Mr. Surachet Supsakorn

Related company	Type and Nature of Business	Relationship with the related companies	Relationship with the company/ shareholder name and equity stake of the related company's total share
Tipco Asphalt PCL.	Producer and distributor of asphalt and distributor of fuel products	Mrs. Anurat Tiamtan Director Mr. Somchit Serththin Director Mr. Sitilarb Supsakorn Director	24.33% held by Tipco Foods PCL.
Siamcontainer Terminal Co., Ltd.	Provides to Full Functional Services and Main Services are : Container Terminal Service, Warehouse management System, Transportation Service	Mrs. Anurat Tiamtan Director Miss Roumsin Supsakorn Director Miss Laksana Supsakorn Director Mr. Sitilarb Supsakorn Director	1 share held by Mrs. Anurat Tiamtan 1 share held by Miss Roumsin Supsakorn 1 share held by Miss Laksana Supsakorn 1 share held by Mr. Sitilarb Supsakorn 100% held by Ekachaicontainer Terminal Co., Ltd.
Ekachaicontainer Terminal Co., Ltd.	Transport and shipping service	Mrs. Anurat Tiamtan Director Miss Roumsin Supsakorn Director Miss Laksana Supsakorn Director Mr. Sitilarb Supsakorn Director	12.56% held by Mrs. Anurat Tiamtan 12.56% held by Miss Roumsin Supsakorn 12.56% held by Miss Laksana Supsakorn 12.56% held by Mr. Sitilarb Supsakorn 11.90% held by Thanomwongse Service Co., Ltd.

Details of related transaction accounts between Tipco Foods PCL. and its subsidiaries with related persons in 2012 include these followings:

Type of transaction	Company/ relationship	Related transaction value (million Baht)	Pricing policy
1. Other incomes	Suntory Beverage&Food Limited in Janpan	100.79	Market prices, equivalent to that quoted for outsiders
	Suntory Beverage&Food Limited in Singapore	0.77	
	Total	101.56	

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
2. Purchasing products	Tipco Asphalt PCL.	13.45	Market prices, equivalent to that quoted for outsiders
	Total	13.45	
3. Acquiring services and others	Thanomwongse Service Co., Ltd.	12.24	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.22	
	Ekachaicontainer Terminal Co., Ltd.	3.01	
	Total	15.47	

Details of related transactions between Tipco F&B Co., Ltd. and related companies include these followings:

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
1. Selling products	Siamcontainer Transport Co., Ltd.	0.19	Market prices, equivalent to that quoted for outsiders
	Raycol Asphalt Co., Ltd.	0.10	
	Thanomwongse Service Co., Ltd.	1.81	
	Tipco Asphalt PCL.	1.29	
	Rattanajit Co., Ltd.	0.26	
	Thai Bitumen Co., Ltd.	0.16	
	Ekachaicontainer Terminal Co., Ltd.	0.07	
	Thai Slurry Seal Co., Ltd.	0.01	
	Tipco Maritime Co., Ltd.	0.03	
	Total	3.92	
2. Purchasing products	Tipco Asphalt PCL.	1.05	Market prices, equivalent to that quoted for outsiders
	Total	1.05	
3. Acquiring services and others	Tipco Asphalt PCL.	0.28	Market prices, equivalent to that quoted for outsiders
	Thanomwongse Service Co., Ltd.	7.90	
	Ekachaicontainer Terminal Co., Ltd.	0.28	
	Suntory Limited in Japan	2.85	
	Total	11.31	

Details of related transactions between Tipco Retail Co., Ltd. and related companies include these followings:

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
1. acquiring services and others	Thanomwongse Service Co., Ltd.	1.64	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.17	
	Total	1.81	

Other service transactions were building rental paid to Thanomwongse Service Co., Ltd. This was booked as expense of the Company, Tipco F&B Co., Ltd. and Tipco Retail Co., Ltd. of 8.08 million Baht, 4.88 million Baht and 1.00 million Baht, respectively. The Audit Committee had taken serious consideration to prove that such rental was fair when compared with similar buildings and facilities services available in Bangkok. Approval was made by the Company's Board of Directors, in which related Directors had no voting rights.

The fuel purchasing transaction with Tipco Asphalt PCL, was done after surveying prices with other suppliers in order to make sure that this complied with the Company's procurement standard under ISO quality system.

The Necessity and Rationality of the Transactions

The related transactions between the Company, subsidiaries and related persons who might conflict of interest are treated as normal business activities and needed to be approved by Audit Committee first and then the Board of Directors. This is in line with all endorsement procedures of the Company involving in price comparison and market price quotation policy.

The Measure and Process of Related Party Transactions

The related party transactions at the present continuing to the future, must be approved by both the Audit Committee and the Board of Directors. This is in line with all endorsement procedures of the Company involving in price comparison and supplier selection process, in which the Directors who have the conflict of interests must obtain from voting.

Policies and Tendencies of Related Party Transactions in the Future

The related party transactions, which occur at present and may continue to the future, are treated as normal business activities. There will be neither unusual transactions nor the transfers of interest between the Company, subsidiaries and related persons with possible conflicts of interest. The Company will have the Audit Committee or the Company's auditor or independent expert to examine the suitability of prices and rationality of transactions

and to make relevant remarks. Details, values and reasons on these transactions are required to publicly disclose and report to Shareholders' Meeting and in the annual report. The Board of Directors has to comply with securities and exchange laws and regulations, announcement of the Stock Exchange of Thailand. Moreover, the Company has to strict with the disclosure of relevant transactions and acquisitions or sales of significant assets of the Company or subsidiaries in accordance with the accounting standard of the Institute of Certified Accounts and Auditors of Thailand. In case of any related party transactions between the Company, subsidiaries and related persons with possible conflict of interests, the Company must have the Audit Committee to examine the justification of these transactions. In case of any transactions that may be beyond the Audit Committee's capability, the Company will establish independent expert or auditor team to do that before having any conclusions to propose to the Company's Board of Directors or shareholders.

Report of the Board of Directors ‘Responsibility to Financial Reporting

The Board of Directors of the Company is responsible for the financial statements of the Company and its subsidiaries, including the financial information presented in the Annual Report. The financial statements are prepared in accordance with the generally accepted accounting principles, while the suitable and consistent accounting policies are duly adopted. Cautious judgment and the best possible estimates are exercised in the preparation of the Statements. In addition, significant information is sufficiently shown in the Notes to the Financial Statements. The Statements have been inspected by licensed and independent auditors, who have not made any conditional comments. The Statements therefore accurately and reasonably reflect the financial position and operating performance results of the business, for the benefit of shareholders, general investors and parties with interests in the Company, in a transparent manner.

The Board of Directors has initiated, and continues to maintain, a system of risk management, as well as suitable and efficient internal controls, in order to reasonably ensure that the recording of accounting data is conducted accurately, comprehensively and adequately. This is with the aim of protecting the assets of the business, and to identify weaknesses, to prevent risk from acts and corruption or transactions of a significantly abnormal nature.

To this end, the Board of Directors has appointed the Audit Committee, comprising of 3 Independent Directors, to oversee and be responsible for ensuring the quality of financial reporting, as well as internal controls. The Audit Committee’s opinions on this matter are shown in the Audit Committee’s Report as appearing in the Annual Report.

The Board of Directors of the Company is of the opinion that the business’ internal control systems are of a satisfactory level to engender a reasonable degree of confidence in the consolidated Financial Statements, as well as the Financial Statement of the Company’s subsidiaries as of 31 December 2012.



(Mrs. Anurat Tiamtan)
Chairman of the Board



(Mr. Ekaphol Pongstabhon)
Managing Director

Report of the Audit Committee

The Audit Committee of Tipco Foods Public Company Limited comprises 3 Independent Directors. Mr. Virat Phairatphiboon serves as Chairman of the Audit Committee, while Mr. Pichawat Chomchuen and Mrs. La-or Chaowanamayta serve as Members of the Audit Committee. The Audit Committee carried out its duties in compliance as assigned by the Board of Directors with the regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2012, the Audit Committee held 5 formal meetings with the corporate auditors and internal auditors. The Committee also held several consultations with the internal auditors and management, with significant details summarized as follows:-

1. The Audit Committee had reviewed and approved the annual internal audit program, in order to ensure the sufficiency of internal control systems, with Audit and Management Consultants Co., Ltd., the internal auditors of the Company. An emphasis was placed on managing business risk and the internal auditors were assigned the task of reviewing this on a quarterly basis.
2. The Committee had reviewed the financial statements and financial reports to ensure compliance with Thai Financial Reporting Standard and found that information disclosed are sufficient, complete and credible.
3. The Committee had reviewed connected transactions between the Company related parties and corporation and found that such transactions were carried out in the normal business operation manner, with justified competitive price and at an arm's length basis.
4. The Audit Committee opined that an effective system of controls was in place. No shortcomings of a significant nature were found. Management was encouraged to enhance the efficiency of internal control and risk management systems to conform with a changing business environment on an ongoing basis. The Committee also provided supports and encouragement to the internal auditors to ensure internal audit activities in 2012 measured up to an international standard.
5. The Audit Committee monitored the Company's investment projects by frequently following up and reviewing progress with management. .
6. The Committee reviewed and ensured that the Company was in compliance with the relevant regulations and laws, in order to provide an equity and transparency to Shareholders and all related parties. The Company was found to be in complete compliance with such regulations and laws.

7. The Audit Committee reviewed and submitted a proposal to the Board of Directors to appoint auditors from Bunchikij Accountants Co., Ltd. as the corporate auditors for the year 2012 based on their past performance, excellent reputation and professionalism.

In summary, the Audit Committee had reviewed the operations of the principal business of the Company and held joint discussions with relevant management, internal auditors and the corporate auditors and is satisfy that the Company's internal control systems are currently sufficient and consistently enhanced. The Company was found to comply with good corporate governance and risk management, while the process of the corporate financial statements preparation was carried out under appropriate and adequate controls. The Company's financial statements were prepared in accordance with Thai Financial Reporting Standard. In addition, the Audit Committee conducted regular reviews of the relevant laws, regulations and rules to ensure that the Company was in compliance with such laws, regulations and rules.



Virat Phairatphiboon
Chairman of the Audit Committee
22 February 2013

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Shareholders and Board of Directors of TIPCO FOODS PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of TIPCO FOODS PUBLIC COMPANY LIMITED and its subsidiaries, and of TIPCO FOODS PUBLIC COMPANY LIMITED, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2012, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at December 31, 2012 and the financial performance and cash flows for the year then ended of TIPCO FOODS PUBLIC COMPANY LIMITED and its subsidiaries and TIPCO FOODS PUBLIC COMPANY LIMITED, respectively, in accordance with Thai Financial Reporting Standards.

