

FARMING FOR THE FUTURE



TIPCO FOODS
PUBLIC COMPANY
LIMITED

ANNUAL
REPORT
2014





MISSION

Bring wellness to society

Wellness means the state of being in good health, physically and mentally. Wellness can be achieved through our overall way of living, not through any particular activity. Wellness requires self-discipline and time. There is no short-cut. Thus, TIPCO aims not only to sell products but also to learn and understand people's way of living in order to create and propose living patterns that lead to the well-being of people by using products and services to bring wellness to society.

VISION

A market driving company that enhances value to stakeholders

To realize our mission, TIPCO not only focuses on the needs of consumers but also leads and drives changes in consumers' behaviors and living patterns. Leading and driving the market will enhance value to all stakeholders from employees, customers, trading partners, business alliances, shareholders and lenders to communities and society as a whole. That is, we aim to improve the well-being of each and every party.

CORE VALUE

- T = Teamwork
- I = Innovation
- P = Passion
- C = Commitment
- O = Openness

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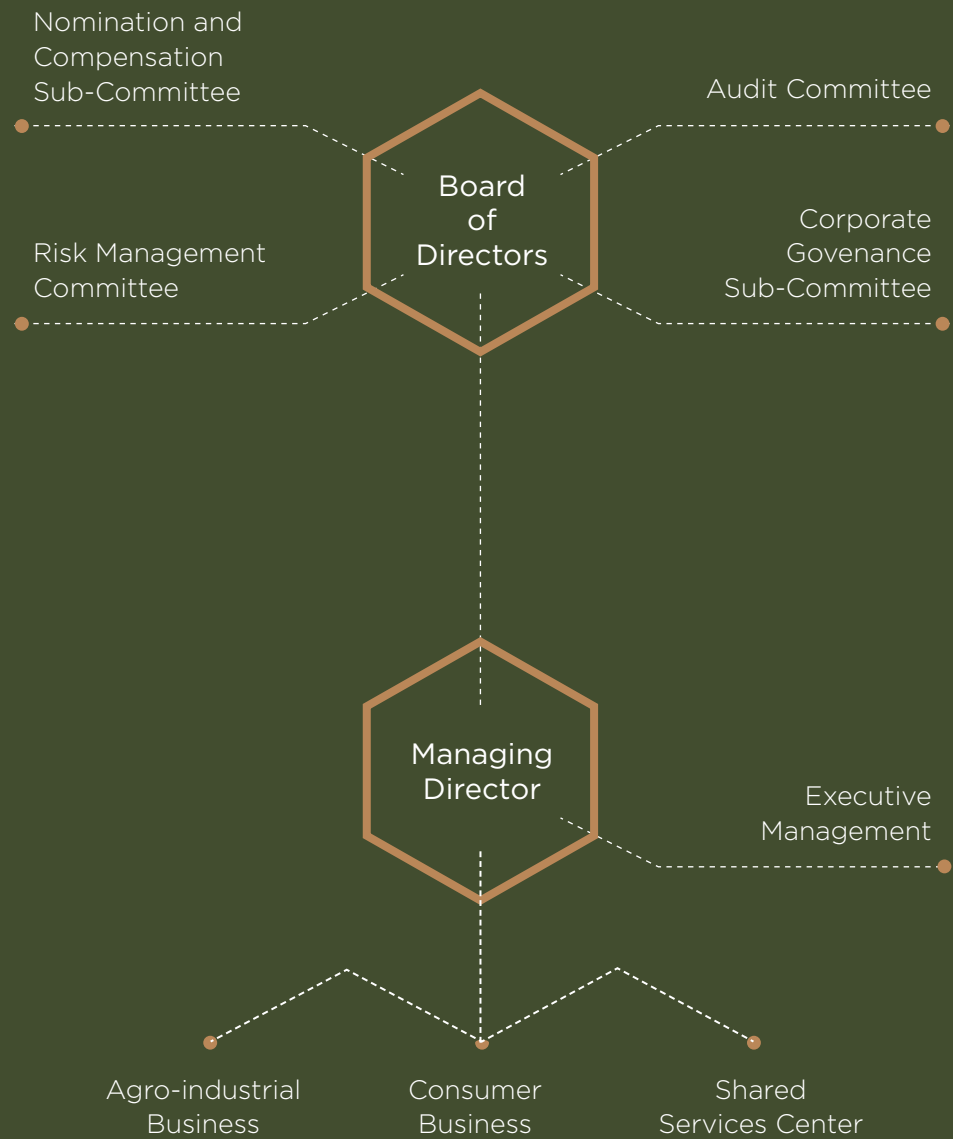
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ORGANIZATION CHART







FINANCIAL HIGHLIGHT

Unit: Thousand Baht

As of for the year ending 31 December	2014 (Consolidated)	2014 (Company)	2013 (Consolidated)	2013 (Company)	2012 (Consolidated)	2011 (Consolidated)	2010 (Consolidated)
Common Share							
Per share : Per value *	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Book value	4.83	3.01	4.86	3.29	4.58	4.27	3.46
Basic earnings per share	0.1610	(0.2756)	0.2371	(0.1578)	0.4588	0.7121	0.3045
Diluted earnings per share	0.1610	(0.2756)	0.2371	(0.1578)	0.4588	0.7121	0.3045
Operation Results (Thousand Baht)							
Revenues from sale	5,507,795	2,110,128	5,585,288	2,260,587	5,441,970	4,825,056	4,713,779
Total Revenues	5,507,795	2,113,300	5,588,199	2,268,038	5,442,120	4,825,086	4,713,779
Gross Profit	1,682,442	104,221	1,557,866	105,853	1,740,923	1,550,260	1,181,897
Earning before interest and tax	68,365	(126,039)	241,926	(14,192)	367,874	463,593	235,713
Net Profit	77,693	(133,013)	114,415	(76,146)	221,398	343,626	146,951
Balance Sheets (Thousand Baht)							
Current Assets	1,480,242	552,639	2,158,227	1,046,635	2,220,165	2,121,119	1,489,590
Total Assets	5,521,464	2,747,670	6,158,732	3,201,077	6,033,458	5,792,137	4,797,587
Current Liabilities	2,169,950	1,199,626	3,071,065	1,427,216	2,636,214	2,198,866	1,642,550
Total Liabilities	2,766,487	1,297,351	3,350,755	1,615,293	3,394,072	3,333,112	2,745,831
Issued and paid-up share capital	482,580	482,580	482,580	482,580	482,580	482,580	482,580
Shareholder's equity of the parent	2,330,086	1,450,319	2,347,347	1,585,785	2,211,728	2,062,011	1,670,651
Shareholder's equity	2,754,977	1,450,319	2,807,977	1,585,785	2,639,387	2,459,025	2,051,757
Financial Ratios							
Gross Profit margin (%)	30.5%	4.9%	27.9%	4.7%	32.0%	32.1%	25.1%
EBIT margin (%)	1.2%	(6.0)%	4.3%	(0.6)%	6.8%	9.6%	5.0%
Net Profit margin (%)	1.4%	(6.3)%	2.0%	(3.4)%	4.1%	7.1%	3.1%
Dividend Payout ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%	16.9%	0.0%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%
Return on Equity (%)	3.3%	(9.2)%	4.9%	(4.8)%	10.0%	16.7%	8.8%
Return on Fixed assets (%)	3.2%	(13.4)%	4.3%	(7.5)%	8.3%	13.0%	5.8%
Return on Total assets (%)	1.4%	(4.8)%	1.9%	(2.4)%	3.7%	5.9%	3.1%
Time interest earned	0.8	(2.5)	2.7	(0.3)	3.6	4.9	4.1
P/E as of Dec 31	39.8	(23.2)	29.9	(45.0)	11.9	5.3	13.9
Current ratio	0.7	0.5	0.7	0.7	0.8	1.0	0.9
Quick ratio	0.2	0.2	0.3	0.2	0.3	0.3	0.4
Debt - equity ratio	1.0	0.9	1.2	1.0	1.3	1.4	1.3

Revenues from sale
Thousand Baht



Gross Profit
Thousand Baht



Net Profit
Thousand Baht



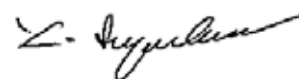
MESSAGE FROM THE CHAIRMAN

2014 was a very challenging year as both domestic and global purchasing power remained depressed. With political unrest carried over from 2013 well into 2014, Thailand economy was impacted significantly. As a result, the country's GDP declined to 1.7%. Despite unfavorable economic climate home and abroad, the Company was still able to achieve positive sales growth in the domestic market.

The cannery business faced major challenge in 2014 as the supply of pineapple was scarce while price sky rocketed to all time high of almost Baht 10 per kg. Due to the depressed global economy, the Company was not able to pass through the rising raw material cost. The combination of rising production cost and depressed demand represented a very big challenge for us. In order to soften the impact of the export business, the Company decided to focus its research and development to explore new package type which will enable us to enter new market segment. In addition, new production technology was introduced to increase efficiency and lower production cost. Lastly, the Company implemented new pineapple contract farming strategy with focus on sustainability and assurance in steady and regular supply. We believe the above mentioned actions would enhance our long term profitability and improve our competitiveness.

In spite of the lackluster growth in the ready-to-drink market in 2014, the Company actively fortified its leading position in target sectors. We successfully executed a fully-integrated marketing communication program to promote health awareness which effectively increased our market share. Success in South Korea is a great model where the Company could replicate as a road map to enter other Asian market.

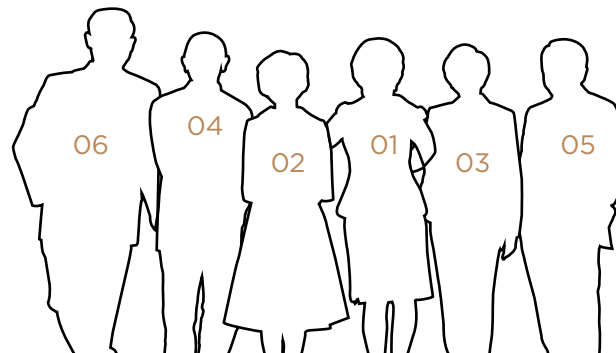
On behalf of the board of directors, I would like to commend all executives and our employees for their dedication and hard work throughout a very difficult 2014. In addition, I would like to thank our business partners, financial institutions, and customers for continued trust in our organization. With this continuing support, I truly believe the Company will continue to attain its goals and firmly move forward. With the Company new strategic focus in 3 business platforms, namely agro-industry, consumer, and service business, we are confident that we are entering 2015 with a solid and sustainable plan to succeed.



(Laksana Supsakorn)
Chairman of the Board of Directors

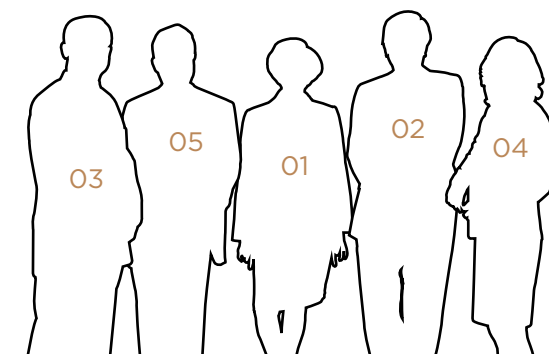


BOARD OF DIRECTORS



- | | |
|---|--|
| 01
Miss. Laksana Supsakorn
Chairman of the Board | 04
Mr. Sitilarb Supsakorn
Director |
| 02
Mrs. Anurat Tiamtan
Director | 05
Mr. Somchit Serththin
Director |
| 03
Miss. Roumsin Supsakorn
Director | 06
Mr. Surachet Supsakorn
Director/ Member of the
Nomination & Remuneration
Sub-Committee |

BOARD OF
INDEPENDENT
DIRECTORS



01

Mrs. La-or Chaowanamayta
Independent Director/
Audit Committee

04

Mrs. Achara Pricha
Independent Director/Member
of the Nomination &
Remuneration Sub-committee

02

Mr. Virat Phairatphiboon
Independent Director/Chairman
of the Audit Committee

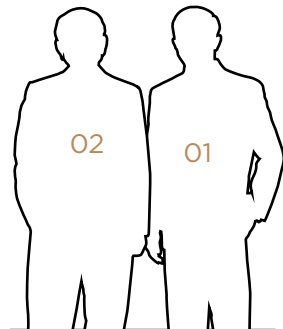
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Mr. Chalit Limpanavech
Independent Director

03

Mr. Paisal Pongprayoon
Independent Director/ Audit
Committee/ Chairman of the
Nomination & Remuneration
Sub-committee

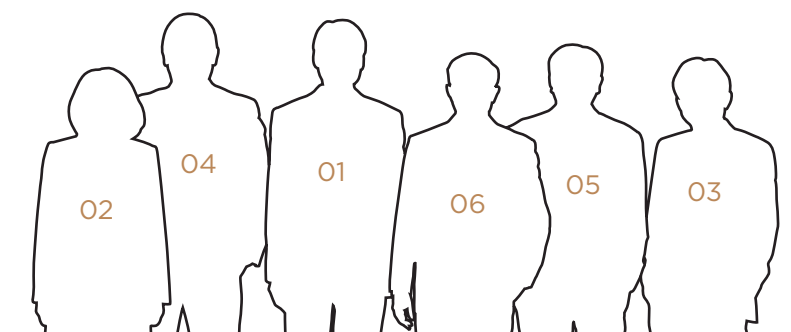
MANAGING
DIRECTOR
AND
COMPANY
SECRETARY



01
Mr. Ekaphol Pongstabhon
Managing Director

02
Mr. Phicharn Sluckpetch
Company Secretary

EXECUTIVE
MANAGE-
MENT
OF TIPCO
FOOD
GROUPS



01

Mr. Seishi Ueno
Chief Operating Officer

04

Mr. Peerapong Archawapongsawat
Consumer Business Director

02

Ms. Nitima Aungaticharts
Chief Financial Officer -
Consumer Business

05

Mr. Panu Satienpoch
Chief People and Information
Technology Officer

03

Mr. Prasong Aimmanoj
Chief Financial Officer- Agro-
industrial Business

06

Mr. Ekaphol Pongstabhon
Managing Director

BOARD OF DIRECTORS



01

Miss. Laksana Supsakorn
Chairman of the Board

Age: 62 years

Education:

- M.B.A. Wharton Business School,
University of Pennsylvania, USA
- Bachelor Degree, Accounting
(Honor), Chulalongkorn University

Seminars on Director Roles
Responsibilities / Thai Institute of
Directors:

- Director Accreditation Program (DAP)
- General Member of Thai Institute of
Directors

- Role of the Chairman Program
(RCP)

- Director Certification Program (DCP)

Shareholding in Company:

36,956,767 shares 7.66%

Family Relationship with

Management: Younger sister of
Mrs. Anurat Tiamtan and Mr. Sitilarb
Supsakorn, elder sister of Miss
Roumsin Supsakorn and elder sister
of Mr. Somchit Sertthin's wife

Holding a Position of Director Listed
Company:

- Tipco Asphalt Public Company
Limited

Holding a Position of Director Other
Company:

- Tipco F&B Company Limited
- Siam Container Terminal Company
Limited

- Peyanarongwit Company Limited

- Vanichapark Company Limited

- Thanomwongse Service Company
Limited

- Ruamsapsin Company Limited

Related Experience

2013 - Present : Chairman of the
Board, Tipco Foods Public Company
Limited

2013 - Present : Chairman of the
Board, Tipco F&B Company Limited

2013 - Present : Chairman of
the Board, Tipco Asphalt Public
Company Limited

2012 - Present : Director, Siam
Container Terminal Company
Limited

2012 - Present : Director,
Peyanarongwit Company Limited

2011 - Present : Director, Vanichapark
Company Limited

2003 - Present : Director,
Thanomwongse Service Company
Limited

*Appoint members of the board on
March 22th, 1976



02

Mrs. Anurat Tiamtan
Director

Age: 65 Years

Education:

- Master's Degree of Science in
Chemistry from The American
University, Washington D.C., USA

- Bachelor's Degree of Science
with Honours in Chemistry from
Kasetsart University

Seminars on Director Roles

Responsibilities/Thai Institute of
Directors:

- 2003 Director Certification
Program (DCP)

- 2001 Chairman Program 2000

Shareholding in Company:

26,966,765 shares 5.59%

Family Relationship with

Management: Elder sister of Mr.
Sitilarb Supsakorn, Miss Laksana
Supsakorn and Ms. Roumsin
Supsakorn and elder sister of Mr.
Somchit Sertthin's wife

Holding a Position of Director Listed
Company: None

Holding a Position of Director Other
Company:

- Thanomwongse Service Company
Limited

- Siam Container Terminal Company
Limited

- Ruamsapsin Company Limited

Related Experience

2013- Present : Director, Tipco
Foods Public Company Limited /
Thanomwongse Service Company
Limited

2007 - Present : Director, Siam
Container Terminal Company
Limited

2002 - 2013 : Chairman of the
Board, Tipco Foods Public Company
Limited

2002 - 2013 : Chairman of the Board,
Tipco Asphalt Public Company
Limited

2002 - 2013 : Chairman of the Board,
Thanomwongse Service Company
Limited

*Appoint members of the board on
March 22th, 1976



03

Miss. Roumsin Supsakorn
Director

Age: 61 years

Education:

- Master's Degree of MBA The American University, Washington DC, USA

- Bachelor's Degree of B.S. Boston University, Boston, Massachusetts, USA

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

-2013 Director Accreditation Program (DAP)

Shareholding in Company: 48,437,398 shares 10.04%

Family Relationship with Management:

Sister of Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn Miss Laksana Supsakorn and elder sister of Mr. Somchit Sertthin's wife

Holding a Position of Director Listed Company: None

Holding a Position of Director Other Company:

- Siam Container Terminal Company Limited

- Thanomwongse Service Company Limited

- Ruamsapsin Company Limited

Related Experience:

2012 - Present : Director, Siam Container Terminal Company Limited

1985 - Present : Director, Tipco Foods Public Company Limited

1982 - Present : Director, Thanomwongse Service Company Limited

1988 - 2000 : Director, Siam Container Transport and Terminal Company Limited

1988 - 1990 : Director, Ekachai Container Terminal Company Limited

*Appoint members of the board on 1985



04

Mr. Sitilarb Supsakorn
Director

Age: 64 years

Education:

- Bachelor's Degree of Business Administration, Babson College, MA, USA

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

- 2012 Director Accreditation Program (DAP)

Shareholding in Company: 57,555,643 shares 11.93%

Family Relationship with Management:

Brother of Mrs. Anurat Tiamtan, Miss Laksana Supsakorn and Miss Roumsin Supsakorn and brother-in-law of Mr. Somchit Sertthin

Holding a Position of Director Listed Company:

- Tipco Asphalt Public Company Limited

Holding a Position of Director Other Company:

- Siam Container Terminal Company Limited

- Thanomwongse Service Company Limited

- Ruamsapsin Company Limited

Related Experience:

2013 - Present : Director, Tipco Foods Public Company Limited

2012 - Present : Director, Siam Container Terminal Company Limited

2001 - Present : Director, Tipco Asphalt Public Company Limited

1996 - Present : Director, Thanomwongse Service Company Limited

*Appoint members of the board on March 22th, 1976



05

Mr. Somchit Sertthin

Director

Age: 62 years

Education:

- Bachelor's Degree, Business Administration, Babson College, MA, USA

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

Directors:

- 2003 Director Certification Program (DCP)
- 2013 Director Accreditation Program (DAP)
- 2014 Notional Director Conference
- 2014 Anti-Corruption for Executive Program (ACEP)

Shareholding in Company:
11,599,846 shares 2.4%

Family Relationship with Management:

Brother in Law of Mrs. Anurat Tiemtana, Mr. Sitilarb Subsakorn, Miss Laksana Subsakorn, Ms. Roumsin Subsakorn and husband's Ms. Piyaratana Subsakorn

Related Experience:

- 2007 - Present : Director, Tipco Biotech Company Limited
- 2005 - Present : Director, Tipco Foods Public Company Limited
- 2001 - Present : Chief Executive Officer, Tipco Asphalt Public Company Limited
- 1986 - Present : Director, Tipco Asphalt Public Company Limited
- 1980 - 1986 : Vice President and Country Corporate Manager, Chase Manhattan Bank N.A, Taipei branch

*Appoint members of the board on September 28th, 2005



06

Mr. Surachet Supsakorn

Director Member of the Nomination & Remuneration Sub-Committee

Age: 53 years

Education:

- Master's Degree of Business Administration in Finance, Kasetsart University

- Bachelor's Degree of Business Administration in Accounting, - Rajamangala University of Technology

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

- 2004 Director Certification Program (DCP), Diploma, IOD
- 2003 Director Certification Program (DCP), Certificate of Completion, IOD

Shareholding in Company: None

Family Relationship with Management:

Cousin of Mrs. Anurat Tiemtana, Mr. Sitilarb Subsakorn, Miss Laksana Subsakorn, Ms. Roumsin Subsakorn Holding a Position of Director Listed Company:

- United Paper Public Company Limited

Holding a Position of Director Other Company:

- Thanomwongse Service Company Limited

- Ruamsapsin Company Limited

Related Experience:

- 2011 - Present : Managing Director, Thanomwongse Service Company Limited
- 2004 - Present : Chairman of the Audit Committee, United Paper Public Company Limited
- 2001 - 2010 : Deputy Managing Director, Thanomwongse Service Company Limited
- 2000 : Senior Manager - Administration, Thanomwongse Service Company Limited
- 1994 - 1999 : Lecturer - Department of Business Administration, Chandrakasem Rajabhat University
- 1992 - 1997 : Lecturer - Faculty of Business Administration, Rajamangala University of Technology

*Appoint members of the board on August 14th, 2003

BOARD OF INDEPENDENT DIRECTORS



01

Mrs. La-or Chaowanamayta

Independent Director/ Audit
Committee

Age: 60 years

Education:

- Mini MBA
- Bachelor's Degree of Science
in Food Technology from
Chulalongkorn University
- Seminars on Director Roles
Responsibilities/Thai Institute of
Directors:

- Directors Certification Program,
IOD
- Board Reporting
- Business Risk Assessment
- Supply Chain Management
- Strategic Planning
- Introduction to Lean Management
- Creative Thinking
- Effective Plant Management

Shareholding in Company: None
Family Relationship with
Management: None

Holding a Position of Director Listed
Company: None

Holding a Position of Director Other
Company:

- Natda Pirom Company Limited
- Sirin Pleasure Company Limited

Related Experience:

2011 - Present : Executive Director,
Natda Pirom Company Limited
2006 - 2011 : Plant Manager, Sakol
Bottling Company Limited
2005 - Present : Executive Director,
Sirin Pleasure Company Limited
2004 - 2005 : Quality Management
Representative, Sakol Group
2004 : General Manager, Thai
Garment Export Company Limited
2004 : Freelance Consultant, the
Quality System ISO, GMPs, QA
2001 - 2004 : Manufacturing
Director, Tipco Food Group
1997 - 2004 : Technical sub-
committee member of Thai Food
Processors Association
1993 - 2004 : Sub-committee on
member of Thai Industrial Standards
Institute
1982 - 1986 : Superintendent, Dole
Thailand Company Limited

*Appoint members of the board on
April 2nd, 2012



02

Mr. Virat Phairatphiboon

Independent Director/Chairman
of the Audit Committee

Age: 66 years

Education:

- Bachelor's Degree in Economics
and Business Administration,
Adam State College, Colorado, U.S.A.
- Executive Development Program,
Princeton University, USA
- Seminars on Director Roles
Responsibilities/Thai Institute of
Directors:

- 2008: Role of the Compensation
Committee Program (RCC)
- 2004: Audit Committee Program
(ACP)
- 2002: Director Certification Program
DCP-
- 2002: Thai Institute of Directors
Association IOD

Shareholding in Company: None
Family Relationship with
Management: None

Holding a Position of Director Listed
Company:

- Bank of Ayudhya Public Company
Limited

Holding a Position of Director Other
Company: None

Related Experience:

2007 - Present : Audit Director
and Nomination and Remuneration
Committee Member - Bank of
Ayudhya Public Company Limited
1998 - 2006 : Independent Director
and Audit Committee Member -
Bank of Ayudhya Public Company
Limited
2000 : President - CIMIC Finance
and Securities Public Company
Limited
1995 : Senior Executive Vice
President - Siam Motors Company
Limited
1992 : Vice President - Chase
Manhattan Bank N.A. for Bangkok
branch

*Appoint members of the board on
September 7th, 2007



03

Mr. Paisal Pongprayoon
Independent Director/Chairman
of the Nomination &
Remuneration Sub-Committee/
Audit Committee

Age: 65 years

Education:

- Master's Degree : Engineering concentrated in Industrial Engineering from Fairleigh Dickinson, USA
- Bachelor's Degree : Engineering concentrated in Civil Engineering from Villanova University, USA
- Seminars on Director Roles Responsibilities/Thai Institute of Directors:

- Directors Accreditation Program
- Role of the Chairman Program (RCP)
- Director Certification Program (DCP)

Shareholding in Company: None
Family Relationship with Management: None

Holding a Position of Director Listed Company: None

Holding a Position of Director Other Company: None

Related Experience:

2000 - 2010 : Head of Business Partner: True Corporation Public Company Limited
1997 - 1999 : Managing Director, Samart Cable System Public Company Limited
1993 - 1997 : Director in Commercial Section, Telecom Asia Corporation Public Company Limited
1992 - 1993 : Real Estate Development Projects Manager, Thai Wah Engineering Company Limited
1991 - 1992 : Assistant Managing Director, Hi-Tech Industry Estate Public Company Limited
1989 - 1991 : Special Projects Manager, Sino-Thai Engineering & Construction Company Limited
1985 - 1989 : Senior Manager, Stone and Webster Engineering Corporation, Massachusetts, USA

*Appoint members of the board on April 2nd, 2012



04

Mrs. Achara Pricha
Independent Director/Member
of the Nomination &
Remuneration Sub-committee

Age: 58 years

Education:

- 1981-1983 Master in Business Management, Asian Institute of Management
- 1974-1977 Bachelor degree of Mass Communications Arts. Major in Journalism. Minor in Mass Communications.
- 1972-1974 Borpit Pimuk College. Major in French Language.

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

- Director Certificate Program
- Shareholding in Company : None
- Family Relationship with Management: None
- Holding a Position of Director Listed Company: None
- Holding a Position of Director Other Company: None

Related Experience:

2013-Present : Part Time Advisor on Export of Cosmetic for Pathawin Co., Ltd.
2010-2012 : Assistant Vice President of Reno (Thailand) Co., Ltd.
2005-2010 : Second Vice President, International Business Division, ICC International PCL.
1988-2005 : Second Vice President, Perfume and Cosmetic Division, ICC International PCL.
1986-1988 : Executive Assistant to Chairman of Naraiphand Co., Ltd.
1985-1986 : Chief, Budgeting Section, Sino-Thai Engineering & Construction Co., Ltd.
1983-1984 : Office Manager, Summa International (Thai) Co., Ltd., an affiliated company of Summa International Bank Ltd. (Hong Kong)
1979-1981 : Assistant to Information Officer cum Secretary, United Nations High Commissioner for Refugees (UNHCR).
1978-1979 : Reporter of "Business Times Daily Newspaper" Advance Media Co., Ltd.
1974-1976 : Assistant cum Secretary to Lawyer, Bumrung Suvicha Apisak Law office.



05

Mr. Chalit Limpanavech
Independent Director

Age: 62 years

Education:

- Master's Degree in Public Administration from Chulalongkorn University
- Attained the Senior Marketing Management Course in London 1987
- Bachelor's Degree of Business Administration in Marketing from Assumption University

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

- Director Certificate Program (DCP)
- Financial Statements for Directors
- Audit Committee Program

Shareholding in Company: None
Family Relationship with Management: None

Holding a Position of Director Listed Company: None
Holding a Position of Director Other Company: None

Related Experience:

2011 - Present : Vice President for Academic Affairs, Marketing Association of Thailand.
2011 - Present : Chairman of marketing Management Group of the Thai Management Association (TMA)
2003 - 2011 : Audit Director of Chuo Senko Advertising (Thailand) Public Company Limited
2003 - 2010 : Dean of Communication Arts, Assumption University (ABAC)
1978 - 2002 : Full time Lecturer and Department Chairperson of Advertising Management Department, Assumption University
1975 - 1989 : Executive Director, LINTAS (Thailand) Company Limited

*Appoint members of the board on April 24th, 2008

MANAGING
DIRECTOR
AND
COMPANY
SECRETARY



01

Mr. Ekaphol Pongstabhoh
Managing Director

Age: 50 years

Education:

- Master's Degree Finance and Marketing, Kellogg School of Management, Northwestern University, USA
- Bachelor's Degree: Science in Chemical Engineering, Chulalongkorn University

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

- Director Certificate Program 141/2011, IOD
- Collective Bargaining for Successful Labor Relations
- AMF International Marketing Conference
- Powerful Psychology in Branding & Marketing
- Tip Retail Go Asean do to succeed.
- Thailand's Economic Outlook 2014
- Anti-Corruption for Executive Program (ACEP)
- Advanced Retail Management Program

Shareholding in Company: None

Family Relationship with Management: None

Holding a Position of Director Listed Company: None

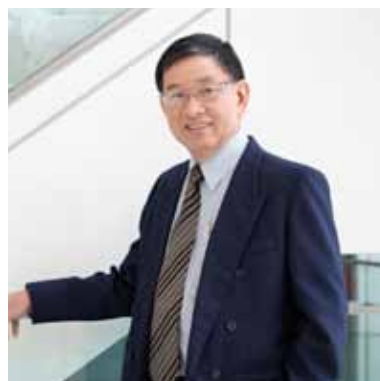
Holding a Position of Director Other Company:

- Tipco F&B Company Limited
- Tipco Retail Company Limited
- Tipco Biotech Company Limited

Related Experience:

2012 - Present : Managing Director, Tipco Foods Public Company Limited
2009 - 2012 : Managing Director, Thai Film Industries Public Company Limited
2006 - 2012 : Acting Managing Director, Thai Copper Industries Public Company Limited
2000 - 2006 : Managing Director, DHL Express Vietnam Regional Sales Manager, DHL Express Singapore National Sales Manager, DHL Express Thailand
1994 - 1999 : General Manager of Corporate Planning, Bangkok Steel Company Limited
1984 - 1993 : National Sales Manager, Siam Cement Public Company Limited. Marketing Manager, Siam Cement Public Company Limited.

*Appoint members of the board on May 1st 2012



02

Mr. Phicharn Sluckpetch
Company Secretary

Age: 58 years

Education:

- Master's and Bachelor's Degree in Accounting from Thammasat University

Seminars on Director Roles Responsibilities/Thai Institute of Directors:

- Company Secretary Program
- Effective Minute Taking
- The new Anti-Corruption law 2011
- Improving Corporate Governance : Key to Advancing Thailand 2014
- Strengthening Anti-Corruption Practices in Your Boardroom 2014

Shareholding in Company: None

Family Relationship with Management: None

Holding a Position of Director Listed Company: None

Holding a Position of Director Other Company: None

Related Experience:

2004 - Present : Company Secretary, Tipco Foods Public Company Limited
2006 - 2014 : VP Accounting & Internal Control, Tipco Foods Public Company Limited
1990 - 2005 : Manager of Finance and Accounting, Tipco Foods Public Company Limited
1989 : Dhara Pipe Company Limited
1980 - 1988 : Siam Cement Company Limited

*Appoint Company Secretary of Tipco Foods Public Company Limited on March 25th, 2003

EXECUTIVE MANAGEMENT OF TIPCO FOOD GROUPS



01

Mr. Seishi Ueno

Chief Operating Officer

Age: 62 years

Education:

Master's Degree:

- M.B.A., New York University,
Leonard N. Stern School of Business,
U.S.A.

- Bachelor's Degree: Commerce,
Doshisha University, Kyoto, Japan

Seminars on Director Roles

Responsibilities/Thai Institute of
Directors: None

Shareholding in Company: None

Family Relationship with

Management: None

Holding a Position of Director Listed

Company: None

Holding a Position of Director Other

Company: None

Related Experience:

2013 -Present : Chief Operating

Officer, Tipco F&B Co., Ltd.

2011 - 2013 : Executive Officer,

Overseas Business Division II,

Calbee, Inc., Tokyo, Japan

2010 - 2011 : Executive General

Manager, International Strategy Division,

Suntory Limited, Tokyo, Japan

2007-2010 : President and CEO,

Suntory International Corporation,

New York, U.S.A.

2002 - 2007 : Executive General

Manager, Food and Beverage

Division, Suntory Limited, Tokyo,

Japan

1997-2002 : Vice President, Sales

and Marketing, Suntory International

Corporation, New York, U.S.A.



02

Ms. Nitima Aungaticharts

Chief Financial Officer -
Consumer Business

Age: 48 years

Education:

- M.B.A. (Master of Business
Administration) Thammasat
University

- Graduate Diploma in Audit
Thammasat University

- Bachelor in Faculty of Commerce
and Accountancy, Thammasat
University

Seminars on Director Roles

Responsibilities/Thai Institute of
Directors:

- Corporate Secretary

- Investor relations

Shareholding in Company: None

Family Relationship with

Management: None

Holding a Position of Director Listed

Company: None

Holding a Position of Director Other

Company: None

Related Experience:

2013 June - present: Chief Financial

Officer - Consumer Business

2005 - 2013 June: Senior Manager:

Finance & Planning Of Tipco

Foods Public Company Limited

1999 - 2005: Finance & Planning

Manager of Tipco Foods Public

Company Limited

1998 - 1999: Financial controller

(Thailand), Media Trans Asia

(Thailand) and its affiliated

companies.

1995 - 1998: Financial Service

Manager Siam Media and

Communication

Siam Sat Network Company Limited

1989 - 1994: Auditor ; Coopers &

Lybrand (Thailand) Accountants and

Management Consultants



03

Mr. Prasong Aimmano
Chief Financial Officer- Agro-
industrial Business

Age: 48 years

Education:

- Master of Business Administration, Cleveland State University
- Bachelor of Art, Sociology and Anthropology, Thammasat University

Seminars on Director Roles

Responsibilities/ Thai Institute of Directors:

- Director Accreditation Program 62/2007

- Anti-Cirruption : The Practical Guide

Shareholding in Company: None

Family Relationship with Management: None

Holding a Position of Director Listed Company: None

Holding a Position of Director Other Company:

- Tipco F&B Company Limited
- Tipco Retail Company Limited

Related Experience:

2013 - Present: Chief Financial Officer- Agro-industrial Business

2010 - 2013: Board Director, Thai Film Industries Public Company Limited

2009 - 2013: Senior Deputy Managing Director, Thai Film Industries Public Company Limited

2006 - 2009: Board Director, Master Ad Public Company Limited

2004 - 2009: Chief Financial Officer, Master Ad Public Company Limited

2003 - 2004 Group Project Manager, Reed Tradex Co., Ltd.