Bangkok
February 19, 2013



(Pornchai Kittipanya-ngam)

Certified Public Accountant Registration No. 2778

Bunchikij Co., Ltd.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2012

Unit : Baht

ASSETS					
	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
CURRENT ASSETS					
Cash and cash equivalents	3.2 and 5	46,699,175	41,149,809	27,555,705	21,454,864
Current investments	6	395,191	307,527	0	0
Trade and other receivables	3.3 and 7	786,799,817	577,511,511	243,023,283	226,099,806
Short - term loans to related parties	8	0	0	31,500,000	289,300,000
Inventories	3.4 and 9	1,365,154,174	1,480,003,676	860,134,938	1,023,874,563
Accounts receivable to forward exchange contracts		7,000,926	0	7,564,375	0
Accounts receivable to forward exchange contracts		3,454,114	0	3,454,114	0
Other current assets	10	14,116,046	22,146,505	10,249,455	15,478,160
Total current assets		2,223,619,443	2,121,119,028	1,183,481,870	1,576,207,393
NON-CURRENT ASSETS					
Available-for-sale investments	3.5 and 11	6,633,875	11,142,199	6,633,875	11,142,199
Investments in associated company	3.5 and 12	1,050,956,595	936,647,977	647,109,739	647,109,739
Investments in subsidiary companies	3.5 and 12	0	0	465,361,642	210,811,670
Deposits at bank used as collateral	13	4,000,000	4,180,000	0	0
Property, plant and equipment	3.7 and 14	2,637,139,788	2,607,003,580	980,532,017	904,247,597
Intangible assets	3.8 and 15	27,655,347	30,279,803	27,080,485	27,388,041
Interest rate swap contract		0	4,254,143	0	4,254,143
Deposits and guarantees	16	23,763,422	15,835,856	2,146,870	2,325,470
Other non-current assets		4,009,997	8,938,944	1,839,875	3,948,712
Total non-current assets		3,754,159,024	3,618,282,502	2,130,704,503	1,811,227,571
Total assets		5,977,778,467	5,739,401,530	3,314,186,373	3,387,434,964

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2012

Unit : Baht

LIABILITIES AND SHAREHOLDERS' EQUITY					
	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	17	1,356,898,529	1,238,070,822	750,000,000	746,000,000
Trade and other payables	18	864,181,503	552,466,741	269,278,539	189,881,667
Account payable for machinery		0	69,614,192	0	4,151,863
Current portion of long-term liabilities	19	393,338,733	302,995,245	180,615,991	124,656,681
Accrued income tax		3,697,170	8,295,873	0	7,825,924
Accounts payable to forward exchange contracts	21	0	10,850,481	0	10,854,624
Other current liabilities		18,097,937	16,572,162	4,748,578	4,215,700
Total current liabilities		2,636,213,872	2,198,865,516	1,204,643,108	1,087,586,459
NON-CURRENT LIABILITIES					
Long-term liabilities	19	721,134,919	1,091,366,701	431,237,627	606,888,603
Provision for dismantling cost		2,366,250	2,830,000	0	0
Employee benefit obligations	3.12 and 20	34,356,758	40,050,132	27,940,192	34,005,459
Total non-current liabilities		757,857,927	1,134,246,833	459,177,819	640,894,062
Total liabilities		3,394,071,799	3,333,112,349	1,663,820,927	1,728,480,521
SHAREHOLDERS' EQUITY					
Share capital	22				
Authorized share capital					
500,000,000 Ordinary shares of Baht 1 each,		500,000,000	500,000,000	500,000,000	500,000,000

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2012

Unit : Baht

LIABILITIES AND SHAREHOLDERS' EQUITY					
	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Issued and paid-up share capital					
482,579,640 Ordinary shares of Baht 1 each, fully paid		482,579,640	482,579,640	482,579,640	482,579,640
Non-controlling interests in subsidiary of the associated company acquired at price lower than book value		1,517,573	1,517,573	0	0
Change in the interest in subsidiary of the associated company which not resulted in loss of control of the associate		3,139,507	3,139,507	0	0
Capital reserve for share-based payment transactions of the associated company		3,196,988	1,129,990	0	0
Retained earnings					
Appropriated for legal reserve	22.2	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		1,653,483,168	1,489,476,487	1,107,766,912	1,110,990,712
Other components of equity		(33,764,664)	(16,390,901)	10,018,894	15,384,091
Total equity holders of the parent		2,160,152,212	2,011,452,296	1,650,365,446	1,658,954,443
Non-controlling interests		423,554,456	394,836,885	0	0
Total shareholders' equity		2,583,706,668	2,406,289,181	1,650,365,446	1,658,954,443
Total liabilities and shareholders' equity		5,977,778,467	5,739,401,530	3,314,186,373	3,387,434,964

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Revenues from the sales of goods and the rendering of services	24	5,442,119,706	4,825,086,125	2,397,625,366	2,458,307,570
Cost of the sales of goods and the rendering of services		3,701,196,706	3,274,826,466	2,041,016,263	2,052,695,023
Gross profit		1,740,923,000	1,550,259,659	356,609,103	405,612,547
Other incomes	25	245,304,281	324,181,252	195,295,084	122,025,470
Profit before expenses		1,986,227,281	1,874,440,911	551,904,187	527,638,017
Selling expenses		(1,288,208,433)	(1,151,091,229)	(186,806,350)	(127,287,356)
Administrative expenses		(453,564,759)	(409,289,101)	(193,014,679)	(148,973,145)
Management benefit expenses		(32,837,428)	(29,427,720)	(32,837,428)	(29,427,720)
Profit before Share of profit from investments in associated company		211,616,661	284,632,861	139,245,730	221,949,796
Share of profit from investments in associated company		167,927,843	178,960,131	0	0
Profit before finance costs and income tax		379,544,504	463,592,992	139,245,730	221,949,796
Finance costs		(102,485,443)	(93,780,388)	(61,861,115)	(52,716,504)
Profit before income tax		277,059,061	369,812,604	77,384,615	169,233,292
Income tax	28	(29,108,405)	(9,873,272)	(22,699,441)	(9,355,047)
Profit for the years		247,950,656	359,939,332	54,685,174	159,878,245
Other comprehensive income (loss)					
Change in fair value of interest rate swap contract		(874,069)	4,604,880	(874,069)	4,604,880
Available-for-sale investments		(4,491,128)	10,779,211	(4,491,128)	10,779,211

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Exchange differences on translation of financial statements in foreign currencies		(31,232)	51,947	0	0
Share of comprehensive income (loss) in associated company		(11,977,334)	24,542,079	0	0
Other comprehensive income (loss) for the years		(17,373,763)	39,978,117	(5,365,197)	15,384,091
Total comprehensive income for the years		230,576,893	399,917,449	49,319,977	175,262,336
Profit attributable to :					
Equity holders of the parent		219,233,085	343,625,558	54,685,174	159,878,245
Non-controlling interests		28,717,571	16,313,774	0	0
		247,950,656	359,939,332	54,685,174	159,878,245
Total comprehensive income attributable to :					
Equity holders of the parent		201,859,322	383,603,675	49,319,977	175,262,336
Non-controlling interests		28,717,571	16,313,774	0	0
		230,576,893	399,917,449	49,319,977	175,262,336
Basic earnings per share					
Profit of shareholders' equity-parent company	(Bath)	0.454	0.712	0.113	0.331

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONSOLIDATED FINANCIAL STATEMENTS)

For the year ended December 31, 2012

Unit : Baht

	Issued and paid-up share capital	Non-controlling interest in subsidiary of the associated company acquired at price lower than book value	Change in the interest in subsidiary of the associated company which not resulted in loss of control of the associate	Capital reserve for share-based payment transactions of the associate	Equity holders of the parent							Total equity holders of the parent	Non-controlling Interest	Total				
					Retained earnings		Other components of equity											
					Appropriated Legal reserve	Unappropriated	Other comprehensive income			Total other components of equity								
							Fair value of interest rate swap contract	Available-for-sale investments	Exchanges differences on translation of financial statement in foreign currencies		Share of comprehensive income in associate							
Balance as at January 1, 2011																		
- as previously reported	482,579,640	0	0	0	50,000,000	1,194,440,001	0	0	1,502,521	(57,871,539)	(56,369,018)	1,670,650,623	381,106,282	2,051,756,905				
Impact of change in accounting policy																		
Employee benefits (Note 3.12)						(34,853,373)						(34,853,373)	(2,583,171)	(37,436,544)				
Employee benefits - in associated company						(13,735,699)						(13,735,699)		(13,735,699)				
Balance as at January 1, 2011 - After adjusted	482,579,640	0	0	0	50,000,000	1,145,850,929	0	0	1,502,521	(57,871,539)	(56,369,018)	1,622,061,551	378,523,111	2,000,584,662				
Non-controlling interests in subsidiary of the associated company acquired at price lower than book value		1,517,573										1,517,573		1,517,573				
Change in the interests in subsidiary of the associated company which not resulted in loss of control of the associate			3,139,507									3,139,507		3,139,507				
Capital reserve for share-based payment transactions of the associated company				1,129,990								1,129,990		1,129,990				
Total comprehensive income for the year 2011						343,625,558	4,604,880	10,779,211	51,947	24,542,079	39,978,117	383,603,675	16,313,774	399,917,449				
Balance as at December 31, 2011	482,579,640	1,517,573	3,139,507	1,129,990	50,000,000	1,489,476,487	4,604,880	10,779,211	1,554,468	(33,329,460)	(16,390,901)	2,011,452,296	394,836,885	2,406,289,181				
Balance as at January 1, 2012	482,579,640	1,517,573	3,139,507	1,129,990	50,000,000	1,489,476,487	4,604,880	10,779,211	1,554,468	(33,329,460)	(16,390,901)	2,011,452,296	394,836,885	2,406,289,181				
Adjustments of retained earnings of associated company (Note 12)						2,682,570						2,682,570		2,682,570				
Balance as at January 1, 2012 - After adjusted	482,579,640	1,517,573	3,139,507	1,129,990	50,000,000	1,492,159,057	4,604,880	10,779,211	1,554,468	(33,329,460)	(16,390,901)	2,014,134,866	394,836,885	2,408,971,751				
Share-based payment transactions of the associated company				2,066,998								2,066,998		2,066,998				
Dividend Payment						(57,908,974)						(57,908,974)		(57,908,974)				
Total comprehensive income for the year 2012						219,233,085	(874,069)	(4,491,128)	(31,232)	(11,977,334)	(17,373,763)	201,859,322	28,717,571	230,576,893				
Balance as at December 31, 2012	482,579,640	1,517,573	3,139,507	3,196,988	50,000,000	1,653,483,168	3,730,811	6,288,083	1,523,236	(45,306,794)	(33,764,664)	2,160,152,212	423,554,456	2,583,706,668				

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (SEPARATE FINANCIAL STATEMENTS)