1995 - 2003: Corporate Planning & Development Manager, Inter Far East Engineering Public Company Limited



04

Mr. Peerapong
Archawapongsawat
Consumer Business Director

Age: 44 years

Education:

- Master's Degree: International Business, University of New Orleans, USA
- Bachelor's Degree: Marketing, Assumption University

Seminars on Director Roles

Responsibilities/ Thai Institute of Directors: None

Shareholding in Company: None

Family Relationship with Management: None

Holding a Position of Director Listed Company: None

Holding a Position of Director Other Company: None

Related Experience:

2012 -Present: Consumer Business Director

2005 - 2012: Senior Manager - Retail Business & Food Services

2003 - 2005: Retail Business Manager

2002 - 2003: Business Development Manager - Tipco Foods PCL.

2000 - 2001: Channel Manager - QSR Nestle Co., Ltd.

1998 - 2000: Brand Manager - Carnation - Nestle Co., Ltd.

1997 - 1998: Assistant Brand Manager Bear Brand - Nestle Co., Ltd.

1994 - 1995: Assistant Brand Manager Milo - Nestle Co., Ltd.

1992 - 1994: Senior Sales Representative - Nestle Co., Ltd.



05

Mr. Panu Satienpoch
Chief People and Information
Technology Officer

Age: 55 Years

Education:

- MPA National Institute of Development Administration.
- MINI MBA University of the Thai Chamber of Commerce

Seminars on Director Roles

Responsibilities/ Thai Institute of Directors: None

Shareholding in Company: None

Family Relationship with Management: None

Holding a Position of Director Listed Company : None

Holding a Position of Director Other Company : None

Related Experience:

2012 - 2014: Senior Vice President Human Resources, MCOT Plc.

2009 - 2012: Human Resources Director South East Asia, Saint - Gobain Group.

2008 - 2009: Human Resources Director South East Asia, Corn Products International. Human.

2005 - 2008: Resources Director Thailand & Indochina, DHL Express International.

1996 -2005: Vice President Human Resources & Public Affairs, Bluescope Steel Thailand.

1993 - 1996: Human Resources Manager, TPT Petrochemical Plc.

1981 - 1993: Senior Intelligence Management Officer, National Intelligence Agency.





GENERAL COMPANY INFOR- MATION

1. 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 24.21 percent shares. Total paid-up capital is Bt 1,534.27 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 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

TFB Distributionl Company Limited, operates wholesale and retail business. Currently the Company holds 50 percent shares by TIPCO F&B Co., Ltd. Total paid-up capital is Bt0.25 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
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

2. Other Information

- Nil -

Investors can study more information from the Company Annual Report (Form 56-1) posted on www.sec.or.th, or the Company's website www.tipco.net

POLICIES AND OVERVIEW OF BUSINESS OPERATIONS

Established in 1976 with initial registered capital of Baht 10 million, TIPCO Foods PLC now records Baht 482.6 million of paid-up capital. Core business of the company and its subsidiaries is production and distribution of canned pineapple, pineapple juice concentrate, mixed fruit juice, ready-to-drink beverages and natural mineral water, and herbal/agricultural produce extracts, for domestic and overseas markets. Besides being the world's first pineapple producer to be certified in accordance with ISO 9002 (updated ISO 9000 Version 2000), TIPCO has also been approved by SGS (Thailand) for compliance with HACCP (HAZARD ANALYTICAL CRITICAL CONTROL POINT), and SGF TRMAV (Sure-Global- Fair), signifying that the company's product quality meets international quality standard. In December 2006, the company was also certified in accordance with ISO 22000 (Food Safety Management system), thereby becoming the country's first pineapple producer to win this approval as well as the world's first company to undergo integrated assessment of 4 quality systems, namely, ISO 9001:2000, GMP, HACCP and ISO 22000.

July 5, 2007 marks another milestone for TIPCO's achievements, namely, Thailand's first company to win the "Single Food Audit Pack" approval which entails integrated assessment of various quality systems, namely, ISO 22000, HACCP, GMP and IFS into one single system, i.e., ISO 9001. In 2008, the company was certified by FAI (Food Audit International) for compliance with Food Safety and Food Security, with excellent rating. The same year, TIPCO's Organic Aloe Vera Certified was approved by the Agricultural Research Department, along with the Organic Agriculture Certification Thailand for Aloe Vera cultivation.

In 2011, the canned pineapple factory was approved under Mor Ror Tor 8001-2553 standard (Initial Final Stage) and in 2014 the factory in Prachuab Kiri Khan Province also won the Welfare and Labor Protection Department's Award for Outstanding Operational Plant in the area of labor relations & welfare for the 4th year running, along with the National Award for Workplace Safety, Sanitation and Environment, and the Department of Skilled Labor Development's honorary trophy for the project to cut production line waste and improve productivity.

To mark the advent of ASEAN Economic Community, TIPCO received the Social Development and Welfare Department's Award for Corporate Social Responsibility (CSR), and the Ministry of Social Development and Human Security 2014 Award for CSR-DIW Continuous Award for the 5th consecutive year, signifying that the company practiced sustainable Corporate Social Responsibility and well prepared to attain ISO 26000, which was subsequently approved by the Department of Industrial Factories, Ministry of Industry, during the 2014 Good Governance assessment which placed TIPCO in the "Very Good" category with 81% total grade.

Thanks to expertise in fruit juice industry and continuous product innovation, TIPCO won Chulalongkorn University 2014 award for "Thailand's strongest and most powerful brand" in the category of fruit juice for the 2nd year running. This contest was organized by the Marketing Department, Faculty of Commerce and Accounting, with a view to evaluating values and ranking brand names based on consumer data collected from 12,000 samples nationwide. This is one of the most comprehensive and largest project ever undertaken in Thailand to collect data pertaining to local consumers and brand awareness.

In addition, TIPCO also implements an effective risk management system which is designed to minimize risk and eliminate obstacles that deter systematic business operations. Since 2009, TIPCO has focused on improving internal management processes, starting with forecasting customer demand through to delivery (Demand & Supply Management). TIPCO's business objective is to produce and market quality products by selecting high quality raw materials, ensuring production efficiency and appropriate pricing in order to maximize customer satisfaction.

This year, TIPCO has adjusted standards for social and labor supervision to comply with customer demands and standards that prevail in the European Union. Towards this end, the company applied for BSCI (Business Social Compliance Initiative) and SMETA (Sedex Members Ethical Trade Audit) membership. Members of these organizations are obliged to conduct business activities and production processes in accordance with set guidelines, monitoring systems and social standards which focus on environmental and labor protection.

In regard to development and improvement of production processes, TIPCO factories has upgraded existing machinery and lowered production costs by applying modern technology to increase efficiency and installing new machines to accommodate future growth trends. As a result of continuous maintenance of quality and production standards, the company managed to retain major customers' loyalty while maintaining uninterrupted commercial transactions over the past 38 years. TIPCO has also built up a reputation for high quality production and competitive pricing.

TIPCO attributes its success to the commitment of staff and the management team to present the best products to customers. We pride ourselves on customer satisfaction. Continuous development also aims at creating and marketing quality products. In addition to highly efficient management team, continuous human resources development program will provide new inspiration for our future organization. We are fully prepared to present new products and methods to consumers in the coming years. The mission which we have set for ourselves is to focus on customer needs and to participate in ongoing efforts to improve consumer lifestyle.

Significant Changes and Developments

1989 the company changed the shareholders' structure by listing on the Stock Exchange of Thailand and distributing shares to the general public. Major shareholders remained unchanged but the proportion of shareholdings was reduced.

1993 The company increased investment in subsidiary company, TIPCO F&B, to expand and enter the ready-to-drink fruit juice market and has received favorable response from domestic consumers. Subsequently, the company focused on continuous R&D aimed at satisfying consumer demand, and adopted the policy of launching at least one new product every year starting from 1997. In 2007, TIPCO entered into an alliance with Santori Japan and formulated a joint objective to expand domestic and ASEAN markets for products in which TIPCO has expertise and outstanding products, using the modern beverage factory at Wang Noi, Auddhaya Province, as production base for beverages. Continuous growth strategy, which focused on product quality, product innovation created by a team of professional staff, and on-going investments

in modern technology, further enhanced the strength of TIPCO's brand name, as well as consumer's confidence and trust.

2004 The company entered a new market segment, i.e., blended fresh juice under the brand Squeeze Juice Bar, starting with 10 branches until 2007 when TIPCO Retail Co., Ltd., was set up to oversee business expansion of this product line. At present Tipco Squeeze Juice Bar has 52 branches, 44 of which are owed by the company and 8 operate on Franchise basis. Business strategy, menus and shop formats are continuously adjusted to improve sales and profit, alongside long term planning to expand new outlets, adjust branch size and menus to suit the varying needs of each branch and location.

2007 The company invested in TIPCO Biotech Co., Ltd., whose main asset is 6,899 rai 1 Ngarn and 204 sq.wah of land for cultivation, a Tissue Culture Lab for selecting and cultivating plant seedlings, and a Plant Extract Factory.

2009 The company launched a new pineapple strain, namely, TIPCO Hom-suwan, which has been well received by consumers. Its outstanding features are fragrance, golden firm pulp, lower liquid content and shallow pineapple "eyes". The whole fruit ripens simultaneously while vitamin C content is 4 times higher than the Sri Racha strain. Equipped with the largest melting equipment in Thailand, the company's Plant & Herb Extract factory, operates at the highest level of efficiency and safety. The company provides fully integrated customer services, starting with raw material procurement, de-hydration, grinding, production of extracted chemicals as well as joint extraction processes. These services have been approved in accordance Good Manufacturing Practice (GMP) under the umbrella of the National Food Institute.

2014 Completion of new machine installation to increase Aura mineral water capacity in April doubled the company's production capacity, thereby enabling accelerated production to meet high growth market demand.

Progressive Attainment of International Quality Assurance Standards

1994	ISO 9002. The company became the world's first pineapple factory to be certified by Germany's RQ TUV for compliance with this international standard.
1995	HACCP standard was certified by SGS (Thailand)
2000	ISO 9002 for pineapple juice products and concentrate was certified by SGF International E.V./IRMA of Germany.
2002	HALAL was approved by the Central Islam Committee of Thailand and KOSHER standard certified by Thai Kashurt Service Co., Ltd.
2002/2003	BRC standard set by UK retailers to assess food products which are exported to the UK was approved by SGS (Thailand) and EFAIA (SAI GLOBAL)
2003	ISO 9001 version 2000 was approved by SGS (Thailand)
2004	International Food Standard (IFS) set by retailers in Germany and France to assess food products exported to Europe was approved by SGS Germany.

2006	ISO 22000 - Food Safety Management. TIPCO was the first food producer in Thailand to be certified by SGS (Thailand) for compliance with this standard.
2007	The company was the first company in Thailand to undergo Integrated Audit of 5 quality assurance systems, namely, ISO 22000, ISO 9001, GMP, HACCP, and IFS (Single Food Audit Pack) and was approved by SGS (Thailand). Subsequently, SGS used TIPCO as global prototype for Integrated Audit. The same year, the company's Food Safety system was approved by GMA-SAFE AUDIT (USA) under the auspices of Food Audit International (FAI)
2007/2008	TIPCO Organic Aseptic Aloe Vera (starting from plant cultivation through to factory production) was certified by the Department of Technical Agriculture.
2008/2009	IFOAM Organic Standard was approved by the Office of Thai Organic Agriculture, covering plant cultivation through to factory production.
2009	Approved in accordance with Food Safety and Food Security Audit Program USA by FAI (Thailand), and rated as "Excellent"
2010	ISO 9001 version 2008 approved by SGS (Thailand)
2011	Prachuab Kiri Khan Province Good Governance Award in the category of Environment; Mor Ror Tor 8001-2553 Standard (Initial Final stage); Outstanding Enterprise Award in the category of Labor Relations and Welfare
2012	Prachuab Kiri Khan Province expanded the scope for approving new products such as Coconut water. Certification in accordance with GMP/ HACCP/ BRC/ IFS. The company's Fruit in Plastic Cup was also certified in accordance with GMP/ HACCP/ IFS. Pineapple products passed factory standards set by TESCO and YUM. Mixed fruit cocktail, pineapple concentrate and Aloe Vera products obtained permits to display Kosher's STARK logo in addition to Kosher certification of the whole production process
2013	In June, the company's food safety was approved by the British Retail Consortium (BRC) while the Plant & Herbal Extract Factory was certified in accordance with Good Manufacturing Practice (GMP) under the auspices of National Food Institute.
2014	IFS certification for Canned Coconut Milk Aseptic and Frozen pineapple single strength juice; extension of Kosher standard to include coconut water with pomegranate juice and coconut water with mango flavor.
	Authorized Economic Operator (AEO) Certificate

NATURE OF BUSINESS OPERATIONS

Agro Industry Group Comprises the Following Business Units

1. TIPCO Foods PLC. the producer of food and plant items listed below.

1. Canned pineapple
2. Pineapple juice concentrate
3. Aseptic Crushed pineapple
4. Pineapple in plastic cup
5. Pineapple in retort pouch
6. Canned Tropical Fruit Salad
7. Tropical fruit salad in plastic cup
8. Canned Aloe Vera
9. Aseptic Crushed Aloe Vera
10. Coconut milk products and canned coconut juice

2. Tipco Biotech Co., Ltd. is a subsidiary company which engages in agricultural businesses and plant extracts, with special focus on Research & Development and cultivation of seedling and raw materials used by the Food & Beverage Business Unit. The company owns a farm which develops new plant strains and cultivates Battavia pineapple that goes into the canned pineapple production line, as well as Homsuwan pineapple sold at supermarkets and Tipco's Squeeze Juice Bars. In addition the company also produces plant extracts that serve as ingredients for manufacturing food products/ beverages/ cosmetics/ food supplement/ medicine. The company's plant extract factory which has the largest smelter in Thailand operates at a high level of efficiency and safety. The company also provides fully integrated customer services, starting with raw material procurement through to Testing Lab services and actual manufacturing processes.

Consumer Goods Group Comprises the Following Business Units

1. TIPCO F&B Co., Ltd. a joint venture between TIPCO Foods PCL and Suntory Beverage & Foods Asia, produces and distributes ready-to-drink beverages listed below.

1. TIPCO 100% fruit juice
2. TIPCO Veggie - 100% mixed vegetable and fruit juices
3. TIPCO Super Kid - 100% fruit juice/ mixed vegetable and fruit juice for children
4. TIPCO Super Fruit Essence - Combo of pomegranate concentrate, prune juice and fig pulp
5. TIPCO Fruit Plus - canned 100% fruit juice, mixed vegetable juice and Aloe Vera pulp

6. TIPCO Squeeze - 100% pasturized fruit juice, mixed vegetable juice and mixed fruit juices

7. TIPCO Cool Fit - 40% vegetable juice and mixed fruit juice

8. Aura natural mineral water

9. Suntory Tea Plus - Oolong tea OTPP packed in PET bottle

10. TIPCO Profiber-Mixed vegetable and fruit juice 100%, high fiber help to improve the excretion system.

2. TIPCO Retail Co., Ltd. a subsidiary company jointly owned by TIPCO Foods PLC. and TIPCO F&B Co., Ltd. operates retail trade under the logo "Squeeze Juice Bar by Tipco." Product line includes fresh squeezed fruit juice, fresh yogurt, Happy Yogurt, with Tspecial emphasis on Quality, Health benefits, and Taste. Tipco's Squeeze Juice Bar also serves as outlet for other company products such as TIPCO fruit juice and Homsuwan pineapple.

INCOME STRUCTURE

Structure of incomes generated by product sale or external persons in the past 3 years

Unit: millions of Baht

Products/ services	Operated by	% of company share- holding	2012		2013		2014	
			Income	%	Income	%	Income	%
Canned pineapple/ pineapple con- centrate/other mixed fruit juice	TIPCo Foods PLC.		1,734.53	31.87	1,631.28	29.19	1,440.30	26.15
	TIPCO Foods PLC.		508.30	9.34	553.11	9.90	639.58	11.61
	TIPCO Retail CO.,Ltd.	75.49						
	TIPCO Bio Tech Co., Ltd.	100.00						
	TIPCO F&B Co., Ltd.	50.00						
Ready-to-drink beverages			3,199.29	58.79	3,403.81	60.91	3,427.92	62.24
Total			5,442.12	100.00	5,588.20	100.00	5,507.80	100.00

Changes During The Past Year

In 2014, significant decrease in Thai pineapple exported by TIPCO Foods PLC. caused the price of pineapple raw material to jump to the highest level ever recorded by the Thai pineapple industry. Short term impact was positive in terms of motivating some farmers to expand pineapple cultivation, which may in turn result in lower pineapple prices. Nonetheless, domestic pineapple price fluctuations may have detrimental long term effects if buyers decide to shift to other production bases, considering that global economies have remained in doldrums since 2013 while political conflicts in many parts of the world continue to restrain global purchasing power. It is also noteworthy that raw material price fluctuations pertain only to the Thai pineapple industry.

Recognizing Thailand's narrowing comparative advantage, TIPCO placed the highest priority on achieving a turnaround and ensuring future sustainability of Thailand's pineapple industry. Towards this end, TIPCO initiated a new format of Contract Farming project which focuses on co-operating with and rendering various kinds of support to formers, starting with cultivation techniques through to irrigation system, harvesting, and increasing output per rai. In regard to purchasing price the company will apply the principle of minimum guarantee price per rai to solve the problem of fluctuating farmers' income. At present about 100 farmers are participating in this pilot project which should be ready for evaluation by year-end 2015 or 2016. Although this long-term project take 3-5 years to complete, TIPCO deems it to be an essential step in achieving sustainability for Thailand's pineapple industry.