For the year ended December 31, 2012

Unit : Baht

	Issued and paid-up share capital	Retained earnings		Other components of equity			Total
		Appropriated Legal reserve	Unappropriated	Other comprehensive income		Total other components of equity	
				Fair value of interest rate swap contract	Available-for-sale investments		
Balance as at January 1, 2011	482,579,640	50,000,000	983,186,146				1,515,765,786
Impact of change in accounting policy							
Employee benefit (Note 3.12)			(32,073,679)				(32,073,679)
Balance as at January 1, 2011 - After adjusted	482,579,640	50,000,000	951,112,467	0	0	0	1,483,692,107
Total comprehensive income for the year 2011			159,878,245	4,604,880	10,779,211	15,384,091	175,262,336
Balance as at December 31, 2011	482,579,640	50,000,000	1,110,990,712	4,604,880	10,779,211	15,384,091	1,658,954,443
Balance as at January 1, 2012	482,579,640	50,000,000	1,110,990,712	4,604,880	10,779,211	15,384,091	1,658,954,443
Dividend paid (Note 22.1)			(57,908,974)				(57,908,974)
Total comprehensive income for the year 2012			54,685,174	(874,069)	(4,491,128)	(5,365,197)	49,319,977
Balance as at December 31, 2012	482,579,640	50,000,000	1,107,766,912	3,730,811	6,288,083	10,018,894	1,650,365,446

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2012

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Cash flows from operating activities :					
Profit before income tax		277,059,061	369,812,604	77,384,615	169,233,292
Adjustments to reconcile profit before income tax to net cash provided by operating activities					
Depreciation and amortization		220,722,404	197,134,176	106,413,301	102,351,475
Withholding tax - written of		20,986	224,538	716	0
Bad debts		506,762	0	506,762	0
Doubtful accounts (reversal)		(528,537)	528,537	(528,537)	528,537
Loss on expired goods (reversal)		54,758,396	(7,849,383)	45,023,794	(4,563,073)
(Gain) loss on exchange rate		(12,008,415)	10,704,258	(12,505,745)	4,830,737
Gain on sales of available-for-sale investments		(591,804)	(24,983,435)	(591,804)	(24,983,435)
Dividend income		0	0	(46,391,458)	0
Loss from liquidation of subsidiary		0	0	26,821,005	0
(Gain) loss on sales of fixed assets and writting off		4,678,351	6,874,609	(1,616,863)	199,991
Loss on impairment of assets		20,203,995	0	0	0
Employee benefit expenses		5,527,196	5,214,155	4,037,303	3,854,480
Share of profit from investments in associated company		(167,927,843)	(178,960,131)	0	0
Interest income		(97,249)	(58,325)	(10,067,518)	(9,834,305)
Interest expenses		101,582,457	92,554,422	61,682,543	52,537,932
		503,905,760	471,196,025	250,168,114	294,155,631

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2012

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Change in operating assets and liabilities					
(Increase) decrease in assets					
Trade and other receivables		(205,129,433)	61,375,576	(12,558,368)	42,926,562
Inventories		58,523,416	(664,396,561)	117,965,869	(500,715,403)
Other current assets		10,285,996	(22,289,639)	3,617,650	(10,223,822)
Deposits and guarantees		(7,566)	(529,394)	178,600	62,019
Other non-current assets		3,166,049	2,312,198	269,250	(2,109,125)
Increase (decrease) in liabilities					
Trade and other payables		276,641,517	81,637,416	53,550,290	17,495,268
Other current liabilities		1,525,777	(2,596,244)	13,882,237	(4,926,794)
Employee benefit obligations		(11,220,570)	(2,600,567)	(10,102,570)	(1,922,700)
Exchange differences on translation of financial statements in foreign currencies		(31,232)	51,948	0	0
Cash generated from operations		637,659,714	(75,839,242)	416,971,072	(165,258,364)
Interest paid		(98,826,280)	(89,738,514)	(61,073,563)	(50,879,479)
Refund of prepaid company income tax		1,838,872	0	1,838,872	0
Income taxes paid		(35,997,758)	(1,792,538)	(32,780,902)	(1,529,123)
Net cash provided by (used in) operating activities		504,674,548	(167,370,294)	324,955,479	(217,666,966)

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2012

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Cash flows from investing activities :					
Increase in current investments		92,336	(43,722)	0	0
Increase in short-term loans to related parties		0	0	(23,200,000)	(15,300,000)
Sales of Available-for-sale investments		609,000	25,629,517	609,000	25,629,517
Purchases of Available-for-sale investments		0	(1,009,070)	0	(1,009,070)
Cash received from liquidation of subsidiary		0	0	62,071	0
Sales of fixed assets		2,919,110	11,506,127	2,687,287	1,126,961
Purchases of fixed assets		(244,589,952)	(282,661,775)	(171,303,924)	(146,589,645)
Payment for intangible assets		(820,050)	(474,900)	(514,400)	(82,000)
Payment for deposit of machinery		(7,920,000)	0	0	0
Repayment for account payable for machinery		(69,614,192)	(11,705,539)	(4,151,863)	0
Dividend received		46,391,458	0	46,391,458	0
Interest received		97,249	58,325	10,067,518	9,834,305
Net cash used in investing activities		(272,835,041)	(258,701,037)	(139,352,853)	(126,389,932)
Cash flows from financing activities :					
Increase (decrease) in bank overdrafts		(172,294)	70,190	0	(1,937,507)
Increase (decrease) in loans from financial institutions		119,000,000	426,000,000	4,000,000	176,000,000
Repayment for long - term machinery payable		(9,260,016)	(26,411,848)	0	0
Repayment for liabilities under finance lease		(4,112,472)	(3,258,052)	(2,529,642)	(1,989,208)
Proceeds from long - term loans		20,000,000	300,000,000	0	300,000,000
Repayment for long - term loans		(293,769,231)	(274,000,000)	(123,000,000)	(134,000,000)
Dividend paid		(57,908,974)	0	(57,908,974)	0

Notes to financial statements are an integral part of these statements.

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOW

For the year ended December 31, 2012

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2012	2011	2012	2011
Net cash provided by (used in) financing activities		(226,222,987)	422,400,290	(179,438,616)	338,073,285
Effect from exchange rate in cash and cash equivalents		(67,154)	74,386	(63,169)	70,575
Increase (decrease) in cash and cash equivalents, net		5,549,366	(3,596,655)	6,100,841	(5,913,038)
Cash and cash equivalents as at January 1,		41,149,809	44,746,464	21,454,864	27,367,902
Cash and cash equivalents as at December 31,	3.2 and 5	46,699,175	41,149,809	27,555,705	21,454,864
Supplemental disclosures of cash flows information					
Non-cash items :					
Account payable for machinery		0	16,323,956	0	4,023,956
Lease contract liabilities		6,441,960	4,232,075	5,136,960	2,661,075

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to Financial Statements**
(Consolidated and separate financial statements)

For the year ended December 31, 2012

1. General information

1.1 The Company was incorporated in Thailand on March 22, 1976, and has been listed in the Stock Exchange of Thailand since 1989. The operations of the Company and its subsidiaries are manufacturer and distributor the products of pineapple in syrup, pineapple juice, mixed fruit juice, herbal drinks and natural mineral water.

1.2 The address of the company and its subsidiaries are 118/1 Rama 6 Rd., Samsen Nai, Bangkok 10400 and the factories are as follow:

- 212 Phetkasem Rd., Moo 16, Aownoi, Amphur Muang, Prachaubkhirikhan 77210
- 205/1 Moo 2, Pongyaeng, Amphur Mae-Rim, Chiang Mai 50180
- 90/1 Moo 7, Phaholyothin Rd., Sanubtueb, Amphur Wangnoi, Ayuthaya 13170
- 504 Tambon Prachuab Kirikan , Muang District, Prachuab Kirikan Province

1.3 By the resolution of the ordinary shareholders' meeting No. 1/2011 on April 22, 2011, passed the solution to change the company's name from "TIPCO FOODS (THAILAND) PUBLIC COMPANY LIMITED" to "TIPCO FOODS PUBLIC COMPANY LIMITED". The company registered the change with the Ministry of Commerce on May 10, 2011.

2. Basis for preparation and presentation of the financial statements

2.1 The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles, which are issued under the Accounting Professions Act B.E.2547, and have been presented under the Accounting Act B.E. 2543, and according to the requirements of the Securities and Exchange Commission, and the regulation of the Stock Exchange of Thailand.

2.2 The financial statements are presented for Thai currency reporting purposed and prepared in Thai language. This English translation of financial statements has been prepared for the convenience of the readers who were not conversant with Thai language.

2.3 Basis of preparation of the consolidated financial statements

The consolidated financial statements included the accounts of the company and the subsidiaries as follows:

Name	Paid – up share capital		% of investments	
	2012	2011	2012	2011
Tipco Beverage Co., Ltd.*	0	50,000,000	0	99.9999
Tipco Marketing Co., Ltd.*	24,740	24,740	100.00	100.00
Tipco Biotech Co., Ltd.	50,000,000	50,000,000	99.9988	99.9988
Tipco F&B Co., Ltd. (2011: indirect portion by Tipco Beverage Co., Ltd.)	600,000,000	600,000,000	50.00	50.00
Tipco Retail Co., Ltd. (2011 : indirect portion by Tipco Beverage Co., Ltd. and Tipco F&B Co., Ltd.)	50,000,000	50,000,000	75.50	75.50

* There is no any income from operation in this accounting period

Outstanding intragroup balances, significant intragroup transactions, and the investment of the Company in subsidiary companies and shareholders' equity of the subsidiaries have been eliminated in this consolidation.

The financial statements of a foreign subsidiary company which was included in this consolidation, were translated into Thai Currency by using the rate prescribed in note 3.14 to the financial statements. Gain (loss) on exchange rate were shown under the section of Shareholders' Equity.

The financial statements of the subsidiaries are prepared by using the same significant accounting policies as applied to the Company.

2.4 Notifications of applying the Financial Reporting Standards

2.4.1 The Federation of Accounting Professions Under the Royal Patronage of His Majesty the King has issued the Financial Reporting Standards which is effective for accounting periods beginning on or after January 1, 2013 as follow :

Accounting Standards

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Change in Foreign Exchange Rate

Financial Reporting Standards

TFRS 8	Operating Segments
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Financial Reporting Interpretation

TSIC 10	Government Assistance-No Specific Relation to Operating Activities
TSIC 21	Income taxes-Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income taxes-Changes in the Tax Status of an Entity or its Shareholders

The Company and its subsidiaries would not yet adopt the above standards before the effective date. The management of the Company and subsidiaries are in the process of evaluation the impacts of these accounting standards on the financial statements in the year when they are initially applied.

- 2.4.2 The Federation of Accounting Professions Under the Royal Patronage of His Majesty the King has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follow :

Accounting Treatment Guidance

Title	Effective date
Accounting Treatment Guidance for Transfers of Financial Assets	1 January 2013

Accounting Standard Interpretation

The number	Title	Effective date
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014

Financial Reporting Standard Interpretation

The number	Title	Effective date
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The Company and its subsidiaries would not yet adopt the above standards before the effective date.

2.5 Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure for contingent assets and liabilities. The actual results may differ from such estimates.

3. Summary of significant accounting policies

3.1 Measurement basis used in preparing financial statements

Historical cost is used as measurement basis in preparing these financial statements except some items indicated in relevant notes.

3.2 Cash and cash equivalents

Cash represents cash on hand and demand deposits with banks.

Cash equivalents comprise fixed deposit and short-term highly liquid investments which are not restricted in their uses, and that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value, such as deposit expiring less than 3 months from acquisition date or investments.