Responding to market demand, TIPCO Biotech Co., Ltd. expanded distribution outlets for Homsuwan pineapple in 2014, focusing mainly on leading supermarkets and sales agents. Products were sold as either as whole uncut fruits or cut into pieces that are arranged on Homsuwan sticks and packed in bags which bear TIPCO logo. Favorable customer response is attributed to the fact that selling prices are consistent with quality and on par with other pineapple strains. Everyday farm output is dispatched directly to customers' distribution centers but output still falls short of demand because Homsuwan pineapple is truly a premium pineapple strain.

In 2014 proved to be an opportune time for the company to showcase the ability of its plant extract business to generate income and earn profit, the first profitable year since its inception. The company's factory also passed the Ministry of Industry's selection criteria and obtained certification for Good Governance in the category of Environmental Protection.

TIPCO F&B Co., Ltd. Overall growth of the fruit juice market in 2014 was not outstanding as economic conditions remain in doldrums. Nonetheless, the company's share of the 100% fruit juice market continues to predominate. As market leader in the category of 100% fruit juice, TIPCO launched a Health Benefit campaign at the beginning of 2104 by inviting consumers to savor "TIPCO 100% orange juice squeezed from real fresh oranges and packed in carton." The new presenter, "Cain Phu-phume", urged consumers to focus on healthcare as well as the unique taste and features of TIPCO 100% orange juice which is squeezed directly from real oranges picked from the tree instead of the usual method of blending Concentrate with water. This fully integrated promotion campaign was launched via various media including tele-

vision, printed matter, outdoor ads and online media, with a view to reaching every consumer group nationwide. As a result of this comprehensive sales campaign, TIPCO was able to secure market leadership in the orange juice segment while presenting new product innovations in the category of mixed vegetable and fruit juice under the brand “TIPCO Profiber” to the consumer market. TIPCO’s product differentiation strategy focuses on fiber (5 times higher than comparable juice) and multi-vitamin content. “TIPCO Profiber” packed in PET bottle comes in 2 sizes, namely 300 ml. and 1 litre bottles. As a result of fully integrated marketing campaign that utilizes all forms of public media to emphasize the product’s effectiveness in improving bowel movements, TIPCO succeeded in expanding its customer base for vegetable and fruit juice beyond expectations.

In the category of 100%fruit juice for children, TIPCO’s Super Kids brand was highly successful in licensing time-honored cartoon character, Walt Disney’s Micky Mouse to develop educational programs for children at school and various points of sales, thereby capturing kid’s attention and nurturing young taste buds. This year, a new product was launched, namely “berry mixed” to provide another option for kids.

In the mineral water segment, Aura launched a new bottle that coincides with the updated logo “Light up your Aura,” focusing mainly on points of sales, printed media and ads at electrical train stations. A new 330 ml bottle was also launched to expand customer base, with the result that Aura’s market share rose to 23%.

The company is fully determined to develop high quality products that offer health benefits while communicating healthcare information and conveying the message that maintaining good health is fun and easy to do every day. TIPCO’s objective is to ensure good health for all Thai people.

Responding to adverse impact on household spending due to political factors in 2013, TIPCO Retail Co., Ltd. adjusted its business strategy to focus on revising the old model of branch outlet to increase sales, cut costs, and maintain profit margin. Branch expansion would re-focus on small low-cost outlets that suit current circumstances while new product development would accommodate consumers who commit to continuous healthcare.

In 2014, the company launched 100% soya under the brand Happy Soya, available only at TIPCO’s Squeeze Juice Bar.

This year the company has formulated a strategy to secure sustainable and stable growth by focusing on accelerated new branch expansion, in line with on-going recovery of household spending on food and entertainment.

INDUSTRY TRENDS AND COMPETITION

Agro-industrial Business

TIPCO Foods. PCL. In 2014 Thailand's canned pineapple export totaled Baht 16,052million, lower than the previous year by about Baht 940 million, due partly to lower fresh pineapple output estimated at 1.9million tons. Raw material shortage is expected to recur in 2015 due to drought conditions. As total fresh pineapple production will be close to the previous year's level, raw material costs will remain relatively high but selling prices may be adjusted to absorb higher costs, assuming that markets and selling prices in Asia, the Middle East and Thailand continue to enjoy stable growth while market demand in the USA and Europe show signs of recovery. TIPCO Foods PCL. Continues to focus on maintaining markets wherein it has built up strong customer base, trade partnerships and long-standing business alliances. At the same time, the company will expand markets in Asia, the Middle East, and the domestic front, where consumption demand and prices remain buoyant. New products in the category of canned fruit, fruits in plastic cup and various other forms of products processed from tropical fruits such as coconut, papaya, mango, Aloe Vera, will also be developed to expand sales opportunity and turnover in line with management objectives.

TIPCO Biotech Co., Ltd. As consumer preferences place higher priority on health benefits and beauty factor, the domestic market for healthcare products and services and cosmetics have expanded rapidly in the past few years, opening up new opportunities for TIPCO Biotech Co., Ltd. to achieve high sales growth in the market segment for various kinds of plant extracts and herbs which are used as raw materials for domestic production of food items, beverages, food supplement, cosmetics and medicine. The company also aims to foster alliances and trade partnerships with overseas producers who require raw materials extracted from plants and herbs which only grow in specific areas or have a competitive edge in terms of lower production cost.

Consumer Business

TIPCO F&B Co., Ltd. In 2014, the market for 100% fruit juice is projected to grow by approximately 4% per annum, mineral water 10%, bottled tea no change, subject to variable impact from domestic factors, particularly local politics. Although the market for ready-to-drink beverages remain highly competitive, TIPCO F&B Co., Ltd. should be able to maintain market leadership in the 100% fruit juice segment by creating brand value based on highly selective raw material quality and production processes that directly benefit the consumer's health. New product development and launching will aim at expanding customer base and securing target customers. The company has also taken steps to expand customer base for fruit and vegetable juice in various Asian countries, namely, South Korea, Indonesia and the Philippines.

Last year the company also expanded production capacity and the marketing campaign for Aura mineral water to accommodate higher market demand. Aura mineral water is drawn directly from a natural cold spring located in one of Thailand's best preserved natural environments.

In 2014, the company maintained marketing activities for bottled Oolong Tea OTPP under the brand name Suntory Tea Plus which emphasizes health benefit, unique taste, and the refreshing quality of tea.

TIPCO Retail Co., Ltd. While urban lifestyle continues to favor outdoor activities, consumer spending and retail trade have clearly been affected by political unrest, higher space rental rates and labor wages.

Responding to changing circumstances and future business trends, TIPCO Retail Co., Ltd. has set guidelines for revising management and marketing strategies that will focus on shop format, location, product line and services. Consumer recognition, awareness of retail shop, existing and new product lines, will be developed to attract target customers, expand regular customer base, achieve more frequent purchases and higher purchase value.

EXPLANATIONS AND ANALYSIS OF FINANCIAL STATEMENTS AND OPERATING RESULTS

Annual operating results

In 2014, the company recorded total net profit of Baht 77.7million, a decrease of Baht 36.7million (or 32.1percent) from the previous year, in line with the decreased sales and profit generated by canned pineapple export. As raw material supply fell short of expectations due to decreasing cultivation area and drought conditions, the company faced difficulty procuring sufficient raw material supply to meet sales forecasts. On top of this, lower output pushed the purchasing price of pineapple up further from the previous year's level. The company was able to pass on some of the increase in fresh pineapple prices but had to absorb the rest in the form of lower profit margin. Revenues from sale and services totaled Baht 5,507.8 million, a decrease of Baht 80.4 million (or 1.4 percent) from the previous year. The decrease in revenues pertained to export of canned fruit and retail trade while beverages, agro industry and plant extract business reported higher revenues from sales and services. Other income of the company amounted to Baht 340.0 million, an increase of Baht 34.4 million (or 11.3percent), cost of goods and services amounted to Baht 3,825.4 million, a decrease of Baht 205.0 million (or 5.1percent), to yield gross profit of Baht 1,682.4million, an increase of Baht 124.6million (or 8 percent).

Revenue Analysis

Revenue from aggregate sales

Sales revenue	2012		2013		2014		Growth rates (%)	
	revenues	%	revenues	%	revenues	%	2013/2012	2014/2013
Domestic	3,292.3	60.5	3,460.6	61.9	3,507.3	63.7	5.1	1.3
Overseas	2,149.8	39.5	2,127.6	38.1	2,000.5	36.3	-1.0	-6.0
Total	5,442.1	100.0	5,588.2	100.0	5,507.8	100.0	2.7	-1.4

Ratio of Domestic Sales to Exports

In 2014, the ratio of domestic sales to export sales stood at 64:37, with higher proportion of domestic sales reflecting the decline in canned fruit and concentrate exports and higher domestic sales of ready-to-drink beverages, as compared to the previous year.

Total Sales Revenues in 2014

In 2014, aggregate sales decreased by 1.4 percent due to the decrease in revenues from canned fruit export and retail trade.

Agro-Industrial Business

TIPCO Food PCL.

Revenues from canned pineapple and concentrate export decreased due to raw material (i.e., fresh pineapple) shortage resulting from the decline in cultivation area and drought conditions which triggered steady increase in the domestic price of fresh pineapples throughout the year. As other producing countries did not face higher raw material costs, TIPCO could not adjust FOB prices to fully absorb higher input costs. Last but not least, global and EU economies remained in doldrums despite signs of US recovery while political conflicts in many parts of the world continued to restrain global purchasing power, resulting in lower sales revenues from the Food Business as a whole.

TIPCO Biotech Co., Ltd.

Brisk revenue growth from sale of fresh fruit in 2014 underscored high market demand for the superior taste and quality of the Homsuwan pineapple strain. As market demand could absorb any amount of output increase, the company was able to expand distribution outlets to include leading supermarkets and distribution agents. Total sales revenues in 2014 increased by 50 percent along with higher gross profit margin as the company was able to adjust the selling price to reflect high product quality and positive consumer response.

In 2014, the Plant Extract Business recorded an increase in revenues and profit as the company's technology was able to produce plant extract to meet customer demand in Japan while prices could be revised upward to yield higher gross profit margin.

Consumer Business

1. TIPCO F&B Co., Ltd.

Although political conditions affected ready-to-drink business resulting in minimal increase in sales revenues, TIPCO's sales growth continued to exceed industry average, particularly with in the 100% fruit juice market wherein the company maintained market leadership. At the same time new product development and on-going focus on creating customer awareness and clearer understanding of TIPCO's product differentiation helped to further enhance consumer satisfaction with TIPCO brand products. The following product innovations were launched in 2014.

Mixed vegetable and fruit juice under the brand TIPCO Profiber which comes in 2 sizes, namely, 300 ml PET bottle and 1 liter carton. Share, and 2 flavors - Green Apple and Cherry Sherbet.

In the category of 100% fruit juice for children, TIPCO's Superkid brand launched a new flavor, i.e., berry mixed.

Newly launched products were well received. Profiber's unique effectiveness in improving bowel movements helped to expand TIPCO's market share in mixed vegetable and fruit juice. The company's successful application of Disney cartoon to educate children at school and entice kids to taste the new product at various points of sales also contributed to higher sales growth.

Substantial increase in overseas sales of ready-to-drink beverages was at-

tributed to continuing customer support, particularly in South Korea and the People's Republic of China.

AURA Mineral Water's substantial sales growth is attributed to various factor. Installation of new machinery, which was completed in April 2014, doubled production capacity and enabled the company to increase output to meet growing market demand. Packing bottle and logo were also updated and a larger 330 ml. bottle launched to expand customer base.

2. TIPCO Retail Co., Ltd.

Responding to the slowdown in sales revenues as political factors continued to restrain outdoor activities, Squeeze Juice Bar's strategy was revised by re-modelling the old branch format with a view to stimulate sales growth, control cost, generate profit and enhance future expansion of new outlets. The company focused on new small-sized outlets that require minimal operating expenses, and launched new products targeting customers who are concerned with healthcare. 100% soy milk under the brand Happy Soya was launched with limited distribution outlet at TIPCO's Squeeze Juice Bar.

Exchange Rate Profit

Other Income Analysis

Other income	2012	2013	2014
Exchange rate profit	43.6	-	14.9
Recovery of doubtful debt	0.5	-	-
Recovery of depreciation costs	-	45.8	-
Profit from divestment	0.6	10.0	4.8
Marketing costs	144.9	194.9	272.2
Income from disposal of raw material & scraps	6.0	7.4	5.7
Interest income	0.1	0.1	0.1
Other income	49.6	47.4	42.3
Total	245.3	305.6	340.0

In 2014 exchange rate profit amounted to Baht 14.9 million, Realizing that violent exchange rate fluctuations were triggered by breaking news of economic and political crises in various countries throughout the year, exchange rate management policy focused on close monitoring of major exchange rates and organizing short-term forward contracts to minimize risks. This policy yielded profit from exchange rate transactions.

Transfer of Loss From Product Life Expiry

Reserve allocation for product life expiry in accordance with the accounting criterion for remaining product life was transferred back as income because the company was able to dispose of these products in the recycle market. This item was not reported in 2014.

Marketing Costs

Financial support from Suntory Beverage & Foods Asia Co., Ltd. funded advertisement production and promotion campaigns for products under Suntory Beverage & Foods brands produced and distributed by subsidiary company, i.e., TIPCO F&B Co., Ltd. This item includes special funds for purchasing products in accordance with set sales targets.

Profit from Sale of Investments

This item represents profit from the sale of certificates of entitlements issued by TIPCO Asphalts PCL.

Other Income

Transportation and insurance income accruing to CIF exports are recorded under Other Income. In regard to FOB export, sales revenues are recorded while income from transportation and sales insurance come under Other Income. Insurance expenses payable to shipping and insurance companies are already included in the costs of sales and services.

Analysis of Costs and Initial Profit

	2012		2013		2014	
	Baht million	% of sale revenue	Baht million	% of sale revenue	Baht million	% of sale revenue
Sales revenues	5,442.1	100.0	5,588.2	100.0	5,507.8	100.0
Cost of goods sold	3,701.2	68.0	4,030.3	72.1	3,825.4	69.5
Gross profit	1,740.9	32.0	1,557.9	27.9	1,682.4	30.5

In 2014, the gross profit increased while canned pineapple export was the only Business Unit to report lower gross profit, reflecting raw material shortage as sharp fluctuations of pineapple prices pushed up production costs while export prices of canned pineapple and juice could not be adjusted to absorb higher cost of goods.

In the ready-to-drink beverage, retail trade, agro-industry and extract segment, higher gross profit was achieved through tight cost control, greater efficiency of the entire production line, and lower production costs. Agro industry and plant extract business managed to increase the selling price to reflect outstanding product features, thereby achieving higher gross profit.

Sales and Management Expenses

Expenses	2012		2013		2014	
	Baht million	% of sale revenue	Baht million	% of sale revenue	Baht million	% of sale revenue
Sales & management expenses	1,752.0	32.2	1,824.0	32.6	2,008.2	36.5

Higher total sales and management costs in 2014 reflected higher costs of sales to promote new products launched by the ready-to-drink beverage group, namely TIPCO Profiber, and carry-over of the previous year's marketing expenses for Oolong Tea Plus. Funds provided by Suntory Beverage & Foods Asia Co., Ltd. for the purpose of producing advert materials and sales promotion for products under Suntory brand names are recorded under Other Income. Residual increase in management expenses pertained to adjustment of inventory holding product life to improve inventory management efficiency, resulting in higher reserve allocation for product life expiry.

Losses Due to Asset Depreciation

Expenses	2012		2013		2014	
	Baht million	% of sale revenue	Baht million	% of sale revenue	Baht million	% of sale revenue
Loss due to asset depreciation	22.6	0.9	-	-	229.3	4.2

Losses due to asset depreciation in 2014 included a subsidiary company's reserve allocation of Baht 191million for machinery depreciation, in accordance with accounting principle. At present this machinery appears under the category of machinery parts which is deducted each year under depreciation costs. In addition the company also allocated Baht 38million as Depreciation Reserve for assets pending sales conclusion in Q1 2015.

Report of Cash Flow Analysis

Expenses	2012	2013	2014
Cash flow from operations			
Profit before tax	265.4	152.6	-15.1
Adjustment of profit before tax into net cash receipts from operational activities	238.5	100.2	309.8
Adjusted net flow of funds (increase) decrease	0.8	-100.6	202.3
Net cash balance arising from (used for) operational activities	504.7	152.2	497.0
Net cash balance from investment activities	-272.8	-145.9	-224.7
Net cash balance from fund raising activities	-226.2	-16.1	-267.5
Exchange rate impact on cash & cash equivalent items	0.1	0.1	-0
Cash & cash equivalent items Increase (Decrease)	5.5	-9.8	4.7
Carry-over of Cash & cash equivalent items	41.1	46.7	36.9
Cash & cash equivalent carry forward	46.7	36.9	41.7

In 2014 the company recorded Baht 497million of net cash inflow from operations which surpassed the previous year's level in line with lower trade receivables and outstanding inventory. Net cash from investment activities showed higher net cash outflow representing annual instalment on machinery investment by AURA mineral water factory and the ready-to-drink factory's investment to expand production capacity.

In regard to cash flow from fund raising activities, borrowings from financial institutions decreased in comparison with repayment of long term loans; there was no dividend payment this year.

Liquidity Position

Liquidity ratio	2012	2013	2014
Current assets: current liabilities (times)	0.8	0.7	0.7
Debt servicing capacity (times)	3.6	2.7	0.8
Liabilities/equity ratio (times)	1.3	1.4	1.2

Although this year's current assets/current liabilities ratio remained unchanged from 2013, both current assets and current liabilities declined proportionately in line with the decrease in trade receivables and outstanding inventory, resulting in lower requirement for operating funds and short-term borrowings.

Debt servicing capacity:

In 2014, the company's debt servicing capacity deteriorated substantially compared to the previous year, reflecting in sharp decline of net profit before interest and tax.

Debt/equity ratio decreased in 2014 as proportionate decrease in liabilities exceeded proportionate decrease in shareholders' equity. The decrease in shareholders' equity was due partly to Baht 74.7million decrease of joint venture company's stakeholdings in a subsidiary company.

Ability to Earn Profit

Ratios	2012	2013	2014
Gross profit margin (%)	32.0	27.9	30.5
Net profit margin (%)	4.1	2.0	1.4
Return on equity (%)	10.0	4.9	3.3

Gross Profit Margin

In 2014 gross profit margin was higher than the previous year, reflecting better operating results from the Ready-to-drink, Agro-industry and Extract Business while gross margin of Canned Pineapple Export Business declined.

Net profit margin

Lower net profit margin in 2014 resulted from higher sales of ready-to-drink business supported by promotional campaigns for newly launched products while higher management expenses was attributed to reserve allocation for asset depreciation and product life expiry.

Return on Equity

ROE declined in line with the proportionate decrease in net profit that exceeded proportionate decrease in shareholders' equity.

Asset quality and financial ratios

Proportion of assets	2012	2013	2014
Net trade receivables	13%	12%	9%
Outstanding inventory	23%	22%	17%
Investment & loans - net	18%	21%	26%
Land, building & equipment- net	44%	43%	44%
Insurance	-	-	-
Others	5%	2%	4%

In 2014 the proportion of trade receivables decreased from the previous year's level, with an average debt collection period of 26 days compared to 39 days in 2013, partly attributed to lower sales turnover, prudential credit control and stringent debt collection.

Continuous decline in inventory holdings since 2013 was due to raw material shortage. As output fell short of production targets, the company was forced to make delivery by instalment, with the result that the number of days of inventory holding in 2013 dropped to 121 days. Apart from persistent raw material shortage in 2014, the company also adjusted inventory management system by disposing of raw material inventory that do not generate income, with the result that outstanding inventory in 2014 declined sharply to 89 days.

Investments represent funds invested in TIPCO Asphalt PCL. in line with the policy to maintain the proportion of shareholding at 20-25%. This item was recorded as investment by applying the stakeholding method in accordance with general accounting principle. Actual cost of acquisition appears as footnote of the Financial Statements.

The company's land, buildings and equipment undergo regular annual maintenance and repair. In 2014, the beverage factory installed a new production line to increase capacity while the mineral water factory's new machinery installation was completed in April 2014.

Operational efficiency

Ratios	2012	2013	2014
Return on assets (%)	3.7	1.9	1.4
Return on Fixed Assets (%)	8.3	4.3	3.2

Rates of return in 2014 continued to decline in line with the previous year's trend, reflecting the deteriorating operating results of the Canned Pineapple business.

RISK FACTORS

Ensuring from Risk Evaluation Committee meetings, 6 aspects of business risk were classified as follows: 6 categories of business risks have been defined as follows:

1. Strategic risk (S)
2. Financial risk (F)
3. Technological risk (T)
4. Political risk (P)
5. Operational risk (O)
6. Legal risk ©

4. Degrees of risk severity were also determined, namely,

1. High
2. Significant
3. Moderate
4. Low

1. Strategic risks

Type of business	Nature of risk	Degree of risk	Cause	Impact and responsive measures
Production & export of canned pineapple, Concentrate & other canned fruits	Pineapple cultivation under covenant agreement fails to reach set target	Significant	<ol style="list-style-type: none"> 1. Farmers do not comply with recommended techniques 2. unfavorable climatic conditions 	<p>Fluctuating costs of raw pineapple production</p> <p>Action plan</p> <p>Organize Farmers Supervision Teams to provide know-how and support regarding cultivation techniques, apply communication technology to follow up on production conditions & other relevant factors</p>

2. Financial Risks (F)

Type of business	Nature of risk	Degree of risk	Cause	Impact and responsive measures
Production & export of canned pineapple, Concentrate & other canned fruits	1. Higher production costs	Significant	1. Rising interest rate trends 2. Higher demand for working capital due to higher raw material costs	Declining capacity to generate profit Action plan - Consider selling assets that earn lower rate of return compared to the cost of funds - More efficient management of trade receivables - more efficient management of market demand & production to ensure optimal inventory holdings
	2. Exchange rate fluctuations	Significant	1. Economic uncertainties in various geographical regions and countries which impact exchange rate movements 2. Domestic economy & political situation remains uncertain	Exchange rate loss Action plan Closer monitoring of exchange rate situation and information, control risk by using exchange rate management tools, e.g., forward xchange rate contracts, buying/selling exchange rate warrants

3. Technological Risks (T)

Type of business	Nature of risk	Degree of risk	Cause	Impact and responsive measures
Production & export of canned pineapple, Concentrate & other canned fruits	Loss of the Company's significant data in emergency situations	Significant	Various disasters including political disruption that may impact the computer system	Disrupted business operations due to damage of important equipments & data Action Plan - Establish a Disaster Recovery Site to safeguard data

4. Political Risks (P)

Type of business	Nature of risk	Degree of risk	Cause	Impact and responsive measures
Production & export of canned pineapple, Concentrate & other canned fruits	1. Public sector policy affecting labor and raw material (pineapple)	Significant	1. Government policy to raise the minimum wage rate 2. Cut back of institutional loans to farmers	High production costs Action plan - install machinery to replace labor & lessen impact - communicate with the government regarding the company's plan to guarantee farmers' income
	2. Trade restriction policy	Significant	Revocation of GSP form A & preferential trade agreement with the Philippines (immediate effect)	Loss of competitive advantage Action plan - Close monitoring of situation - develop new markets.

5. Operational risks(O)

Type of business	Nature of risk	Degree of risk	Cause	Impact and responsive measures
Production & export of canned pineapple, Concentrate & other canned fruits	1. Error in forecasting output quantity & cost of raw materials	High	Variable climatic conditions affect harvesting schedules	Error in formulating production plan result in uncontrollable production costs Action plan - Set up Farmers' Groups by selecting & organizing Agriculturist Groups to facilitate supervision & support in collaboration with the Association of Canned Pineapple Producers - set up Integrated Agricultural Teams in line with other Farmers Groups for economic crops such as sugarcane & tapioca - apply modern IT to ensure accurate forecasting,

	2. Labor shortage	High	<p>1. Better educated local populace have more diverse job opportunities or choose to pursue higher education</p> <p>2. Greater variety of business enterprises such as hotels, restaurants, Lotus & Homepro stimulated higher competition for labor</p>	<p>Lower production capacity & higher production costs</p> <p>Action plan “</p> <p>- Apply Mechanization to substitute labor - adjust labor utilization plan to improve productivity“</p>
Bottled mineral water	1. water quantity insufficient for dry season production (March - July)		Variable climatic conditions affect harvest plans	<p>Production shortfall results in foregone sales opportunities</p> <p>Action plan</p> <p>Secure new sources of water supply in nearby areas</p>

6. Legal risks (C)

Type of business	Nature of risk	Degree of risk	Cause	Impact and responsive measures
Production & export of canned pineapple, Concentrate & other canned fruits	Patent violation & intellectual property rights	High	Employees use illegal software for organizational purposes	<p>Legal violations cause the company to lose trading rights</p> <p>Action plan</p> <p>Set up prevention and audit system to prevent use of illegal software within the organization</p>

**DIVIDEND
PAYMENT
POLICY**

The Company and its subsidiaries pay dividends they have 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 net profits recorded in the separate financial statements.

Year	2014	2013	2012	2011	2010
Net profit/ share	(0.2756)	(0.1578)	0.1380	0.3313	(0.2694)
Dividend/ share	0.00	0.00	0.00	0.12	0.00
Dividend/ profit (%)	0%	0%	0%	36.2%	0%

CORPORATE SOCIAL RESPONSIBILITY

The Company conducts its business by adhering to its responsibility to all stakeholders. As part of the community, the Company is committed to environmental and social responsibility by acting as a good citizen who lives with others in society with pride and dignity. The Company instills such concept into employees at all levels, comprising the board of directors, senior executives, managers, supervisors, employees and other stakeholders to live up to the same norm. In addition, the Company established the documents regarding corporate responsibility policies and principles as the guidelines for consistent and earnest compliance in all cases. The undertaking of business operation based on corporate environmental and social responsibility is the motto of each individual stakeholder in Tipco Foods Group according to the policy: **“TIPCO develops business along with environment and society”**.

To ensure the effectiveness of the corporate environmental and social responsibility management and conformance to the policy, the Company appointed the environmental and social promotion working committee consisting of the representatives from management in supporting and promoting the environment and society, the chairman, members and secretary of the committee for each factory and the headquarters. **Roles and responsibilities of the committee are defined as follows.**

1. Present the environmental and social activities for government agencies and communities in the responsible area to seek for support
2. Coordinate and perform environmental and social activities according to the approved budget.
3. Supervise, monitor, and present the activities to ensure the environmental management of the factory meet the legal requirements and related standards.
4. Be the public relations center to distribute information of environmental and social activities through local media.
5. Prepare an annual activity plan and propose the budget for the environmental and social promotion projects
6. Conduct other assigned activities related to the good image of the company on environmental and social promotion

The environmental and social promotion working committee holds the meeting for planning and monitoring the activities and reports the operational performance to the management regularly. The activity plan is divided into 3 categories.

1. Society

- Support scholarships to the schools in the community
- Support scholarships for children of farmers supplying raw materials
- Conduct community relations visit in conjunction with the surrounding community and government agencies, such as a healthcare visit for the elderly by collaboration with the hospital in the community.
- Support the budget allocated from the Company’s budget for each fiscal year to help the communities and society

2. Environment

- Support marine conservation activities in collaboration with Provincial Fisheries Office
- Promote waste reduction programs in schools through education and funding
- Support the project of building a dam

3. Religious Places

- The Happy Soul Project was organized to promote good moral principles and social benefit by raising employees' awareness of the importance of good deeds, ethical and honest behavior, and participating in volunteer programs.

In 2014, the Company won the CSR Recognition 2014 in the category of Rising Star, which underscores the Company's outstanding role in applying innovation and agricultural technology to develop health products, and implementing the program to upgrade local farmers' cultivation techniques.

In 2014, the Company also won Ministry of Industry's CSR-DIW Continuous Award and published a report on Corporate Social Responsibility in accordance with standards set by the Management System Certification Institute (Thailand). This demonstrates that the Company remains steadfast in providing its support and contribution in corporate social responsibility.

The Company set the work guidelines according to the policy on the basis of integrity, transparency and fairness, with no conflicts of interest against the Company and stakeholders, including the confidentiality regarding the business operation with stakeholders. It has set up a channel for reporting complaints or fraud.

- Provide a channel for lodging traces or complaints of wrongdoing against law or ethics by means of mailing address, phone and e-mail address of all directors as appeared on the website of the Company.
- Go to meet the community to get opinion
- Have dialogue with local authorities, community leaders and the community
- Provide a process to handle the complaints by verifying information and report to the Board of Directors

With respect to the survey on Community satisfaction and Opinion which the Company has conducted continuously, the "Community Satisfaction Level" (DS) average score in 2014 was 4.35 points out total score of 5, compared to 4.44 in the previous year. Prachuab Khiri Khan factory scored 4.51 points, unchanged from the previous year score of 4.40. Wang Noi factory scored 4.24 points, lower than the previous score of 4.40. The Company also assigned various departments to follow-up on relevant suggestions made by the community, and undertake the necessary adjustments to improve existing operations.

To implement the awareness of the related stakeholders into practice, the Company brought this concept to define a framework for business operations. In 2014, the Company established the new vision and core values of "A market driving company that enhances value to stakeholders comprising employees, consumers, trading partners, business alliances and society".

The 5 core values are determined according to the alphabets of Tipco with the meanings as follows:

T : Teamwork

I : Innovation

P : Passion

C : Commitment

O : Openness

The company continues to focus on the relationship between Corporate Vision and Core Values with a view to driving sustainable growth. Core Values refer to the commitment to offer quality products and services, which the Company upholds in regard to both internal and external customers of every business unit, with a view to maximizing consumers' and service users' satisfaction. This is the key factor that created the culture of good corporate governance, resulting in highly satisfactory response from various customer groups, as evidenced by an average Customer Satisfaction Index of 99.6%, surpassing the set target of 98%

The Company also recognizes the importance of employees as the main mechanism to drive the continued growth. Hence, the Employee Opinion Survey (EOS) was conducted to survey the employees' opinions about the organization in terms of image, reputation, employee welfare, administration and good corporate governance. In 2014, the survey score was 4.63 out of the full score of 5.00, lower than 4.58 of the prior year. The component that has the highest score is anti-corruption followed by social and environmental responsibility. The lowest score goes to variable pay, internal communication and workplace environment, where the management team will be in charge of further improvement. In addition, the Company determines and reviews the Core Competency and Managerial Competency of employees to be in accordance with business goals. The project to develop the potential for executives was developed. The employees at other levels of each department have been evaluated and the individual plans were developed by a measure of Core Competency Index (CCI) in order to reinforce the staff potential and reflect on the career path. The competent employees can learn and develop in every aspect to support the new vision of the Company.

The company also conducted a survey of suppliers' satisfaction and obtained average satisfaction score of 4.75, up from 4.65 in the previous year. The Company also made use of various suggestions for operational improvement by assigning the follow-up duty to responsible persons and establishing specific timelines for action. Periodic reviews of follow-up action were also conducted to ensure good corporate governance and equitable treatment of all stakeholders.

Remark: The score of 1-5 represents the rating as follows: 5 - Very Good, 4 - Good, 3 - Fair, 1 and 2 - Need Improvement.

In 2014, the Company carried out various social and environmental activities as described below.

Social Activities

- Donated 5,000 cases of TIPCO fruit juice to support various activities of the Red Cross Council of Thailand, including refreshment for blood donors
- Donated AURA mineral water at the accident site on Mae Rim-Saming Highway where a Sirintra van overturned
- Donated TIPCO fruit juice to the Thai Beverage Association
- Donated AURA mineral water for the 3rd Cycling Tournament in honor of His Majesty King Bhumiphol Adulyadej, at Her Majesty Queen Sirikit's Botanical Garden, Mae Rim District, Chiangmai Province

Environmental Protection

- Donated 100 packs of 0.5 liter bottles of AURA mineral water in support of the Office of Natural Resources' campaign to solve the problem of smog in Chiangmai Province
- Donated TIPCO fruit juice to TIPCO Asphalt PCL. in support of the "Conserve Our Trees" project
- Support the "Tiger Bike Tour of Beautiful Gardens," which comes under the program to promote Eco Tourism in Mae Rim District, Chiangmai Province

Educational activities

- Granting a total of 199 scholarships (valued at Baht 486,500) to the offspring of farmers who are members of the Company, as well as TIPCO employees' children
- Regular monthly support for Baan Bung School, Prachuab Khiri Khan Province, in the form of salary for kindergarten teacher(s) and rice for school children's lunch
- Support for 2014 Children's Day activities organized by Sanub Tub Elected Representatives, Pai Tum District, in collaboration with the Air Defence Center, Air Force 1 squadron, Central Region

Art, Culture, Traditional and Religious activities

- Donated AURA mineral water, lent candles and traditional offerings for monks, at Pong Yang and Theparam temples, Mae Rim District, Chiangmai Province, at the ceremony to mark the beginning of Buddhist Lent season
- Participated in merit-making at Thammanimitr Cooperative Temple, Sanub Tub Tambol, Wang Noi District, Ayudhdhaya Province, to mark the beginning of Buddhist lent season, and presented donation in the form of lent candles, electrical bulbs and TIPCO fruit juice
- Participated in TIPCO Company Group's annual merit making ceremony at Wat Pa Bhodiyarn, Ubol Rajathani Province

Tipco Foods Group also provided support in other activities such as visiting the community, sending employees to attend activities with various organizations including government agencies, schools, temples, etc.

Disclosure of Prevention Against Involvement of Corruption

The Board of Director agreed to support the Company to participate in declaration of intent to comply with Anti-Corruption Collective Action in Thailand in 2010, in conjunction with the Thai Institute of Directors, the Thai Chamber of Commerce, the Thai Listed Companies Association, the Thai Bankers Association, and the National Counter Corruption Commission (NACC) as per details below.

1. The Company established the written guidelines of the anti-corruption policy and incorporated them into the Company's code of conduct that was approved by the Board of Directors.
2. The Board of Directors determined the anti-corruption policy by disclosing its intention to join Thailand's Private Sector Collective Action Coalition Against Corruption Council (CAC). The Company ratified the declaration of intent to resist corruption in all its forms.

In addition, the Company has taken actions to prevent the involvement with corruption as follows:

- (1) The Company has communicated to all directors, management and staff by requiring that execution of all processes be in strict compliance with the scope of laws. In case of an error in the operation due to negligence or limited knowledge, the Company shall be subject to punishments imposed by government authorities without attempts to avoid such punishments.
- (2) The Company provides the channel to report any violation or corruption while exercising protection measures for the reporting persons. The details of the policies and actions related to the prevention against involvement with corruption are disclosed in the Company's website under the Corporate Governance topic.

**REPORT
OF THE
CORPORATE
GOVERNANCE
SUBCOM-
MITTEE**

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.

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 2014, the average score of all entities under the topic of anti-corruption was 4.49 (out of the total of 5.00), which was the highest compared to other topics and the Company has participated into the certification process of the Private Sector Collective Action Coalition against corruption (CAC).

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 2014, the National Corporate Governance Committee assigned the Company the good governance score of 81 % or "Good" which was above the average score of 80% assigned to peer listed companies in the SET 100 Index. This marked the fifth consecutive year of the Company's accomplishment of the "Excellent" rating. In addition, the Company's 2014 shareholders meeting was rated 98.25 points or "Excellent" by the Thai Investors Association.