3.3 Trade receivables

Trade receivables are stated at net realizable value which are the amount of invoices netted from the allowance for doubtful account. Allowance for doubtful account is based on the estimated uncollectible amounts by considering from the present financial status of each account receivable.

Besides, the management of company and its subsidiaries will also provide the allowance for doubtful accounts by considering from the status of each account receivable.

3.4 Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The costs of purchased inventories comprise the purchase price and other costs directly attributed to the acquisition of goods. Manufacturing cost of finished good and work in process comprise from raw materials, labour and manufacturing overhead. The cost of inventories are calculated as follow :

Raw material, spare parts and factory supplies	- Valued at cost price under average method.
Work in process	- Valued at production cost price under average method.
Finished goods	- Valued at production cost price under average method.

The Company and its subsidiary provided the allowance for expired goods from the goods which were considered to expire and expected to damage.

3.5 Investments

Available-for-sale investments represent investments in marketable equity securities-available for sale, which was accounted for at fair value (the lasted bid price) as at the close of business on the balance sheet date by reference to the Stock Exchange of Thailand. Unrealized gain (loss) on adjustment the value of investments are recognized in shareholder' equity

Investments in associated company in the Consolidated financial statements are accounted for by the equity method. (See attachment No. 1)

Investments in subsidiaries and associated companies in the Separate financial statements are accounted for by the cost method less allowance for decline in value of investments. (See attachment No. 2)

3.6 Leases agreement

Financial leases

The leases of assets, which the substantial all the risks and rewards associated with the ownership of the assets have been transferred to the lessee, title may or may not eventually be transferred to the lessee under the finance lease arrangements, are classified as finance leases. The lessee is to record the finance lease as an asset and obligation at an amount equal to the fair value of the leased asset or the present value of the minimum lease payment whichever is lower. The interest expense is charged to the Income Statements over the lease period. The leased asset is depreciated over the useful life of the asset.

Operating leases

The leases of assets, which the substantial all the risks and rewards associated with the ownership of the assets have not been transferred to the lessee, are classified as operating leases. The payments made under operating leases are charged to the Income Statements on a straight-line method over the period of the lease.

3.7 Property, plant and equipment

Property is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets. Depreciation is calculated by straight-line method based on the estimated useful lives of the assets and in accordance with the estimated production capacity of machinery as the following :

Land development	10 Years
Building and complement	10-25 Years
Machinery and equipment	
- Straight-line method	10-20 Years
- Estimated production capacity	919.04 million bottles
Tools and equipment	5-20 Years
Furniture and office equipment	3-10 Years
Vehicles	5-10 Years

A foreign subsidiary company calculated depreciation by Double-declining balance method for the tools and equipment, the cost in the amount of USD 2,152.84, and they had been already depreciated in fully amount.

An initial estimate of the costs of dismantling and removing the item and restoring the site, when the Company and its subsidiaries have obligation to do have been include in cost of property, plant and equipment.

Cost of addition, improvement, repair or extension of lease agreement that increase the future economic benefit are recognized as assets.

Depreciation is separately calculated on each component of assets, when the cost of each component is significant in relation to the total cost of the item.

The useful life and residual value of assets, and depreciation method are reviewed at least at each financial year-end.

Depreciation is recognized as expense for each accounting period.

3.8 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and allowance for loss on impairment of assets (if any). Amortization is charged to the statements of income by the straight-line method from the date that intangible assets are available for use over the estimated useful lives of the economic benefit of the assets, Unless such lives are indefinite, intangible assets with an indefinite useful life are not amortized but are systematically tested for impairment at each statement of financial position date. The estimated useful lives are as follows:

Computer Softwares	3-10 Years
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The Company and its subsidiaries recorded the amortization as expenses for each accounting period.

3.9 Impairment of assets

The Company and its subsidiaries should assess the impairment of assets i.e. Property, Plant and Equipment and Intangible assets whenever there is indication that an asset may be impaired, the impairment will be assessed by estimating the recoverable amount of asset, if it is below the carrying amount of the asset, it signs an asset is impairment. The company should recognize the impairment loss in the statements of income.

Recoverable amount of assets is the higher of an asset's net selling price and its value in use, and it is determined from an individual asset or a cash-generating unit.

3.10 Liabilities, provisions and expenses

The Company and its subsidiaries recognizes liabilities, provisions and expenses in the financial statements when it has legal obligation or possible obligation arising from past events, the settlement of which is expected to be made in the amount that can be estimated with sufficient reliability.

The Company and its subsidiaries recognize accrued the dividend, approved by the resolution of ordinary shareholders' meeting.

3.11 Revenue recognition

Revenue from sales of goods is recognized when significant risks and rewards of ownership have been transferred to the buyer based on the invoices value less discount, goods return, and amounting to the estimates (if any).

Revenue from services is recognized when the outcome of a service can be estimated reliably based on the stage of completion of the transaction at the balance sheet date. When the outcome of a service can not be estimated reliably, revenue is recognized only to the extent of expenses that are recoverable.

Interest income is recognized on the period of time.

Rental income is recognized on the period of agreement.

Dividend income is recognized when the right of receiving dividend is announced.

3.12 Employee benefits

Short – term employee benefits

Short – term employee benefits, which fall due wholly within 12 months after the end of period in which the employees render the related service, are recognized as expenses when incurred.

Postemployment benefits

The Company and its subsidiaries and their employees have jointly a provident fund. The contributions from employees are deducted from monthly salaries and contributions by the Company and the subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognized as expenses when incurred.

The severance payments retirement under the labor law as a defined benefit plan, was calculated by a qualified actuary by using the projected unit credit method.

In the year 2011, The Company and its subsidiaries adopted TAS 19 Employee Benefits and recognized the total amount of the liabilities in the transition period as an adjustment to the beginning balance of retained earnings (January 1, 2011).

3.13 Translation of foreign currency transactions

Foreign currency transactions are translated into Thai Baht at the exchange rate on the transaction date. The remaining balances of assets and liabilities denominated in foreign currency at the end of reporting periods are translated into Thai Baht at the exchange rate of that date. Exchange differences are accounted for as profit or loss in the statements of income.

Foreign currency receivables and payables which were covered by the forward exchange contract are translated at the rate prescribed in the contract, the difference will be written off along the period of loans agreements.

The foreign investment was translated at the historical rate.

Equity in profit (loss) of foreign subsidiary company was translated at the average exchange rate for the periods of 12 months.

3.14 Translation of foreign currency financial statements

As at December 31, 2012 and 2011 the financial statements of Tipco Marketing Company Limited which was foreign subsidiary company, located in United State of America, were translated into Thai currency, at the ended of the period, the statements of financial position used the closing rate (the average buying and selling rates of Commercial Bank), the statements of income used the average exchange rate of the period. Gain or loss on exchange rate had been shown in the shareholders' equity as follows :

	Unit : Baht	
	2012	2011
Beginning currency translation differences	1,554,468	1,502,521
Add Increase (decrease) during the period	(31,232)	51,947
Ending currency translation differences	1,523,236	1,554,468

The share capital and retained earnings were translated by using the historical rate.

3.15 Income tax

Income tax, the Company and its subsidiaries recorded the total amount of income tax as expense for the period, and recorded the accrued portion as liabilities in the statement of financial position.

3.16 Basic earnings per share

Basic earnings per share are computed by dividing the profit (loss) for the years attributable to equity holders of the parent by the number of weighted average ordinary shares which are issued during of the years (482,579,640 shares).

4. Related party transactions

4.1 The relationship of person or related parties

Person or related parties	The relationship
Tipco F&B Co., Ltd.	Holding and co-directors
Tipco Biotech Co., Ltd.	Holding and co-directors
Tipco Marketing Co., Ltd.	Holding and co-directors
Tipco Beverage Co., Ltd.	Holding and co-directors
Tipco Retail Co., Ltd.	Holding and co-directors
Suntory Beverage & Food Limited in Japan	Holding and co-directors
Suntory Beverage & Food Asia PTE LTD. in Singapore	Co-shareholder and directors
Tipco Asphalt PCL.	Holding and co-directors
Thanomwongse Service Co., Ltd.	Co-directors
Raycol Asphalt Co., Ltd.	Indirect portion
Thai Slurry Seal Co., Ltd.	Holding by associates' directors
Ekachaicontainer Terminal Co., Ltd.	Co-directors
Thai Crushing Co., Ltd.	Co-directors
Rattanajit Co., Ltd.	Co-directors
Siamcontainer Transport Co., Ltd.	Holding by directors
Bitumen Marine Co., Ltd.	Co-directors
Thai Bitumen Co., Ltd.	Co-directors
Tasco Shipping Co., Ltd.	Co-directors
Vital Well Co., Ltd.	Co-directors
Tipco Maritime Co., Ltd.	Co-directors
Alpah Maritime Co., Ltd.	Co-directors

4.2 The company and its subsidiaries's policy about the price charge to the related parties are as follows:

Type of transactions	Policies of price setting
Transactions between the company and its subsidiaries	
- Sales and services to the subsidiary companies	Cost plus contribution margin
- Sales and services from the subsidiary companies	Cost plus contribution margin
Transactions related to the company, its subsidiaries with the related parties	Market price

The financial statements included related party transactions by considering the following: intercompany shareholding or the same group of shareholders, directors or management team. Besides, the related parties are considered when one of parties has the ability to control the other party or can exercise significant influence over the other party in making financial and operating decisions. Some part of the Company's assets, liabilities, revenues and expenses arose from transaction with the persons and related parties. The effects of these transactions are reflected in the accompanying financial statements on the basis determined by the normal business.