In 2014 the company won the CSR-DIW Continuous Award for the fifth consecutive year as an entrepreneur who operates a sustainable social responsibility, ready for ISO 26000 international standard towards Sustainable Development of the Department of Industrial Works, Ministry of Industry, The company also makes a report responsibility in compliance to the Management System Certification Institute (Thailand). This indicates that the company is operating a social responsibility continuously. Moreover the company focused more on developing the capacity of employees by creating and promoting a happy workplace in the company. TIPCO Foods Public Company Limited (the Company) has been awarded the outstanding establishment Labour Relations and Welfare from the Department of Labour Protection and Welfare, continued for four consecutive years. Others awards are the National Award for Safety from Occupational Health. Environment from Department of Labour Protection and Welfare, Award for the Loss Reduction and Productivity increase Project from the Department of Skill Development.

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.



Ms. Laksana Supsakorn

Chairman of Corporate Governance Subcommittee

**GOOD
CORPORATE
GOVER-
NANCE**

The Company adopted the Stock Exchange of Thailand's 2012 Principles of the Good Corporate Governance for Listed Companies by integrating the updated version of the Principles of Good Corporate Governance into the original SET 2006 Principles of Good Corporate Governance for Listed Companies, which the company had already implemented during the period 2006-2012, thereby ensuring consistency and alignment with the Organization for Economic Co-operation and Development (OECD) and the ASEAN Community criteria for Good Governance.

In 2010, the Handbook on Good Corporate Governance and Code of Conduct was revised along with the Company's organizational structure with a view to promoting transparency, accountability and measurable operational efficiency. Guidelines relating to proper practices and relationships vis-à-vis various stakeholder groups were also clearly defined, taking into account changes in the social and economic environment as well as regulations and standards that had been incorporated into the company's Handbook. In addition, training programs relating to the Handbook content were conducted for every operational unit of the company's Food Business to ensure that all employees thoroughly understand and adhere faithfully to the Principles of Good Corporate Governance and Code of Conduct, whilst fostering a compliance culture to build a firm foundation for sustainable future growth and continuous value added for the benefit of all stakeholder groups.

According to the 2014 annual corporate governance assessment conducted by the National Corporate Governance Committee, the Company received a total score of 81%, which is equivalent to "Very Good" rating, compared with the industry average score of 80% assigned to peer listed companies that are included in the SET 100 Index. Details of TIPCO's scores rated in 2013-2014 are as follows:

As guidelines and the criteria for the abovementioned scorecard rating were adjusted in 2014 to ensure consistency with the ASEAN CG Scorecard, scores rated in 2014 cannot be compared with the previous year's scores.

	2014	2013
Rights of Shareholders	91%	94%
Equitable Treatment of Shareholders	96%	95%
Rights of Stakeholders	62%	83%
Information Disclosure and Transpar	84%	88%
Board of Directors' Responsibility	80%	85%

1. Corporate Governance Policy

In 2013, the Company reviewed its Corporate Vision, Business Objectives and Targets, long term strategies, as well as immediate Action Plans, to ensure consistency with current and future business landscape. The new Vision statement focused on creating value added for all groups of stakeholders including employees, consumers, trade partners, business allies and society. To ensure that this Vision becomes a reality, the Company's operational activities would focus on 4 areas, namely, Financial Management, Customer Relations, Internal Processes, and Human Resources Learning and Growth. In addition,

Critical Success Factors and Excellence were translated into concrete operational goals by integrating the objectives of individual employees, departments, divisions/business units and transforming them into drivers of Corporate Goals and Vision. Corporate policies pertaining to Quality Assurance and other critical factors focused on enhancing Customer Satisfaction through key drivers such as Personnel, Operational Processes, Safety, Environmental and Social welfare. The objective of this exercise was to create Work Ethics and organizational commitment to good business practices, thereby becoming a role model for the community and the nation.

The Board of Directors also established the Corporate Governance Subcommittee consisting of all directors of the Company, and adopted the Policy on Good Corporate Governance and Code of Conduct as disclosed in the Company's annual report and TIPCO website. To encourage employees' adherence to the good corporate governance philosophy, the Company initiated a campaign to promote employee awareness and understanding of good corporate governance principles.

In 2014, the Corporate Governance Sub-committee approved the adoption of the SET's 2012 Principles of the Good Corporate Governance for Listed Companies. Corporate practices which accord with the said principles are described as follows:

Rights of Shareholders

Annual Shareholders' Meeting

During the 2014 Annual General Meeting of Shareholders, 10 directors, including the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Subcommittee, attended the meeting; one director, Miss Roumsin Supsakorn, was absent on overseas assignment. The Company convened the meeting in accordance with every legal requirement regarding announcement of the meeting, submission of documents, notification of the meeting agenda, timely dispatch of adequate information to shareholders prior to the meeting, absentee shareholders' appointment of independent directors to act as proxy and to exercise their vote at the meeting. (Refer to the "Equitable Treatment of Shareholders" for detailed information.) Barcode registration system installed at the Annual General Meeting of Shareholders in 2014 enabled speedy processing of data pertaining to the number of participating shareholders and the voting result on each agenda item. Prior to the commencement of the meeting, the Chairman of the meeting informed shareholders of the procedure for voting on paper ballots. The vote counting process was witnessed by representatives of independent directors, auditors and company employees. The meeting was videotaped to ensure transparency and accountability. Furthermore, all shareholders were given equal opportunity to examine the Company's report on operating results in detail, raise questions, and express opinions. Minutes of the meeting were also disclosed on the company's website. Since 2008, the Company has allowed appropriate time and opportunity for minor shareholders to propose agenda items and nominate candidates for directorship on the company's website prior to the Annual General Meeting of Shareholders. The Company's 2014 Annual General Meeting of Shareholders was rated "Excellent" with 98.25 points out of 100, compared to the average score of 91.17 points for all listed companies.

Equitable Treatment of Shareholders

Recognizing shareholders' equal rights to receive and consider accurate and adequate information within an appropriate time frame, the Company dispatched the meeting notification, supporting documents for all agenda items, a list of ID documents required for attending the meeting, proxy form and proxy assignment procedural details, to shareholders 14 days prior to the meeting date. Since the Annual General Meeting of Shareholders No. 1/2006, supporting documents for each agenda item, along with document dispatch date, have been posted on the company's website prior to the meeting to facilitate shareholders' access to information. In 2009, the Company initiated the practice of publishing the abovementioned documents on its website 30 days prior to the meeting date. Selection of the meeting date and venue was based on consideration of shareholders' convenience. On the meeting date, attendance registration was allowed 2 hours before the meeting commenced; shareholders were able to express their opinions freely and to raise questions. Voting was undertaken on each agenda item in sequential order according to the pre-determined agenda and no new agenda item was added without prior notice to shareholders. Shareholders were informed in detail of the voting procedure before voting. Clarification and discussion were made prior to the casting of votes on each agenda item. In this regard, every shareholder had equal right to vote, except for shareholders who had conflicting interests. For example, directors who stood to gain or lose from the agenda item on directors' remuneration were obliged to refrain from casting votes on this item. Since 2008, the company's objective and criteria for allowing minor shareholders to propose additional agenda items and/or nominate qualified candidates for directorship have been published on the Company's website. In 2014, the Company convened one Annual General Meeting of Shareholders. The meeting notification provided relevant details, rationale, possible impact and opinions of directors in regard to each agenda item, to facilitate shareholders' understanding, analysis and decision making.

Shareholders unable to attend the meeting could EITHER appoint a proxy to attend the meeting and express opinions on their behalf OR appoint an independent director as proxy with the power to exercise their vote. Fully aware of the importance of the Annual General Meeting of Shareholders, the Company's directors would never forego participation in such meetings except under unavoidable circumstances. The Company's senior management team has also attended Shareholders' Meetings regularly and consistently.

Minutes of the meeting represent a comprehensive record of all significant details such as participating directors, clarification provided by the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Managing Director and other relevant directors. Minutes of the meeting also include questions raised and opinions expressed by shareholders, voting and vote counting processes, the number of approval votes, disapproval votes and abstention votes along with other relevant information. Minutes of the meeting are submitted to the Stock Exchange of Thailand within 14 days from the meeting date, and posted on the Company's website to allow shareholders to check the accuracy of recorded details of resolutions, discussions and clarifications made during the meeting, and to suggest additions or amendments to the Minutes of the meeting before submitting them to the next shareholders' meeting for adoption.

The voting ballots, documents and evidence were systematically compiled,

retained and made available for future examination and reference. The Company announced the resolutions of the shareholders' meeting via the Stock Exchange of Thailand's information dissemination channel on the day following the meeting date, along with clearly indicated number of approval votes, disapproval votes and abstention votes on each agenda item, thereby expediting absentee shareholders' access to information regarding the meeting's resolutions.

With respect to profit allocation, the Company's transparent shareholding structure and the absence of cross-shareholding, provide a built-in mechanism to ensure that shareholders receive a fair share of profit earnings. Joint shareholding of the Company and its affiliates (TIPCO Asphalt PCL.) resulted from 24.21 percent investment in ordinary shares. Related party transactions were proposed to the Audit Committee for consideration, and to the Board of Directors for approval, without voting by directors who had conflicting interest in this transaction. The Audit Committee has the authority and duty to oversee investment transactions, safeguard against conflict of interests, and establish procedures to prevent misuse of internal information for personal gain. Since 2004, the company's directors and executives have been under obligation to report changes in their shareholdings to the Secretary to the Board of Directors instead of individual reporting. Directors and executives are also required to disclose the number of Company shares which they currently own at every Board of Directors meeting.

Roles of Stakeholders

Fully aware of the importance of the rights of both internal and external stakeholders, the Company has established a "Code of Business Ethics" which covers anti-corruption, responsible political involvement, equal and fair treatment of all stakeholders, social and environmental responsibilities, compliance with labor laws, and respect for employee rights. Code of practice for 3 key parties that are involved in the Company's operations and have a stakeholding in the company has also been established. The 3 key parties consist of the Management Team (directors, senior executives, managers and supervisors), Employees and Major Shareholders. In particular, the code of practice for the Management Team indicates that business practices relate to 7 groups of stakeholders, namely shareholders, employees, customers/consumers, trading partners and/or creditors, competitors, environment, community role and development. The Code of Business Ethics and Code of Practice, which reflects the philosophy of Quality and Integrity, focuses on the system of good corporate governance that is designed to prevent major shareholders from interfering in the business decisions undertaken honest and professional executives. In addition, realizing its role as a member of the community, TIPCO has adopted the CSR policy to implement CSR principles by undertaking activities that support this objective. Employees have been assigned duties and responsibilities to support CSR activities and policy (Refer to the CSR policy on TIPCO website.) Example of the company's CSR activities include assistance and support in the form of scholarship for students, educational resources or facility improvement extended to schools located near TIPCO factories or other appropriate locations; financial support or donations of goods & services to government agencies, schools, temples or other entities; and cooperation with the community in maintaining good environmental standards of TIPCO factories to prevent adverse environmental effects on the community, etc.

Conflict of Interest

With a view to preventing conflict of interest, the Company has adhered to the policy of adhering to the Code of Business Ethics and defined Code of Practice for various stakeholder groups, especially major shareholders, aimed at preventing adverse impact on other stakeholder groups. The Board of Directors is informed of transactions that may cause conflict of interests in regard to related parties transactions, and carefully reviews the suitability of such transactions. (Refer to the provision on elimination of conflict of interests 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 duly approved by the 2003 Annual General Meeting of Shareholders 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 by 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 safeguard against potential conflict of interests, the Company’s employees are required to sign a “Conflict of Interests Agreement”. The agreement specifies the disciplinary procedures and punishments which include employment termination will be imposed in the event of intentional violation or breach of the agreement. As an additional preventive measure against abuse of insider information for personal gain, directors and executives are obliged to disclose their possession of the Company’s shares at the Board of Directors meeting every quarter, and to report all changes in their shareholding to the Secretary to the Board of Directors.

Related party transactions, according to the definitions set by the Stock Exchange of Thailand, are reviewed by the Audit Committee before they are proposed to the Board of Directors for approval. Directors having conflict of interests in such transactions shall abstain from voting. If such related parties transactions are of high value, they shall be subject to approval by the shareholders’ meetings and subsequently announced in the newspapers. The value of related party 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 TIPCO Foods’ Code of Business Conduct related to detailed guidelines and proper practices. Business Ethics reflect the spirit of good corporate governance, commitment to excellence and social responsibility, which are translated into ethical business practices that include anti-corruption, responsible participation in the political process, equitable and fair treatment of stakeholders, social and environmental responsibility, labour practices and respect for employees’ rights. In addition, ethical practices relate to stakeholders, i.e. the management, employees and major shareholders, as well as recommended approaches for handling relevant issues and concerns. All directors and employees are consistently informed of the company’s business ethics and are required to express their acknowl-

edgement and commitment to comply with these business ethics every 2 years. It is the management's duties to ensure that all employees under their supervision strictly comply with the relevant obligations. Employees demonstrating non-compliance with the Company's Code of Conduct shall be penalized in accordance with the Company's regulations.

Disclosure and Transparency

Corporate Governance Policy

To achieve the corporate goals in terms of accountability for functional performance and operations, transparency based on the principle of integrity, long-term competitiveness, and strengthening stakeholders' confidence, the Board of Directors adopted the following good corporate governance policy:

1. The Board of Directors shall be supervised to ensure efficient performance of duties in accordance with the assigned roles and responsibilities.
2. Internal control and business risk management systems shall be implemented efficiently and systematically.
3. Guiding framework shall be provided and strategies/business plans reviewed in collaboration with the management.
4. Conflict of interests shall be prevented.
5. All shareholders and stakeholders shall receive equitable and fair treatment.
6. Principles of transparency, integrity and accountability shall be observed in all 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 implemented in concrete forms.

The management adopted the policy and communicated it across the organization to ensure correct understanding and compliance on the part of employees.

The Board of Directors' Responsibilities

Yearly, the Board of Directors shall consider revision of the good corporate governance policy on a yearly basis with a view to achieving corporate goals, accountability for functional performance and operations, transparency based on integrity, long-term competitiveness, strengthening stakeholders' confidence, 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 as follows:" 9. CSR activities shall be implemented in concrete forms."

To ensure that employees at all levels correctly understand and comply with

policies that relate to good corporate governance and code of conducts, such topics are included in the orientation program for new employees and relevant refresher courses to be conducted at least twice a year. In addition, these subjects are incorporated into the Employee Opinion Survey (EOS) to allow employees to respond to such statements as follows:

“I agree with the principles of good corporate governance and code of conduct as well as transparent treatment of shareholders, employees, customers and stakeholders.”

Or: “I agree that business operations should be based on the CSR principle and comply with the organization’s policies.”

In 2014, the ratings of the 2 topics were 4.24 and 4.32 respectively, out of the total of 5.00 points. Aiming to adhere to business ethics and raising anti-corruption awareness among employees, the Company added another survey statement: “I agree and comply with the Company’s anti-corruption policies” to the 2014 Employee Opinion Survey (EOS). The score of this topic was 4.49 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.

2. Board of Directors and Subcommittees

Composition and scope of duties and responsibilities of the Board of Directors and subcommittees.

The Board of Directors of TIPCO is comprised of highly qualified and capable individuals. The directors have consistently participated in self-development programs organized 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 budgets, and supervises management performance to ensure that the Company’s operations were undertaken efficiently and effectively in accordance with predetermined business plans and budgets. 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 implemented risk management and control measures. TIPCO has also complied with relevant laws, corporate objectives and regulations, and resolutions adopted by Shareholders’ Meetings, while protecting the Company’s interests based on the principle of good corporate governance. In addition, 4 subcommittees have been established, namely the Audit Committee, the Nomination and Remuneration Subcommittee, the Corporate Governance Subcommittee, and the Risk Management Committee. Members of the said sub-committees have qualifications and duties that correspond to the requirements set by the Stock Exchange of Thailand. Roles, duties and responsibilities of sub-committee members, the management team, the Board of Directors and major shareholders, are clearly defined in writing.

Authority and Duties of the Board of Directors

1. Oversee and manage the Company’s business activities to ensure compliance with relevant laws, business objectives and the Articles of Association, resolutions of Shareholders Meetings, and to protect the Company’s interests in accordance with the principle of Good Corporate Governance.

2. Determine the Company's policies and business directions as well as monitor and supervise management performance 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, wherein at least one-half of the total number of directors shall be present. Decisions at the meetings shall be resolved by a majority vote. If votes result in a tie, the Chairman of the meeting shall have the 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 activities, appoint and terminate employment of employees, determine remuneration in accordance with policies set by the Board of Directors, and authorize employees to take actions in accordance with business situations.
9. Consider and approve capital expenditures and the annual operating budget, and supervise usage of the Company's resources.
10. Determine guidelines and policies for senior management remuneration.
11. Arrange for the establishment of internal control and audit, put in place control systems that relate to finance, operations and compliance, risk control and management.
12. Arrange for the preparation of reports on financial and other general information that are 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 Managing Director

1. Manage and direct the Company's operations in accordance with policies and authorities determined by the Board of Directors.
2. Establish 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 team in order to achieve business plan goals, ensure sustainable competitiveness and appropriate returns for shareholders.