	Unit : Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Balance at the end periods				
Trade receivables				
- Subsidiary company				
Tipco F&B Co., Ltd.			16,830,321	19,705,118
Tipco Retail Co., Ltd.			753,927	818,582
Tipco Biotech Co., Ltd.			671,009	780,354
- Related companies				
Tipco Asphalt PCL.	62,949	88,116		
Thai Slurry Seal Co., Ltd.	0	360		
Thanomwongse Service Co., Ltd.	493,069	281,341		
Rattanajit Co., Ltd.	110,761	0		
Siamcontainer Transport Co., Ltd.	191,040	183,080		
Ekachacontainer Terminal Co., Ltd.	79,600	79,600		
Other receivables				
- Subsidiary companies				
Tipco F&B Co., Ltd.			3,015,853	2,679,069
Tipco Biotech Co., Ltd.			547,792	255,280

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Tipco Marketing Co., Ltd.			267,515	232,515
Tipco Retail Co., Ltd.			15,329	3,240
Accounts due from related parties				
- Related company				
Tipco Asphalt PCL.	35,310	126,477	0	79,932
Suratt Bittumen Co., Ltd.	0	9,630	0	0
Tasco Shipping Co., Ltd.	3,210	10,433	0	0
Alpha Maritime Co., Ltd.	1,605	10,433	0	0
Raycol Asphalt Co., Ltd.	1,605	0	0	0
Thai Bittumen Co., Ltd.	34,163	0	18,113	0
Bitumen Marine Co., Ltd.	1,605	0	0	0
Suntory Beverage & Food Limited in Japan	109,076,385	54,583,951	0	0
Suntory Beverage & Food Asia PTE LTD.				
In Singapore	330,750	0	0	0
Fixed Assets				
- Related company				
Thanomwongse Service Co., Ltd.	2,343,952	1,807,050	0	0
Trade payables				
- Subsidiary company				
Tipco F&B Co., Ltd.			9,285,725	11,315,936
Tipco Biotech Co., Ltd.			3,790,378	3,135,707
- Related companies				
Tipco Asphalt PCL.	2,970,950	1,387,409	2,395,239	28,050
Thanomwongse Service Co., Ltd.	1,869,219	579,868	1,051,069	305,879
Ekachaicontainer Terminal Co., Ltd.	168,367	139,805	116,563	121,685
Raycol Asphalt Co., Ltd.	0	221,989	0	0
Siamcontainer Transport Co., Ltd.	0	16,927	0	0
Other payables – related parties				
Thanomwongse Service Co., Ltd.	705,335	443,083	376,523	268,335
Suntory Beverage & Food Limited in Japan	679,409	1,764,775	0	0

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Loan receivables				
Tipco Beverage Co., Ltd.				
Balance brought forward			272,300,000	262,800,000
Increase in loans receivable in the period			8,700,000	9,500,000
Repayment of loans receivable in the period			281,000,000	0
Balance carried forward			0	272,300,000
Tipco Biotech Co., Ltd.				
Balance brought forward			17,000,000	11,200,000
Increase in loans receivable in the period			14,500,000	10,800,000
Repayment of loans receivable in the period			0	(5,000,000)
Balance carried forward			31,500,000	17,000,000
Revenues and expenses for the periods				
Sales				
- Subsidiary company			225,997,135	223,614,313
- Related companies	3,920,888	3,493,991		
Rental income				
- Subsidiary company			1,685,309	1,754,944
Interest income				
- Subsidiary company			10,065,560	9,833,422
Other income				
- Subsidiary company			67,668,923	56,272,717
- Related companies	101,565,308	211,249,351	266,818	90,553
Purchases				
- Subsidiary company			127,603,068	75,199,270
- Related companies	14,502,900	22,605,540	13,451,400	20,660,340
Rental and services expenses				
- Related companies	25,739,793	29,427,518	15,466,919	15,635,703
Marketing support expenses				
- Subsidiary company	0	0	50,001,806	41,121,688
Other expenses				
-Related companies	2,847,104	2,008,461	0	0

5. Cash and cash equivalents

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Cash on hand	1,890,590	1,234,121	837,628	387,540
Demand deposits (As at December 31, 2012 and 2011 the interest rate are 0.01 %-0.75% p.a. and 0.01%-0.50% p.a. respectively)	44,808,585	39,915,688	26,718,077	21,067,324
Total	46,699,175	41,149,809	27,555,705	21,454,864

6. Current investments

They represent the fixed deposit (6 months) of the subsidiaries which are free of commitments. (The interest rate as at December 31, 2012 and 2011 are at 1.95% - 2.10% p.a. and 2.10% p.a. respectively)

7. Trade and other receivables

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Trade receivables				
- domestic	387,437,939	290,065,592	31,818,487	30,973,956
- foreign	206,740,359	157,417,936	166,605,653	150,809,131
- Related parties	937,419	632,497	18,255,257	21,304,054
	595,115,717	448,116,025	216,679,397	203,087,141
Less Allowance for doubtful accounts	6,600,584	7,738,909	6,548,703	7,685,230
Trade receivables, net	588,515,133	440,377,116	210,130,694	195,401,911
Other receivables				
- Other receivables - others	60,915,784	57,810,179	15,551,380	17,270,661
- Other receivables – related parties	109,484,633	54,740,923	3,864,602	3,250,036
- Prepaid expenses	18,463,306	14,531,990	13,340,228	9,718,446
- Advance to employees	722,462	1,844,071	133,504	408,276
- Accrued income	8,698,499	8,207,232	2,875	50,476
Total other receivables	198,284,684	137,134,395	32,892,589	30,697,895
Total	786,799,817	577,511,511	243,023,283	226,099,806

Aging schedule as at December 31, 2012

	Unit : Baht	
	Consolidated Financial Statements	Separate Financial Statements
Not yet due	457,603,274	181,271,046
Overdue 1-90 Days	122,782,243	22,601,745
Overdue 91-180 Days	1,124,779	372,031
Overdue 181-270 Days	1,993,948	1,428,301
Overdue 271-360 Days	4,196,166	3,855,815
Overdue 360 Days	7,415,307	7,150,459
Total	595,115,717	216,679,397

Aging schedule as at December 31, 2011

	Unit : Baht	
	Consolidated Financial Statements	Separate Financial Statements
Not yet due	377,004,669	162,195,096
Overdue 1-90 Days	57,649,665	30,428,331
Overdue 91-180 Days	4,906,273	2,778,485
Overdue 181-270 Days	1,345,046	528,537
Overdue 271-360 Days	0	0
Overdue 360 Days	7,210,372	7,156,692
Total	448,116,025	203,087,141

8. Short - term loans to related parties

	Unit : Baht	
Consist of	Separate Financial Statements	
	2012	2011
Loans to subsidiary companies		
- Tipco Beverage Company Limited	0	272,300,000
- Tipco Biotech Company Limited	31,500,000	17,000,000
Total	31,500,000	289,300,000

Loans to subsidiary companies are in the form of promissory notes. The interest rate at 3.75% p.a. and 4.00% p.a. as at December 31, 2012 and 2011 respectively.

9. Inventories

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Finished goods	769,363,016	787,178,194	597,377,670	619,409,493
Work in process	131,316,473	141,680,451	47,409,430	65,327,619
Raw materials	487,767,674	520,693,161	241,350,565	313,371,540
Spare parts and factory supplies	41,073,009	34,628,885	22,692,454	23,006,184
	1,429,520,172	1,484,180,691	908,830,119	1,021,114,836
Less Allowance for expired goods	69,477,946	14,719,550	49,397,833	4,374,040
	1,360,042,226	1,469,461,141	859,432,285	1,016,740,796
Goods in transit	5,111,948	10,542,535	702,652	7,133,767
Total	1,365,154,174	1,480,003,676	860,134,938	1,023,874,563

10. Other current assets

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Value added tax	10,033,485	18,807,173	7,631,377	15,314,739
Short – term deposits	291,850	1,202,850	0	0
Prepaid company income tax	2,255,538	89,377	2,255,538	0
Withholding tax	168,256	125,761	0	0
Others	1,366,917	1,921,344	362,540	163,421
Total	14,116,046	22,146,505	10,249,455	15,478,160

11. Available - for - sale investments (Consolidated and Separate financial statement)

For the year ended 31 December	Unit : Baht	
	2012	2011
Opening cost amount	362,988	0
Additions	0	1,009,070
Disposals	(17,196)	(646,082)
Closing cost amount	345,792	362,988
Changes in fair value	6,288,083	10,779,211
Investment at fair value	6,633,875	11,142,199

In the year 2011, the Company has received free warrants for purchasing new ordinary shares in totally 3,711,316 units, which the term is 3 years. The Company classified the investment as available-for-sale, which were accounted for at fair value.

As at December 31, 2012 and 2011, the remaining warrants are 1,206,159 units and 1,266,159 units respectively.

12. Investments in subsidiaries and associated companies

Investments in associated company in the Consolidated financial statements are accounted for by the equity method. (See attachment No. 1)

Investments in subsidiaries and associated companies in the Separate financial statements are accounted for by the cost method less allowance for decline in value of investments. (See attachment No. 2)

On 2 April 2012, the shareholders' meeting passed a resolution to approve the transfer of entire business of Tipco Beverage Company Limited to the Company, effective on 22 November 2012. Tipco Beverage Company Limited has filed for liquidation of the company with the Ministry of Commerce on 6 December 2012. The Company received the return of share capital amounting to Baht 23.18 million and recorded the cash receipt net of investment in Tipco Beverage as "Loss from liquidation of subsidiary". Besides, Tipco Beverage Company Limited has transferred the investment in Tipco F&B and the investment in Tipco Retail to the Company, which were offset with loans to Tipco Beverage Company Limited and accrued interest according to Transfer Business Agreement dated 22 November 2012, the net amount to paid is Baht 23.12 million.

However, the equity interest in Tipco F&B and in Tipco Retail in the Consolidated Financial Statements have not changed.

The financial statements of associated company, named Tipco Asphalt PCL. as at December 31, 2012 and 2011 were audited by the other auditor, which the financial statements reflected investment in associated company by the equity method are as follows :

Unit : Baht

Consist of	Consolidated Financial Statements	
	2012	2011
Investment in associated company	1,050,956,595	936,647,977
Percentage of total assets in consolidation	17.58	16.32
Equity in profit for the years of associated company		
For the year ended December 31,		
Percentage of total revenues in consolidation	2.87	3.36

The financial statements of associated company are as follows :

Unit : Thousand Baht

Consist of	Consolidated Financial Statements	
	2012	2011
Total assets	18,669,755	15,520,507
Total liabilities	13,627,062	11,077,572
Total revenues	38,378,964	23,053,760
Profit for the period	675,849	735,572

In 2012, the associated company has early adopted Thai Accounting Standard No.12 "Income Taxes". This accounting standard is effective for fiscal years beginning on or after 1 January 2013, thus the Company has not yet adopted the mentioned accounting standard. However, the Company has reconciled the financial statements of associated company as though it has not yet adopted this standard in the recognition of equity interest in the consolidated financial statements.

Besides, the associated company has changed the accounting policy in respect of the method used for calculating of the value of inventories, resulting to the increase in the beginning balance of retained earnings in the consolidated financial statement of the associated company in the amount of Baht 11 million. The Company has recognized this impact in the consolidated financial statements by equity method in the amount of Baht 2.7 million.

13. Deposits at bank used as collateral

They represent the fixed deposit (6 months) of the subsidiaries which were used as collateral as follow :

Unit : Baht

Consist of	Consolidated Financial Statements	
	2012	2011
For issuing Bank of Guarantee	4,000,000	4,000,000
Used as collateral to the court for a lawsuit	0	180,000
	4,000,000	4,180,000

14. Property, plant and equipment

[See attachment No. 3]

The subsidiary company had machines which was unused and will be sold in the near future. Since cash flows from continuing use of these machines until its disposal and its net selling price are estimated to be negligible, an impairment loss was recognized equal to its carrying amount.