4. Allocate resources and recruit high potential personnel to maximize the Company's benefits.
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 have 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 while ensuring flexibility and control management.
9. Prepare reports on the Company's 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, in accordance with actual facts, complete, adequate and reliable.
2. Ensure that the Company and the management establish suitable and efficient internal control system. The committee may, as appropriate, invite directors, executives or staff members concerned to attend Committee meetings and provide relevant information.
3. Consider, select and nominate an auditor and propose his/her remuneration.
4. Ensure that the Company and the management comply with relevant regulations and laws.
5. Safeguard against conflict of interests.
6. Prepare the Audit Committee's report which shall be accompany the Company's annual report. The Audit Committee's report to be signed by the Chairman of the Audit Committee shall contain opinions on such 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 to assume the position of director in accordance with the Company's operating regulation on selection and nomination of directors. The Sub-committee shall also consider the performance, qualifications and appropriateness of the directors who retire by rotation and those who are qualified for re-election. The Sub-Committee shall then propose a list of candidates to the Board of Directors for consideration and approval before submitting the list 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 the Chairman of the Board of Directors and directors according to the regulation on consideration of remuneration before seeking approval from the Board of Directors and 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. Determine 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 the Company's business strategies 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, including allocation of the Company's shares, to the Board of Directors with a view to motivating high-level executives to enhance and develop their own potential and to improve performance of their personnel that will ultimately contribute to the Company's short-term and long-term business development.

5.2.3. Provide recommendations to the Chairman of the Executive Committee and the Managing Director regarding guidelines for considering monthly salary, welfare and benefits for high-level executives of the Company.

5.2.4. Consider and provide opinions to the Board of Directors regarding policies and incentive programs aimed at 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 compliance with

such policies on a regular basis.

3. Consider and approve the Company's Code of Conduct.

Authority and Duties of the Risk Management Committee

1. Convene meetings to assess risks that may have short-term and long-term impact on business operations, and arrange for review of such risks at least once every quarter.

2. Establish action plans to minimize business risks.

3. Monitor and report the result of risk management operations to the company's Board of Directors.

List of Audit Committee members who have knowledge and experience in reviewing financial statements

Mr. Virat Phairatphiboon (Refer to profile in page 19)

List of directors possessing financial knowledge

Mr. Somchit Sertthin, Mr. Ekaphol Pongstabhon
and Mr. Virat Phairatphiboon (Refer to profiles in page 18-21)

3 Nomination and Appointment of Directors and Top Executive

The company's procedure 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 the managing director.
2. The Nomination and Remuneration Sub-committee screens and selects persons who have appropriate qualifications as required by the Board of Directors and proposes short-listed candidates 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 a list of nominations to the Shareholders Meeting for consideration and election of directors.
4. The Board of Directors considers the appointment of an appropriate candidate as Managing Director.

Qualifications for Independent Directors

1. Meet the required qualifications for directors.
2. Perform duties and express opinions by applying independent judgment, and upholding integrity and giving top priority to the Company's benefit rather than the interests of major shareholders, individual shareholders or own personal gain.
3. Possess all qualifications as required by the Stock Exchange of Thailand and best practices as follows:
 - 3.1 Persons who hold shares of the company, affiliated companies, associated companies, in excess of 2% of the total number of

shares with voting rights, or persons with possible conflict of interest (including related persons as per Section 258 of the Securities and Exchange Act) are deemed disqualified.

3.2 Qualified persons are not involved in company management and do not hold a position of staff member, employee, or advisor who receive 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 shall have had no interest or stake in any such 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 possible conflict of interests 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 interests 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 Directors

1. Possess an unblemished record.
2. Have 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 of 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.

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, good interpersonal and communication skills, and amenable personality.
5. Possess the ability to coordinate differences and various skills and

capabilities of employees to ensure 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 overall operations of the organization.
8. Outstanding ability to identify business opportunities and solve problems.

Criteria for Consideration and Selection of Directors

1. Candidates must meet all the required qualification criteria.
2. Overall, the Board of Directors should comprise persons with a variety of skills that are beneficial to the determination of corporate direction and guidance.

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 to elect each director, each shareholder shall have one vote per share holding.
3. In casting votes to elect 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. Directors to retire during the first and second years following the registration of the Company shall be determined by drawing lots. In subsequent years, directors who have served in office the longest will be required to leave their post.

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) Disqualification or prohibition under Section 68 of the Public Company Limited Act B.E. 2535;
- (4) Removal by the resolution of shareholders meeting; or
- (5) Removal by court order.

18. Any director desiring 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 is suitably qualified and is not disqualified by any prohibited characteristic under Section 68 of the Public Company Limited Act B.E. 2535 to fill the vacancy 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 shall be passed by a vote no 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 no less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote, subject to the condition that 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. Directors are not required to be a shareholder of the Company.

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 shall consist of 5 independent directors, representing 42% of the Board of Directors.

More than one third of directors shall be independent directors; non-executive directors shall comprise more than 50% of Board of Directors, assuming that the proportion of directors representing the group of major shareholders is considered to be fair and acceptable to other shareholders.

The Board of Directors has the responsibility to perform its duties in accordance with the law, the Company's objectives and Articles of Association, as well as the resolutions of Shareholders' Meetings based on the principles of integrity and good corporate governance. The term of office of directors is specified in the Company's Articles of Association which prescribe that one third of the directors shall end their term of office at every annual general meeting of shareholders. (Refer to item 2 of "Nomination of Directors and Managing Director.") Since 2003, the directors have conducted self-assessment alongside the assessment of the Board of Directors' performance. All directors are committed to self-development with the aim of enhancing their own knowledge, skills and performance standards as well as strengthening the Company's performance and good corporate governance.

(Refer to the "Board Evaluation" topic.)

Aggregation and Segregation of Duty

The Chairman of Board of Directors and 5 directors, or a total of 6 persons, shall 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 directors and non-executive directors represent more than 50% of the Board of Directors - this factor contributes to proper checks and balances. In addition, the duty of formulating governance policy and management of routine operations are clearly segregated. (See detail descriptions of the role, authority and duty of the Managing Director, the Board of Directors and sub-committees under the Management Structure section.) The Board of Directors has assigned the Nomination and Remuneration Sub-committee 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 Sub-committee is also responsible for considering remuneration of directors and the management.

To ensure integrity, transparency, and effective checks and balances, the internal audit function can exercise independence in determining the audit scope and presenting audit reports directly to the Audit Committee which comprises 3 independent directors. (Refer to the scope of authority and duties of the Audit Committee.)

Remuneration Determination Process and Suitability of Remuneration

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

4. Supervision of Operations Of Subsidiary and Associated Companies

Supervision of operations of the Company and its subsidiaries is based on the operating guidelines which were established in writing by Tipco Food Business Group. Management of business operations of subsidiary and associated companies is as follows:

The Board of Directors considers and appoints representatives of the Company to be directors of the subsidiary and associated companies according to investment proportion.

The subsidiary companies shall report, on a quarterly basis, the operating performance and internal control to the Audit Committee for further submission

to the Board of Directors.

Activities among subsidiary and associated companies should be held to ensure that they are aware of aligned action plans.

The budgets for the entire food business group should be combined before submission to the Board of Directors of the Company for consideration.

Related party transactions must be proposed to the Board of Directors on a quarterly basis through the consideration of the Audit Committee.

Job transfers or promotion within the food business group are allowed whereas the work duration shall be counted on a continuous basis.

5. Supervision of Use of Inside Information

The Company has developed the policy and regulations prohibiting use of information for personal gain or for trading of shares during one month prior to the disclosure of financial statements to the public. Details of the said policy are as follows:

- It is prohibited to seek benefits for oneself or related persons by using non-public information of the organization.
- It is prohibited to disclose confidential information to external parties especially competitors.
- It is required that the first top 5 executives, directors of the Company and members of the Executive Committee report their trading of shares of the Company to the SEC in strict compliance with the specified regulations. Also, directors of the Company must provide collaboration in not trading shares after the Board of Directors meeting and prior to submission of information to the SET or SEC. Nonetheless, from 2004 onwards, the requirement of reporting of trading of shares of the Company by directors and executives of the corporate secretary for further submission to the SEC has replaced the practice of individual reporting. Also, it is required that the possession of shares by directors and executives in each quarter be reported to gain information of changes in possession of shares of the Company (from 2003 onwards).

Punishment

Disciplinary warnings or punishments shall be as per the human resources management guidelines of the Company and its subsidiaries.

6. 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.

In 2014, the remuneration of the auditor included:

1. Audit fee

The Company and its subsidiaries paid the audit fee of Baht 2,560,000

in total. Details are as follows:

The Company's financial statements and the consolidated financial statements: Fee of Baht 1,135,000.

Financial statements of 4 subsidiaries: Fee of Baht 1,425,000.

2. Non-audit fee

The Company and its subsidiaries paid the non-audit fee of Baht 320,000.

7. Compliance with The Good Corporate Governance Principle - Other Matters

Risk Management

The previous practice of reviewing risk management every 6 months was changed to review on a quarterly basis.

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 24 April 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 Nomination and Remuneration Sub-Committee had considered and adjusted remunerations for every level of employees to ensure alignment with the company's business operations and peer group companies.

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 2014, the Board of Directors conducted a self-assessment exercise on compliance with the Good Corporate Governance Principle based on a questionnaire which covered 99 sub-items, as prepared by the Corporate Governance Center, Stock Exchange of Thailand, in August 2007. This questionnaire was filled by each director prior to the Board meeting during which views and opinions were exchanged before the Board concluded that the following sub-items had either not been implemented or else full implementation could not be ascertained:

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.

Meetings of the Board of Directors and Subcommittees

List of directors (Attendance/ total number of meetings)	Audit Committee	Nomination and Remuneration Committee	Board of Directors	Shareholders meeting attendance
Miss Laksana Supsakorn			6/6	1/1
Mrs. Anurat Tiamtan			6/6	1/1
Mr. Virat Phairatphiboon	4/4		6/6	1/1
Mr. Surachet Supsakorn		1/1	6/6	1/1
Mr. Somchit Sertthin			6/6	1/1
Mr. Chalit Limpanavech			5/6	1/1
Miss Roumsin Supsakorn			6/6	0/1
Mr. Sitilarb Supsakorn			6/6	1/1
Mr. Paisal Pongprayoon	3/3	1/1	6/6	1/1
Mrs. La-or Chaowanamayta	4/4		6/6	1/1
Mrs. Achara Pricha		0/0	5/5	0/0
Mr. Ekaphol Pongstabhon			6/6	1/1

Mr. Paisal Pongprayoon was the Audit Committee Director from May 2014 and Mrs. Achara Preecha was Independent Director and member of the Nomination and Remuneration Committee from May 2014.

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.

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 Corporate Planning Manager, Mr. Ardisak Bueprasert, mainly responsible for coordination with investors. To inquire about the Company's information, investors may contact us via telephone at 02-2736816 or via website at www.tipco.net or via e-mail at Ardisak@tipco.net. In 2014, 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.

**SHARE-
HOLDING
STRUCTURE**

Shareholding Structure (30/12/2014)

No.	Name	No. of shares	%
1.	Mr. Sitilarb Supsakorn	57,555,643	11.927
2.	Ms. Roumsin Supsakorn	48,437,398	10.037
3.	Mrs. Rieam Supsakorn	38,039,299	7.882
4.	Miss Laksana Supsakorn	36,956,767	7.658
5.	Miss Piyaratana Supsakorn	30,379,328	6.295
6.	Mrs. Anurat Tiamtan	26,966,765	5.588
7.	Mr. Somchit Sertthin	11,599,846	2.404
8.	Ms. Natalie Supsakorn	10,032,520	2.079
9.	Ms. Vanessa Dhupchinda	9,143,074	1.895
10.	State Street Bank and Trust Company	8,888,000	1.842

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:

Ms. Laksana Supsakorn

Mrs. Anurat Tiamtan

Mr. Surachet Supsakorn

Mr. Somchit Sertthin

Ms. Roumsin Supsakorn

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	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Ms. Roumsin Supsakorn Director Mr. Sitilarb Subsakorn Director Mr. Surachet Supsakorn Director	15.23% held by Miss Laksana Supsakorn 15.23% held by Mrs. Anurat Tiamtan 15.23% held by Ms. Roumsin Supsakorn 15.23% held by Mr. Sitilarb Supsakorn 1 share held by Mr. Surachet Supsakorn
Tipco Asphalt PCL..	Producer and distributor of asphalt and distributor of fuel products	Ms. Laksana Supsakorn Director Mr. Somchit Sertthin Director Mr. Sitilarb Supsakorn Director	24.21% 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	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Ms. Roumsin Supsakorn Director Mr. Sitilarb Supsakorn Director	16.65% held by Ms. Laksana Supsakorn 16.65% held by Mrs. Anurat Tiamtan 16.65% held by Ms. Roumsin Supsakorn 16.65% held by Mr. Sitilarb Supsakorn
Ruamsapsin Co., Ltd.	To purchase, provide, acquire, rent, lease, possess improve, use, manage and others any assets including benefit of such assets	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan director Ms. Ruamsin Supsakorn Director Mr. Sitilarb Supsakorn Director	20.00% held by Mrs. Laksana Supsakorn 20.00% held by Mrs. Anurat Tiamtan 20.00% held by Miss Roumsin Supsakorn 20.00% held by Mr. Sitilarb Supsakorn

ORGANIZA- TION STRUCTURE

Board of Directors

1. Miss Laksana Supsakorn	Chairman
2. Mrs. Anurat Tiamtan	Director
3. Mr. Somchit Sertthin	Director
4. Miss Roumsin Supsakorn	Director
5. Mr. Sitilarb Subsakorn	Director
6. Mr. Surachet Supsakorn	Director
7. Mr. Virat Phairatphiboon	Independent Director
8. Mr. Chalit Limpanavech	Independent Director
9. Mrs. Achara Pricha	Independent Director
10. Mr. Paisal Pongprayoon	Independent Director
11. Mrs. La-or Chaowanamayta	Independent Director
12. Mr. Ekaphol Pongstabhon	Managing Director
13. Mr. Phicharn Sluckpetch	Secretary

Audit Committee

1. Mr. Virat Phairatphiboon	Chairman
2. Mr. Paisal Pongprayoon	Member
3. Mrs. La-or Chaowanamayta	Member
4. Miss Wantanee Puapadong	Secretary

Nomination and Remuneration Subcommittee

1. Mr. Paisal Pongprayoon	Chairman
2. Mr. Surachet Supsakorn	Member
3. Mrs. Achara Pricha	Member

Corporate Governance Subcommittee

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

Risk Management Committee

1. Mr. Ekaphol Pongstabhon	Chairman
2. Mr. Prasong Aimmanoj	Vice Chairman
3. Mr. Phicharn Sluckpetch	Member
4. Mr. Phongphan Keeratiwasin	Member
5. Ms. Cholada Charoensri	Member
6. Ms. Kaewkarn Rattanamuchim	Member
7. Ms. Tassaneeya Laohapruetisan	Member
8. Ms. Kaniittha Seubchakdee	Secretary

Committee	Position	Committee Meetings	
		Total number of meetings	Attendance
Miss Laksana Supsakorn	Chairman of the Board of Directors	6	6
Mrs. Anurat Tiamtan	Directors	6	6
Mr. Surachet Supsakorn	Directors	6	6
	Member of the Nomination and Remuneration Subcommittee	1	1
Mr. Somchit Sertthin	Directors	6	6
Miss Roumsin Supsakorn	Directors	6	6
Mr. Sitilarb Subsakorn	Directors	6	6
Mr. Virat Phairatphiboon	Independent Director	6	6
	Chairman of the Audit Committee	4	4
Mr. Paisal Pongprayoon	Independent Director	6	6
	Member of the Audit Committee	3	3
	Chairman of the Nomination and Remuneration Subcommittee	1	1
Mrs. La-or Chaowanamayta	Independent Director	6	6
	Member of the Audit Committee	4	4
Mrs. Achara Pricha	Independent Director	5	5
	Member of the Nomination and Remuneration Subcommittee	0	0
Mr. Chalit Limpanavech	Independent Director	6	5
Mr. Ekaphol Pongstabhon	Managing Director	6	6

Remark

N.B. Mrs. Achara Pricha became an Independent Director and member of the Nomination and Remuneration Committee in May 2014.

Mr. Paisarl Pongprayoon assumed the position of Audit Director on February 21, 2014, according to the resolution of the Board of Directors Meeting No. 1/2014

Management Team

Mr. Ekaphol Pongstabhon	Managing Director
Mr. Prasong Aimmanoj	Chief Financial Officer - Agro-industrial Business
Ms. Nitima Aungaticharts	Chief Financial Officer - Consumer Business
Mr. Peerapong Archawapongsawat	Business Director - Consumer
Mr. Panu Satienpoch	Chief People Officer and Information Technology Officer

Remark

Mr. Pann Satienpoch anumed the position on January 1, 2015

Corporate Secretary

Mr. Phicharn Sluckpetch was appointed as corporate secretary on 25 March 2004 according to the resolution of the Board of Directors. The Company has assigned individual possessing suitable qualifications and experience to assume the duties of corporate 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.

Oversee the disclosure of information and reporting in accordance with the law, relevant regulations and the good corporate governance principle.

Provide 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.

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 28 April 2006.

In 2014, the remuneration of the Board of Directors and executives is as follows:
(Directors did not receive any remuneration from the subsidiary companies.)

1. Monetary Remuneration (per annum)

Monetary remuneration includes meeting allowance, which is paid by the number of meetings attended as follows:

Remuneration of Executives

In 2014, 9 executives received the remuneration of Baht 20,428,305 in total.