15. Intangible assets

Unit : Baht

Consist of	Consolidated Financial Statements				
	2011	Purchase	Decrease	Transfer	2012
Cost price-intangible assets					
Computer softwares	23,633,589	820,050	14,266,894	360,700	10,547,445
Trademarks	28,489,473		2,438,270		26,051,203
Total	52,123,062	820,050	16,705,164	360,700	36,598,648
Accumulated amortization-intangible					
Computer softwares	21,843,259	1,366,923	14,266,881		8,943,301
Total	21,843,259	1,366,923	14,266,881		8,943,301
Total intangible assets	30,279,803				27,655,347

Unit : Baht

Consist of	Separate Financial Statements				2012
	2011	Purchase	Decrease	Transfer	
Cost price-intangible assets					
Computer softwares	21,723,758	514,400	14,266,894		7,971,264
Trademarks	26,463,244				26,463,244
Total	48,187,002	514,400	14,266,894		34,434,508
Accumulated amortization-intangible					
Computer softwares	20,798,961	821,943	14,266,881		7,354,023
Total	20,798,961	821,943	14,266,881		7,354,023
Total intangible assets	27,388,041				27,080,485

16. Deposits and guarantees

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Anti dumping tax *	17,502,870	18,109,413	0	0
Less Allowance for loss on Anti dumping tax	(12,424,194)	(12,854,741)	0	0
Net	5,078,676	5,254,672	0	0
Deposit for machinery	7,920,000	0	0	0
Others	10,764,746	10,581,184	2,146,870	2,325,470
Total	23,763,422	15,835,856	2,146,870	2,325,470

* The guarantees of the subsidiary represent the guarantee of Anti dumping tax for the product which were sold in The United State of America from the year 1996 to 2002.

The subsidiary has provided the allowance for loss on Anti dumping tax because the subsidiary has requested for the refund of guarantee, but it seems to be lost.

17. Bank overdrafts and short-term loans from financial institutions

As at December 31, 2012

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	Amount	Interest rate at	Amount	Interest rate at
Bank overdrafts	1,898,529	MOR	0	MOR
Loans from financial institutions :				
-Loan agreements	300,000,000	MMR	0	
-Promissory notes	1,055,000,000	3.35-3.86 % p.a.	750,000,000	3.35-3.80% p.a.
Total	1,356,898,529		750,000,000	

As at December 31, 2011

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	Amount	Interest rate at	Amount	Interest rate at
Bank overdrafts	2,070,822	MOR	0	MOR
Loans from financial institutions :				
-Loan agreements	300,000,000	MMR	0	
-Promissory notes	936,000,000	3.65-4.00 % p.a.	746,000,000	3.65-4.00% p.a.
Total	1,238,070,822		746,000,000	

18. Trade and other payables

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Trade payables				
- Others	388,255,499	228,887,172	169,612,459	99,631,406
- Related parties	5,008,536	2,345,998	16,638,974	14,907,257
Total	393,264,035	231,233,170	186,251,433	114,538,663
Other payables				
- Other payables - others	432,683	298,025	145,930	80,640
- Other payables – related parties	1,384,744	2,207,858	376,523	268,335
- Accrued expenses	439,697,185	292,888,730	56,934,290	53,852,025
- Advance incomes	23,257,196	25,838,958	19,424,703	21,142,004
- Deposit received for goods	6,145,660	0	6,145,660	0
Total other payables	470,917,468	321,233,571	83,027,106	75,343,004
Total	864,181,503	552,466,741	269,278,539	189,881,667

19. Long-term liabilities

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Long-term loans (Note 20.1)	1,089,230,769	1,363,000,000	605,000,000	728,000,000
Machinery payable (Note 20.2)	15,123,592	24,383,608	0	0
Lease contract liabilities (Note 20.3)	10,119,290	6,978,338	6,853,618	3,545,284
	1,114,473,651	1,394,361,946	611,853,618	731,545,284
Less Current portion of long-term loans	379,538,461	290,692,308	178,000,000	123,000,000
Current portion of machinery payable	9,260,016	9,260,016	0	0
Current portion of lease contract liabilities	4,540,255	3,042,921	2,615,991	1,656,681
Total	721,134,919	1,091,366,701	431,237,627	606,888,603

19.1. Loan agreements

19.1.1 As at September 14, 2011, the Company entered into the Loan Agreement with a financial institution for long term-loan facilities in the amount of Baht 300 million for using as working capital. The term of repayment will be within 3 years, the interest rate referenced to THBFIX.

19.1.2 As at December 22, 2009, the Company entered into the Loan Agreement with a financial institution for long term-loan facilities in the amount of Baht 500 million for using as working capital. The term of repayment will be quarterly, the first repayment was in September 2009. The interest rate referenced to THBFIX. Land, building were mortgaged to cover the loans from financial institution.

In May 2011, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan to fixed rate. As at 31 December, 2012 and 2011, the notional amount of Baht 305 million and Baht 383 million was outstanding. The notional amount reduces on a quarterly basis in accordance with the long – term loan repayment schedule.

19.1.3 As at October 22, 2010, Tipco F&B Co., Ltd. entered into the Facility Agreements for long term-loan facilities in the amount of Baht 200 million for purchase of machinery. The term of repayment will be quarterly, the first repayment will be in August 2012. The interest rate referenced to BIBOR.

20.1.4 As at February 19, 2008, Tipco F&B Co., Ltd. entered into the Facility Agreements for long term-loan facilities in the amount of Baht 700 million for repaying the refinanced debt and for purchase of machinery. The term of repayment will be quarterly, the first repayment will be in May 2010. The interest rate referenced to BIBOR.

19.2 Machinery payable

The subsidiary entered into the purchase of machinery agreement by installment, the terms of payment are 24 - 69 months, the first repayment was in 2009 and the last payment will be in 2014.

19.3 Lease contract liabilities

The Company and the subsidiary entered into the lease contracts with 3 financial institutions, the terms of agreement are 36 - 60 months, the first repayment was in 2008 and the last payment will be in 2015.

20. Employee benefit obligations

The Company and its subsidiaries adopted TAS 19 Employee Benefits, disclosures are as follow :

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Movement in the present value of the defined benefit obligations				
Defined benefit obligations at January 1,	40,050,132	37,436,544	34,005,459	32,073,679
Current service costs	3,990,836	3,711,108	2,772,248	2,569,151
Interest costs	1,536,360	1,503,047	1,265,055	1,285,329
Benefits paid by the plan	(11,220,570)	(2,600,567)	(10,102,570)	(1,922,700)
Defined benefit obligations at December 31,	34,356,758	40,050,132	27,940,192	34,005,459

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Expenses recognized in profit or loss				
Current service cost	3,990,836	3,711,108	2,772,248	2,569,151
Interest cost	1,536,360	1,503,047	1,265,055	1,285,329
Total	5,527,196	5,214,155	4,037,303	3,854,480

Principal actuarial assumptions at the reporting date

% per annual

Consist of	Consolidated and Separate financial statement	
	2012	2011
Discount rate	4.10	4.10
Future salary increase	3.00 – 5.00	3.00 – 5.00

21. Forward exchange contracts

The Company and the subsidiary entered into the selling forward exchange contract with four banks and recorded the banks as accounts receivable and accounts payable. The accounts receivable are translated at the rate prescribed in the contract, and contra with the accounts payable which are translated at the average selling rate of commercial Banks, and entered into the buying forward exchange contract with two banks which the accounts payable are translated at the rate prescribed in the contract, and contra with the accounts receivable which are translated at the average buying rate of commercial Banks, the difference are accounted for as premium or discount on Forward Exchange Contract and have been included in other current assets and will be written off along the period of contracts.

The outstanding balance of forward exchange contracts are as follows :

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
The exchange forward contract – Sold (USD)	23,502,593	17,449,454	22,661,426	16,749,454
The exchange forward contract – Sold (EUR)	97,600	120,000	97,600	120,000
The exchange forward contract – Bought (USD)	1,102,799	509,622	473,044	64,921
The exchange forward contract – Bought (YEN)	0	60,000,000	0	0

22. Equity

22.1 Dividend paid

The ordinary shareholders' meeting No. 1/2012 held on April 2, 2012, passed the resolution to pay the dividend at Baht 0.12 per share in amount of Baht 57,909,557 on April 25, 2012.

22.2 Legal reserve

Pursuant to the Public Limited Companies Act B.E. 2535 (1992), the Company must appropriate the annual net profit to be a reserve fund which not less than five percent of the annual net profit deducted by the total deficit brought forward (if any) until reserve reaches an amount of not less than ten percent of the registered capital. The legal reserve had been fully reserved as the Public Limited Companies Act B.E. 2535 (1992) mentioned.

22.3 Managing Capital

The company and its subsidiaries have policy to manage the capital by maintaining their ability to continue the business as a going concern and to provide the appropriate capital structure by maintaining debt to equity ratio as stipulated in loan facility agreements. Besides, the company has policy to pay the dividend not less than 1/3 of net profit of the Company's separate financial statements.

23. Changes in associated company's equity

Unit : Baht

Consist of	Consolidated and Separate financial statement	
	2012	2011
Currency translation differences	(43,762,341)	(31,525,633)
Surplus on change in fair value of interest rate swap contract	(1,544,453)	(1,803,827)
Total	(45,306,794)	(33,329,460)

24. Revenues from the sale of goods and the rendering of services

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Revenues from the sale of goods	5,442,119,706	4,825,086,125	2,395,287,096	2,455,899,874
Revenues from the rendering of	0	0	2,338,270	2,407,696
Total	5,442,119,706	4,825,086,125	2,397,625,366	2,458,307,570

25. Other incomes

Unit : Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Dividend income	0	0	46,391,458	0
Management fees income	0	0	16,933,441	15,147,545
Royalty income	0	0	50,001,806	41,121,688
Marketing support income	144,933,364	248,660,536	593,583	0
Sale scraps income	6,044,340	6,317,051	2,933,262	3,696,526
Gain on sells of investments	591,804	0	591,804	0
Gain on exchange rate	43,656,749	2,444,768	36,322,988	1,739,687
Reversal of doubtful accounts	530,810	0	530,810	0
Reversal of loss on expired goods	0	7,849,383	0	4,563,073
Interest income	97,249	58,325	10,067,518	9,834,305
Others	49,449,965	58,851,189	30,928,414	45,922,646
Total	245,304,281	324,181,252	195,295,084	122,025,470

26. Staff provident fund

The Company and its subsidiaries joined with a contributory registered provident fund, in accordance with The Provident Fund Act B.E. 2530. The contributions from staffs are deducted from the monthly salaries, with the Company matching the individual's contributions.

27. Classification of expenses by nature

Significant expenses by nature are as follow:

Consist of	Unit : Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Employee expenses	554,743,452	477,631,645	348,835,081	297,297,419
Management benefit expenses	32,837,428	29,427,720	32,837,428	29,427,720
Depreciation	218,699,229	195,378,599	105,526,796	101,110,881
Amortization	1,366,924	1,603,145	821,943	1,158,276
Finance costs	102,485,443	93,780,388	61,861,115	52,716,504
Cost of production and service (Excluded cost of employees and depreciation)	2,766,612,680	3,029,732,420	1,533,959,246	2,102,250,182

28. Income tax expenses

Consist of	Unit : Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Profit before income tax*	136,086,749	188,419,007	77,384,615	169,233,292
Add Undeductible expenses	101,262,173	23,280,575	83,192,032	16,498,969
Tax base-exempted expenses/income	(71,663,323)	(18,840,973)	(61,883,423)	(10,137,126)
Profit for tax calculation	165,685,599	192,858,609	98,693,224	175,595,135
Corporate income tax rate	23 and 15-39	30 and 15-39	23	30

* Profit before income tax in the consolidated financial statements are the profit before elimination intra-group transaction

In December 2011, the Royal Decree has been issued, regarding the reduction of income tax rates for net profit, from the rate of 30% to 23% for the year 2012, and 20% for the year 2013.

29. Privileges according to the Investment Promotion Act B.E. 2520

The Company and its subsidiaries have obtained the certificate for the investment promotion, some privileges for factories in empty can product for factory at Prachaubkhirikhan and product of vegetable and fruit for factory at Ayuthaya are as following :

1. Exemption from import duty on machinery as approved by the Board of Investment.
2. Exemption from company income tax for 8 years from the date income is first derived, which have been expired in the year 2016.
3. Shareholders of the Company will be exempted from tax on dividend received during the period in which the company is granted exemption from company income tax.

The Company and its subsidiaries have to comply with certain conditions contained in the promotion certificate.

The calculation of profit and loss between promoted and non-promoted businesses are distinguished by the transactions which can be specified. Transactions which cannot be specified are allocated by the proportion of income. Interest income except from saving deposits (over 2% of revenues) and income from sales of scrap are recorded under non-promoted business.

30. Revenues report for a Promoted Business

By the Announcement of the Board of Investment No. 14/1998 dated December 30, 1998 regarding revenues report for a promoted business, the company is required to report the revenues from domestic sales and export sales separately and to report separately the promoted and non-promoted business. The Revenues are as follows :

{See attachment No. 4}

31. Long-term lease agreements

January 1, 2010, the Company and subsidiary entered into the renew lease agreement for TIPCO TOWER, for additional using as the office of the company and subsidiary, the term of agreement is 3 years and the rental and service fees is Baht 646,899/month and Baht 430,304/month respectively.

32. Segment information

The Company and its subsidiaries operate in two reportable business segments which are organized by similar products, products of vegetable & fruit and others. The business operations are carried on both in Thailand and overseas. The segment information has been presented as follows:

Business segment information

Consolidated Financial Statements				Unit : Baht
For the year ended December 31, 2012				
	Segment		Eliminated	Total
	Products of vegetable & fruit	Others		
Revenues from sales of goods	5,800,608,925	76,185,349	(434,674,567)	5,442,119,707
Cost of the sales	4,068,959,285	65,852,336	(433,614,915)	3,701,196,706
Gross profit	1,731,649,640	10,333,013	(1,059,651)	1,740,923,001
Other incomes				245,304,281
Share of profit from investments for using the equity method				167,927,843
Selling expenses				(1,288,208,433)
Administrative expenses				(453,564,759)
Management benefit expenses				(32,837,428)
Profit before finance costs and income tax				379,544,504
Finance costs				(102,485,443)
Income tax				(29,108,405)
Net profit after tax				247,950,656
Minority interest				(28,717,571)
Net profit				219,233,085
Fixed assets - net	2,559,871,258	77,268,530		2,637,139,788
Assets for center				3,340,638,679
Total assets				5,977,778,467

Business segment information

Consolidated Financial Statements

Unit : Baht

For the year ended December 31, 2011

	Segment			Total
	Products of vegetable & fruit	Others	Eliminated	
Revenues from sales of goods	4,935,733,460	262,979,984	(373,627,319)	4,825,086,125
Cost of the sales	3,413,468,284	233,406,223	(372,048,041)	3,274,826,466
Gross profit	1,522,265,176	29,573,761	(1,579,278)	1,550,259,659
Other incomes				324,181,252
Share of profit from investments for using the equity method				178,960,131
Selling expenses				(1,151,091,229)
Administrative expenses				(409,289,101)
Management benefit expenses				(29,427,720)
Profit before finance costs and income tax				463,592,992
Finance costs				(93,780,388)
Income tax				(9,873,272)
Net profit after tax				359,939,332
Minority interest				16,313,774
Net profit				343,625,558
Fixed assets - net	2,533,039,906	73,963,674		2,607,003,580
Assets for center				3,132,397,950
Total assets				5,739,401,530

Geographic segment information

Unit : Baht

For the year ended December 31, 2012

	Sales			Total
	Sales-export	Sales-Domestic	Eliminated	
Revenues from the sale of goods and the rendering of services	2,277,406,868	3,599,387,405	(434,674,567)	5,442,119,706
Segment operating profit	346,564,781	1,395,417,870	(1,059,651)	1,740,923,000

Unit : Baht

	For the year ended December 31, 2011			
	Sales-export	Sales-Domestic	Eliminated	Total
Revenues from the sale of goods and the rendering of services	1,980,171,876	3,218,541,568	(373,627,319)	4,825,086,125
Segment operating profit	341,325,828	1,210,513,109	(1,579,278)	1,550,259,659

33. Financial instruments

The Company and its subsidiaries' financial instruments on balance sheet are as following:-

33.1 Risk management policies

33.1.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations. The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The company and its subsidiaries manage the risk by adopting appropriated credit control policies and procedures.

Credit risk which arise from trade accounts receivable are not much, since the company has a strict policy concerning the analyzing and approving credit for its customer and the debt collection process is also closely tracked by the company. Besides, the major part of the subsidiary's trade accounts receivable are the famous firms.

The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statements of financial position.

33.1.2 Interest rate risk

Interest rate risk arises from the potential for a change in market interest rates to having affect the value of the financial assets and liabilities of the Company and its subsidiaries.

The company and its subsidiaries have the significant financial assets and liabilities are classified by type of interest rates, and the fixed interest rates are classified based on the maturity date or the date of new interest rate is fixed if it is fixed before the maturity date, are as follow:

Consolidated financial statements

Unit : Million Baht

As at December 31, 2012

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	Over 1 – 5 year			
Financial Assets					
Cash and cash equivalents	-	-	2	44	46
Current investments	0.4	-	-	-	0.4
Trade and other receivables	-	-	-	787	787
Available-for-sale investment	-	-	-	7	7
Deposit at bank used as collateral	4	-	-	-	4
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	1,055	-	302	-	1,357
Trade and other payables	-	-	-	864	864
Long – term loans from banks	-	-	1,089	-	1,089
Long – term machinery payable	9	6	-	-	15
Financial lease payable	4	6	-	-	10

Consolidated financial statements

Unit : Million Baht

As at December 31, 2011

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	Over 1 – 5 year			
Financial Assets					
Cash and cash equivalents	-	-	3	38	41
Current investments	0.3	-	-	-	0.3
Trade and other receivables	-	-	-	577	577
Available-for-sale investment	-	-	-	11	11
Deposit at bank used as collateral	4	-	-	-	4
Financial liabilities					
Short-term loans from financial institutions	936	-	302	-	1,238
Trade and other payables	-	-	-	552	552
Machinery payable	-	-	-	69	69
Long – term loans from banks	-	-	1,363	-	1,363
Long – term machinery payable	9	15	-	-	24
Financial lease payable	4	3	-	-	7

Separate financial statements

Unit : Million Baht

As at December 31, 2012

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	Over 1 – 5 year			
Financial Assets					
Cash and cash equivalents	-	-	2	26	28
Trade and other receivables	-	-	-	243	243
Short-term loans to related parties	31	-	-	-	31
Available-for-sale investment	-	-	-	7	7
Financial liabilities					
Short-term loans from financial institutions	750	-	-	-	750
Trade and other payables	-	-	-	269	269
Long – term loans from banks	-	-	605	-	605
Financial lease payable	3	4	-	-	7

Separate financial statements

Unit : Million Baht

As at December 31, 2011

	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	Over 1 – 5 year			
Financial Assets					
Cash and cash equivalents	-	-	2	19	21
Trade and other receivables	-	-	-	226	226
Short-term loans to related parties	289	-	-	-	289
Available-for-sale investment	-	-	-	11	11
Financial liabilities					
Short-term loans from financial institutions	746	-	-	-	746
Trade and other payables	-	-	-	190	190
Machinery payable	-	-	-	4	4
Long – term loans from banks	-	-	728	-	728
Financial lease payable	2	2	-	-	4

33.1.3 Foreign exchange rate risk

The Company and its subsidiaries' exposure to foreign currency risk mainly relating to purchase/sale which are denominated in foreign currencies. The Company and its subsidiaries hedged against currency risk by entering into forward exchange contracts with maturities of less than 1 year.

Foreign exchange contracts of the Company and its subsidiary outstanding at December 31, 2012 are as follow:

Foreign currency	Bought contracts	Sold contracts	Contractual exchange rate	
			Bought	Sold
(Baht per 1 foreign currency unit)				
US Dollar	1,102,799	23,502,593	31.5800 - 31.8150	30.9558- 32.3818
Euro	0	97,600	0	40.4800 - 40.6923

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at December 31, 2012 are as follow:

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2012	
			(Baht per 1 foreign currency unit)	
US Dollar	6,779,077	1,361,640	30.58	
Australia Dollar	2,042	55,448	31.72	
Euro	44,396	90,368	40.50	
Yen	144,877	2,761,559	0.3540	
Won	2,595,562	0	0.0285	

Foreign exchange contracts of the Company and its subsidiary outstanding at December 31, 2011 are as follow:

Foreign currency	Bought contracts	Sold contracts	Contractual exchange rate	
			Bought	Sold
(Baht per 1 foreign currency unit)				
US Dollar	509,622	17,449,454	31.1318 - 31.2326	30.28 - 31.7258
Euro	0	120,000	42.6250	0
Yen	60,000,000	0	0.3925	0

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at December 31, 2011 are as follow:

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2011
			(Baht per 1 foreign currency unit)
US Dollar	5,095,185	477,496	31.64
Australia Dollar	635	83,733	32.15
Euro	2,039	12,119	40.97
Yen	259,697	127,315,000	0.4078
Won	738,212	0	0.0274

33.2 Fair value of financial instruments

Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The methods and assumptions are used by the company and its subsidiaries in estimating fair value of financial instruments are as follows:

Financial assets and financial liabilities held for the short-term maturities, such as cash on hand and deposits at financial institutions, accounts receivable and payable, and short-term loans, the carrying amounts in the statements of financial position approximate at the fair value.

Investment in Debt Securities and Non-marketable Securities Equity Instruments or that do not have a quoted market price in an active market, presented the carrying amounts in the statements of financial position at their fair values, or at the net asset value attributable to investments, or at the discount cash flow of the present value.

Long-term loans, which have the fixed interest rate, the carrying value approximate at their fair values, calculated by the present value of the contractually determined stream of future cash flow discounted at the rate of interest applied at that time by the market to instruments, presented as at the statements of financial position. Long-term loans at fair value, which have the variable interest rate or the nearly interest rate applied at that time by the market to instruments, the carrying value approximate at their fair value, presented in the statements of financial position.

34. Commitments

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	2012	2011	2012	2011
Letter of guarantee (BAHT)	25,347,397	24,077,638	11,524,232	13,167,632
Letter of credit (EUR)	0	241,500	0	241,500
Letter of credit (USD)	0	8,675	0	8,675

35. Approval of financial statements

These financial statements were approved for issue on February 19, 2013, by the authorized directors.

Attachment No. 1

12. Investments in subsidiary and associated companies - equity method

Unit : Thousand Baht

Name	Business	Relationship	Consolidated Financial Statements								
			Paid-up share capital		%		Investments (Equity method)				
			2012	2011	2012	2011	2012	2011			
The local subsidiary companies											
TIPCO F&B COMPANY LIMITED	Manufacturer of Fruit Juice	Shareholder	600,000	600,000	50.00	50.00	403,733	373,862			
TIPCO RETAIL COMPANY LIMITED	Retail of Foods and Beverage	Shareholder	50,000	50,000	75.00	75.00	40,955	43,605			
TIPCO BEVERAGE COMPANY LIMITED	Holding Company	Shareholder	0	50,000	0.00	99.99	0	124,008			
TIPCO BIOTECH COMPANY LIMITED	Pharmaceutical ingredients	Shareholder	36,800	36,800	99.99	99.99	146,219	148,743			
The foreign subsidiary company											
TIPCO MARKETING COMPANY LIMITED (USD) (Registered under United States of America's Law)	Agent	Shareholder	25	25	100.00	100.00	(761)	(534)			
Total							590,146	689,684			
Less Eliminated intragroup transactions							590,146	689,684			
The local associated company							0	0			
TIPCO ASPHALT PUBLIC COMPANY LIMITED	Manufacturer of Asphalt	Shareholder	1,525,480	1,525,477	24.33	24.33	1,050,956	936,648			

Attachment No. 2

12. Investments in subsidiary and associated companies - equity method

Unit : Thousand Baht

Name	Business	Relationship	Separate Financial Statements											
			Paid-up share capital		%		Investments (Cost method)		Dividend received					
			2012	2011	2012	2011	2012	2011	2012	2011				
The local subsidiary companies														
TIPCO F&B COMPANY LIMITED	Manufacturer of Fruit Juice	Shareholder	600,000	600,000	50.00	0.00	0	279,050	0	0	0	0	0	0
TIPCO RETAIL COMPANY LIMITED	Retail of Foods and Beverage	Shareholder	50,000	50,000	51.00	0.00	0	25,500	0	0	0	0	0	0
TIPCO BEVERAGE COMPANY LIMITED	Holding Company	Shareholder	0	50,000	0.00	99.99	0	0	49,999	0	0	0	0	0
TIPCO BIOTECH COMPANY LIMITED	Pharmaceutical ingredients	Shareholder	36,800	36,800	99.99	99.99	160,787	160,787	160,787	0	0	0	0	0
The foreign subsidiary company														
TIPCO MARKETING COMPANY LIMITED (USD)	Agent	Shareholder	25	25	100.00	100.00	25	25	25	0	0	0	0	0
(Registered under United States of America's Law)								465,362	210,811	0	0	0	0	0
The local associated company														
TIPCO ASPHALT PUBLIC COMPANY LIMITED	Manufacturer of Asphalt	Shareholder	1,525,480	1,525,477	24.33	24.33	647,110	647,110	647,110	46,391	46,391	0	0	0
								1,112,472	857,921	46,391	46,391	0	0	0

Attachment No. 3

14. Property, plant and equipment, net

Consist of	Consolidated Financial Statements			
	2011	Increase (Decrease) in the period		
		Purchases	Disposal	Transfer
Cost of assets				
Land-original cost	285,595,219	1,136,250		
Land development	55,093,902	1,964,540		846,000
Building and complement	1,034,449,913	10,777,205	134,173	28,014,083
Machinery and equipment	2,372,934,412	39,588,940	4,631,970	127,099,107
Tools and equipment	225,157,458	42,085,696	12,191,094	31,244,800
Furniture and office equipment	80,297,097	12,659,014	6,838,175	3,067,267
Vehicles	63,148,094	5,518,637	7,063,350	142,591
Total	4,116,676,095	110,629,492	30,858,762	190,413,848
Accumulated depreciation				
Land development	20,518,665	4,431,137		
Building and complement	419,212,494	45,620,220	60,226	
Machinery and equipment	1,035,166,788	122,996,920	4,436,387	
Tools and equipment	153,082,084	32,828,311	8,124,130	
Furniture and office equipment	65,296,566	8,162,312	6,635,894	
Vehicles	51,262,919	4,660,328	6,435,444	
Total	1,744,539,516	218,699,228	25,692,081	
	2,372,136,579			
Less Impairment of assets	15,088,094	20,203,995		
	2,357,048,485			
Assets in transit and in progress	228,769,925	170,820,258		(179,573,106)
Machinery in transit	21,185,170			(21,185,170)
Total property, plant and equipment, net	2,607,003,580			

As at December 31, 2012 The cost of plant and equipment, which were depreciated in fully amount in Consolidated Financial Statements is in the amount of Baht 1,508 million (2011 : Baht 1,293 million) and in Separate Financial Statements is in the amount of Baht 879 million (2011 : Baht 708 million)

Unit : Baht

Separate Financial Statements					
2012	2011	Increase (Decrease) in the period			2012
		Purchases	Disposal	Transfer	
286,731,469	164,452,236	1,136,250			165,588,486
57,904,442	53,443,902	300,000		846,000	54,589,902
1,073,107,028	555,644,406	7,440,253	134,173	9,362,067	572,312,553
2,534,990,489	1,136,557,664	14,690,248	3,543,834	37,880,399	1,185,584,477
286,296,860	88,842,019	18,218,167	3,804,491	13,289,368	116,545,063
89,185,203	50,512,847	9,133,195	4,278,030	462,792	55,830,804
61,745,972	48,961,982	5,360,000	7,757,005		46,564,977
4,389,961,463	2,098,415,056	56,278,113	19,517,533	61,840,626	2,197,016,262
24,949,802	20,402,763	4,221,159			24,623,922
464,772,488	313,163,199	24,571,183	60,226		337,674,156
1,153,727,321	803,456,816	59,719,493	3,492,591		859,683,718
177,786,265	69,824,202	10,402,231	3,277,978		76,948,455
66,822,984	43,297,014	3,780,664	4,179,029		42,898,649
49,487,803	43,169,127	2,832,067	7,129,098		38,872,096
1,937,546,663	1,293,313,121	105,526,797	18,138,922		1,380,700,996
2,452,414,800	805,101,935				816,315,266
35,292,089	15,088,095				15,088,095
2,417,122,711	790,013,840				801,227,171
220,017,077	93,048,587	131,544,361		(45,288,102)	179,304,846
0	21,185,170			(21,185,170)	0
2,637,139,788	904,247,597				980,532,017

Attachment No. 4

30. Revenues report for a Promoted Business

Unit : Baht

Consolidated Financial Statements

	2012				2011			
	Promoted Business		Non - Promoted Business	Total	Promoted Business		Non - Promoted Business	Total
	Exemption from company income tax	Allowance from company income tax for the net profit of B.O.I. income in the rate of 50%			Exemption from company income tax	Allowance from company income tax for the net profit of B.O.I. income in the rate of 50%		
Sales - Domestic	2,502,203,145	0	790,112,761	3,292,315,906	2,076,824,040	0	840,438,149	2,917,262,189
Sales - Export	327,772,539	0	1,822,031,261	2,149,803,800	124,493,006	0	1,783,330,930	1,907,823,936
	2,829,975,684	0	2,612,144,022	5,442,119,706	2,201,317,046	0	2,623,769,079	4,825,086,125

Unit : Baht

Separate Financial Statements

	2012				2011			
	Promoted Business		Non - Promoted Business	Total	Promoted Business		Non - Promoted Business	Total
	Exemption from company income tax	Allowance from company income tax for the net profit of B.O.I. income in the rate of 50%			Exemption from company income tax	Allowance from company income tax for the net profit of B.O.I. income in the rate of 50%		
Sales - Domestic	2,537,389	0	445,687,468	448,224,857	516,124,795	0	86,503,905	602,628,700
Sales - Export	0	0	1,949,400,509	1,949,400,509	1,855,678,870	0	0	1,855,678,870
	2,537,389	0	2,395,087,977	2,397,625,366	2,371,803,665	0	86,503,905	2,458,307,570

General Company Information

I. General Information

1.1 Company Information

Tipco Foods Public Company Limited (former name "Tipco Foods (Thailand) Public Company Limited")

operates the main business in producing and exporting of canned pineapple, pineapple juice concentrate and canned mixed fruits. Current paid-up capital is Bt 482.58 million.

Head Office : 118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District , Bangkok. 10400

Public Company No: 38

Home Page : www.tipco.net

Telephone No : 0-2273-6200

Fax No. : 0-2271-4304, 0-2271-1600

Factory : 212 Moo 16, Tambon Aou Noi, Muang District, Prachuab Kirikan Province. 77210

Factory : 205/1 Moo 2, Tambon Pongyang, Maerim District, Chiangmai Province. 50180

1.2 Subsidiary and Associated Companies

Tipco Asphalt Public Company Limited

operates the business in manufacturing asphalt emulsion and distribution of petroleum products. Currently the Company holds 24.33 percent shares. Total paid-up capital is Bt 1,525.48 million.

Head Office: 118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok 10400

Tipco F&B Company Limited

operates the business in producing and distribution of ready - to-drink beverage products. Currently the Company holds 50 percent shares. Total paid-up capital is Bt600 million.

Head Office : 118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok. 10400

Factory : 212 Moo 16, Tambon Aou Noi, Muang District, Prachuab Kirikan Province. 77210

Factory: 90/1 Moo 7, Tambon Sanubtueb, Wang Noi District, Ayutthaya Province. 13170

Tipco Marketing Company Limited

operates the business of distributing agent. Currently the Company holds 100 percent of shares. The total paid-up capital is US\$1billion.

Office : 800 Liberty Bldg., Buffalo, New York 14202, USA.

Tipco Biotech Company Limited

operates the business of herbal extraction substance and agriculture business. Currently the Company holds 99.99 percent shares. Total paid-up capital is Bt36.8 million.

Head Office : 118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok.

Factory : 504 Tambon Prachuab Kirikan , Muang District, Prachuab Kirikan Province

TIPCO Retail Company Limited,

operates the retail business. Currently the Company holds 50.99 percent shares and 49 percent shares by TIPCO F&B Co., Ltd. Total paid-up capital is Bt50 million.

Head Office: 118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok. 10400

1.3 References:

Company Registrar : Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building, 4, 6-7 FL., Rajadapisek Road, Klongtoey, Bangkok 10110

Telephone: 0-2229-2800

Auditor : Mr. Pornchai Kittipanya-ngam, CPA No. 2778 and/or
Mrs. Suwanee Kittipanya-ngam, CPA No. 2899 and/or
Mr. Sanit Hirunpanupong, CPA No. 3652

87 Modern Town Bldg., 9 - 10 FL., Soi Ekamai 3, Klongton, Bangkok 10110

Telephone: 0-2382-0414

Legal Advisors : Mr. Tawadchai Jaranakranya

Ch. Chana Songkram Law Firm 52/3 Su-main Road, Bangkok

Telephone: 0-2282-2955

Summary of Specified Items per Form 56-2 in 2012 Annual Report

Presented in accordance with the Capital Market Supervisory Board notification Ref. Tor.Jor.11/2552 regarding rule, conditions and procedures for disclosure of information relating to financial status and operation result of issuing company

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