Name	Position	Remuneration (Baht)			
		Board of Directors	Audit Committee	Nomination and Remuneration Subcommittee	Total
Miss Laksana Supsakorn	Chairman	480,000			480,000
Mrs. Anurat Tiamtan	Director	360,000			360,000
Miss Roumsin Supsakorn	Director	360,000			360,000
Mr. Somchit Sertthin	Director	360,000			360,000
Mr. Sitilarb Subsakorn	Director	360,000			360,000
Mr. Surachet Supsakorn	- Director - Member of Nomination and Remuneration Subcommittee	360,000		30,000	390,000
Mr. Virat Phairatphiboon	- Independent Director - Chairman of the Audit Committee	360,000	240,000		600,000
Mrs. La-or Chaowanamayta	- Independent Director - Member of the Audit Committee	360,000	160,000		520,000
Mr. Chalit Limpanavech	Independent Director	360,000			360,000
Mr. Paisal Pongprayoon	- Independent Director - Chairman of The Nomination and Remuneration Subcommittee - Member of the Audit Committee	360,000	120,000	50,000	530,000
Mr. Pichawat Chomchuen	- Independent Director	30,000			30,000
Mrs. Achara Pricha	- Independent Director - Member of Nomination and Remuneration Subcommittee	240,000		30,000	270,000
Mr. Ekaphol Pongstabhon	Managing Director	360,000			360,000

2. Other Remuneration

Other Remuneration of Executive Directors and Members of The Committee

- Nil -

Other Remuneration of Executives

In 2014, the employer's contribution to the provident fund paid by the Company, at the ratio of 5% of salary, for 8 executive directors and executives totaled Baht 924,820.

In addition, 4 executive directors and executives were provided with company cars and 3 executives were provided with vehicle allowances totaling Baht 450,000.

Personnel

In 2014, the Company hired a total 1470 employees and paid total remuneration of Baht 306 million, which covered, overtime pay, cost of living allowance, special bonus, social security and provident fund contributions, among others. In addition, subsidiary companies paid similar forms of employee remunerations totaling Baht 317million.

Recognizing the high priority of employees' health, the Company organized the annual health check-up program which accounted for Baht 568,177 of budgetary expenditures. During the past year, the Company also paid Baht 2,308,285 to cover medical expenses (under the Company's health insurance plan) and dispensation of anti-flu shots to employees.

Number of Employees for Last 3 Years

During 2011-2013, the number of Company's employees of all regions are as follows:

2014	Tipco Foods Pcl.	Tipco F&B Co., Ltd.	Tipco Retail Co., Ltd.	Tipco Biotech Co., Ltd.
Operating employee	1,263	182	208	136
Management employee	135	97	11	18
Headquarter employee	72	139	115	3
Total	1,470	419	334	157
Employees' remuneration (Millions of Baht)	306	251	39	27

As of 31 December 2011, total employees are 1,957.

As of 31 December 2012, total employees are 1,906.

As of 31 December 2013, total employees are 2,155.

Major Labour Dispute for Last 3 Years

The Company had no labour dispute, protest or strike during the last 3 years.

Human Resources Development

The Company's focus is to develop the knowledge, ability and potential conforming to the business strategies and goals, as well as to promote good working atmosphere so that employees are healthy and enjoy their work. The approaches in personnel development include the following.

Upgraded employees' ability to respond to social changes and perform specialized work skills.

Collaborated with Suntory Beverage and Food Asia Co., Ltd. in building an Outstanding Talents Team and sending team members to participate in the 2nd Suntory-NUS General Management Program in Singapore; organized an E-Learning Program for Executives.

Prepared a training curriculum on "The 7 habits of Highly Effective People" for high level executives with a view to developing role models and creating a virtuous circle that will extend to the whole organization.

Organized Change Management curriculum for TIPCO Ambassador Team who have been assigned to drive and publicize TIPCO's organizational culture.

Prepared Induction Program for new employees to educate them on the Company's operational processes, and arranged meetings with executives from each operational unit.

Organized activities that are beneficial and consistent with the concept of good organization, e.g., the Happy Workplace project.

Apart from various courses to equip employees to be ready to support the Company's business plans, the Company also provided various courses of training totaling approximately Baht 4 million such as marketing, sales, customer services, accounting, finance and personnel administration to maximize the performance of the workforce and the companies in the group..

INTERNAL CONTROL AND RISK MANAGE- MENT

1.1 Internal Control and Internal Audit

The Board of Directors established internal control system to cover all aspects including financial management, operations, compliance with relevant laws, rules and regulations, 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 of executives and employees 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 function. From 2004 onwards, the Company has engaged an external firm to conduct internal audits for the Company. The internal auditor jointly considered internal audit plans with the Audit Committee and directly reports to the Audit Committee.

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 for directors and employees is fair and based on performance. In addition, the Corporate Governance Subcommittee has been established to be responsible for the formulation of the corporate governance policy and code of business ethics. The policy and the result 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.

1.2 Internal Control System

At the Board of Directors Meeting No. 1/2014 held on 19 February 2014 where 3 independent directors were also present, the Board of Directors evaluated the Company's internal control system and approved the evaluation form prepared by the management as well as the Audit Committee's report. Details can be summarized as follows:

Operational 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 was controlled and monitored to ensure benefits. Also, the budget management system is implemented and feasibility study is conducted for investment projects before asset investments are made. To ensure effectiveness, the Company adopts the monitoring and tracking system to analyze gaps between the planned budget and the actual results. Also, there is a clear segregation of duties between operating officers, controllers and assessors 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 internal auditor's independence and abilities to

conduct audit activities in accordance with the checks and balances principle, the Board of Directors instructed the internal 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 three months. Also, team meetings are held daily while department meetings, management meetings and senior executive meetings are held monthly. Measures to prevent and manage 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 auditor 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.

The opinion of the Board of Directors regarding adequacy of internal control system: The Board of Directors opined that the internal control system, business risk management and corporate governance of the Company were at the satisfactory level and could provide reasonable assurance with regard to transparency. The financial statements of the Company and its subsidiaries for the year 2014 which were jointly reviewed by the Audit Committee, the management team and the auditor of the Company presented the financial position and the operating results correctly, completely, reasonably, fairly and in accordance with the generally accepted accounting principles. The Company adopted appropriate accounting policies and consistently applied such policies. The disclosure of information was adequate according to the auditor's opinion on the Company's financial statements specified in the auditor's report.

1.3 Internal Audit

The Audit Committee at its Meeting No. 3/2004 held on 9 August 2004 appointed Audit and Management Consultant Co., Ltd. to perform duties as the internal auditor of the Company from 3 August 2004 onwards. Audit and Management Consultant Co., Ltd. has appointed Mrs. Pilai Piampongsarn as internal auditor mainly responsible for internal audit works for the Company. After due consideration of qualifications of Audit and Management Consultant Co., Ltd. and Mrs. Pilai Piampongsarn, the Audit Committee deemed that they possess appropriate qualifications to perform such duties as they have independence and 34 years of experience in internal audit and received trainings and licenses relevant to internal audit operations such as Certified Public Accountant (Thailand) – (CPA No.2336) and Honorary Certified Internal Auditor, Institute of Internal Auditors – (CIA No.30861). Also, the management team has been assigned to coordinate with the said outsource internal auditor.

Consideration and approval, appointment, removal or transfer of the head of the internal audit function of the Company must be subject to approval or endorsement from the Audit Committee.

Details Regarding Head of Internal Audit Function and Head of Compliance Function

1. Details Regarding Head of Compliance Function

The Board of Directors has appointed Mr. Phicharn Sluckpetch, Corporate Secretary, as head of compliance function. He shall be responsible for acting as a center for supervision of business operations of companies in the group to ensure compliance with laws, rules, regulations and requirements of concerned supervisory bodies such as the Bank of Thailand, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand or other relevant agencies governing the Company's business operations, and for reporting the results to the Audit Committee and the Board of Directors on a quarterly basis. The Board of Directors approved the compliance policy, requiring that the Board of Directors, the Audit Committee, high-level executives, departments or functional units and employees comply with laws. Communication to employees has been made so that they are aware that they have the duty and responsibility to study and understand laws, rules and regulations applicable to their work and to comply with the said rules and regulations strictly, correctly and completely. (The profile of the executive is as per page 21)

2. Details Regarding Head of Internal Audit Function

The Audit Committee appointed Audit and Management Consultant Co., Ltd. as the Company's internal auditor. Audit and Management Consultant Co., Ltd. has assigned Mrs. Pilai Piampongsarn to be the internal auditor who shall be mainly responsible for internal audit works for the Company. (The profile is as per Attachment 3 in 56-1 form.)

**CONNECTED
TRANSACTIONS**

Details of related transaction accounts between Tipco Foods PCL. and its subsidiaries with related persons in 2014 include these followings:

Type of transaction	Company/ relationship	Related transaction value (million Baht)	Pricing policy
1. Other incomes	Suntory Beverage & Food Limited in Japan	182.71	Market prices, equivalent to that quoted for outsiders.
	Suntory Beverage & Food Limited in Singapore	0.11	
	Total	182.82	
2. Purchasing products	Tipco Asphalt PCL.	-	Market prices, equivalent to that quoted for outsiders.
	Total	-	
3. Acquiring services and others	Thanomwongse Service Co., Ltd.	13.00	Market prices, equivalent to that quoted for outsiders.
	Tipco Asphalt PCL.	1.40	
	Siamcontainer Terminal Co., Ltd.	0.77	
	Total	15.17	
4. Construction services	Thanomwongse Service Co., Ltd.	5.36	Market prices, equivalent to that quoted for outsiders.
	Total	5.36	

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 Terminal Co., Ltd.	0.13	Market prices, equivalent to that quoted for outsiders.
	Raycol Asphalt Co., Ltd.	0.09	
	Thanomwongse Service Co., Ltd.	1.52	
	Tipco Asphalt PCL.	1.35	
	Rattanajit Co., Ltd.	0.36	
	Thai Bitumen Co., Ltd.	0.12	
	Thai Slurry Seal Co., Ltd.	0.04	
	Tipco Maritime Co., Ltd.	0.04	
	Total	3.65	
2. Acquiring services	Tipco Asphalt PCL.	0.37	Market prices, equivalent to that quoted for outsiders.
	Thanomwongse Service Co., Ltd.	8.57	
	Siamcontainer Terminal Co., Ltd.	0.25	
	Ruamsapsin Co., Ltd.	8.91	
	Total	18.10	

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.	1.73	Market prices, equivalent to that quoted for outsiders.
	Tipco Asphalt PCL.	0.11	
	Ruamsapsin Co., Ltd.	6.20	
	Total	8.04	

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 8.87 million Baht, 5.32 million Baht and 1.05 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.

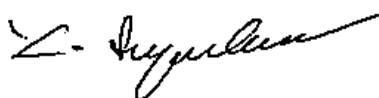
REPORT OF THE BOARD OF DIRECTORS RESPONSIBILITY TO FINANCIAL REPORTING

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 2014.



(Ms. Laksana Supsakorn)
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. Paisal Pongprayoon and Mrs. La-or Chaowanamayta serve as Members of the Audit Committee. The Audit Committee carried out its duties as assigned by the Board of Directors under the regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2014, the Audit Committee held 4 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:-

The Audit Committee had reviewed and approved the annual internal audit plan, 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 risks and the internal auditors were assigned the task of reviewing this on a quarterly basis.

The Committee reviewed the financial statements and related financial reports to ensure compliance with Thai Financial Reporting Standard and found that information disclosed are sufficient, complete and credible.

The Committee reviewed all connected transactions between the Company and related parties and corporation and found that such transactions were carried out in the normal business operation manner, with competitive market price and on an arm's length basis.

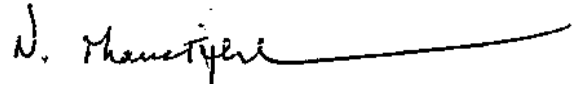
The Audit Committee opined that an effective system of controls was in place. No shortcomings of a significant nature were found. Management was encouraged to enhance the efficiency of internal control and risk management systems to conform with a changing business environment on an ongoing basis. The Committee also provided support and encouragement to the internal auditors to ensure internal audit activities in 2015 measured up to international standard.

The Audit Committee monitored the Company's investment projects by following up and reviewing progress with the management team.

The Committee reviewed and ensured that the Company was in compliance with the relevant regulations and laws, in order to provide equity and transparency to Shareholders and all related parties. The Company was found to be in complete compliance with such regulations and laws.

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 2015 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 management, internal auditors and the corporate auditors and is satisfied that the Company's internal control systems are 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, rules and regulations.



Virat Phairatphiboon

Chairman of the Audit Committee

24 February 2015

FINANCIAL
STATEMENT





INDEPEN-
DENT
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, 2014, 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

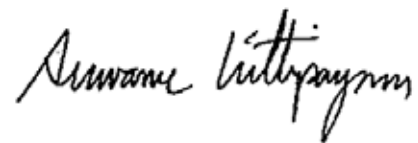
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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, 2014 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.



(Suwanee Kittipanya-ngam)
Certified Public Accountant

Registration No. 2899
Bunchikij Co., Ltd.
Bangkok
February 20, 2015

**STATEMENTS
OF
FINANCIAL
POSITION**

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS
SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2014

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	3.2 and 5	41,657,226	36,913,985	18,045,188	15,495,930
Current investments	6	3,737,499	673,688	0	0
Trade and other receivables	3.3 and 7	485,733,407	759,646,693	144,715,767	197,442,414
Short - term loans to related parties	8	0	0	33,500,000	51,000,000
Inventories	3.4 and 9	935,936,521	1,340,461,255	352,607,853	771,018,677
Other current assets	10	13,178,195	20,531,775	3,771,052	11,677,610
Total current assets		1,480,242,848	2,158,227,376	552,639,860	1,046,634,631
NON-CURRENT ASSETS					
Available-for-sale investments	3.5 and 11	0	720,282	0	720,282
Investments in associated company	3.5 and 12	1,431,925,238	1,274,972,938	647,109,739	647,109,739
Investments in subsidiary companies	3.5 and 12	0	0	465,336,902	465,336,902
Restricted deposit at bank	13	1,016,000	4,000,000	0	0
Investment properties	14	18,284,061	11,014,500	18,284,061	11,014,500
Property, plant and equipment	3.8 and 15	2,418,612,564	2,623,497,230	962,650,392	975,005,750
Intangible assets	3.9 and 16	39,319,719	37,787,739	33,057,906	33,413,972
Deposits and guarantees		11,938,598	11,949,567	2,328,970	2,328,970
Deferred tax assets, net	28	115,572,456	33,563,535	62,473,017	17,942,051
Other non-current assets		4,552,829	2,998,816	3,789,749	1,570,625
Total non-current assets		4,041,221,465	4,000,504,607	2,195,030,736	2,154,442,791
Total assets		5,521,464,313	6,158,731,983	2,747,670,596	3,201,077,422

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

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Liabilities And Shareholders' Equity					
Current Liabilities					
Bank overdrafts and short-term loans from Financial institutions	17	1,467,108,976	1,734,754,078	990,000,000	939,754,078
Trade and other payables	18	494,381,633	814,286,607	124,679,665	194,056,789
Current portion of long-term liabilities	19	182,351,801	490,090,017	80,922,729	281,621,798
Accrued income tax		8,251,145	3,419,082	0	0
Forward exchange contracts		202,983	11,873,274	156,444	7,017,226
Other current liabilities	21	17,653,164	16,642,254	3,867,495	4,766,002
Total current liabilities		2,169,949,702	3,071,065,312	1,199,626,333	1,427,215,893
Non-Current Liabilities					
Long-term liabilities		551,932,000	234,283,801	71,932,000	152,854,729
Interest rate swap contract	19	2,434,749	3,718,105	2,434,749	3,718,105
Provision for dismantling cost		2,391,500	2,660,000	0	0
Employee benefit obligations		39,778,761	39,028,205	23,358,762	31,503,833
Total non-current liabilities	20	596,537,010	279,690,111	97,725,511	188,076,667
Total liabilities		2,766,486,712	3,350,755,423	1,297,351,844	1,615,292,560
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
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		1,510,347	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		(74,686,161)	3,139,507	0	0
Capital reserve for share-based payment transactions of the associated company		9,305,759	5,656,439	0	0
Retained earnings					
Appropriated for legal reserve	22.1	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		1,892,590,342	1,821,062,834	919,521,008	1,055,583,749
Other components of equity		(31,213,680)	(16,609,136)	(1,781,896)	(2,378,527)
Total equity holders of the parent		2,330,086,247	2,347,346,857	1,450,318,752	1,585,784,862
Non-controlling interests		424,891,354	460,629,703	0	0
Total shareholders' equity		2,754,977,601	2,807,976,560	1,450,318,752	1,585,784,862
Total liabilities and shareholders' equity		5,521,464,313	6,158,731,983	2,747,670,596	3,201,077,422

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

STATEMENTS
OF COMPRE-
HENSIVE
INCOME

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2014

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Revenues from the sales of goods and the rendering of services	24	5,507,795,418	5,588,199,446	2,113,300,476	2,268,038,088
Cost of the sales of goods and the rendering of services		3,825,352,997	4,030,333,797	2,009,078,836	2,162,185,556
Gross profit		1,682,442,421	1,557,865,649	104,221,640	105,852,532
Other incomes	25	339,998,171	305,611,939	152,046,131	186,697,443
Profit before expenses		2,022,440,592	1,863,477,588	256,267,771	292,549,975
Selling expenses		(1,490,144,806)	(1,373,626,430)	(129,600,420)	(160,451,295)
Administrative expenses		(518,108,243)	(450,421,026)	(215,077,656)	(146,290,869)
Loss on impairment of assets	15 and 27	(229,272,680)	0	(37,628,708)	0
Profit (loss) before Share of profit from investments in associated company		(215,085,137)	39,430,132	(126,039,013)	(14,192,189)
Share of profit from investments in associated company		283,450,215	202,495,709	0	0
Profit (loss) before finance costs and income tax		68,365,078	241,925,841	(126,039,013)	(14,192,189)
Finance costs	27	(83,415,143)	(89,357,586)	(50,891,328)	(55,338,394)
Profit (loss) before income tax expenses		(15,050,065)	152,568,255	(176,930,341)	(69,530,583)
Income tax expenses	28	68,777,738	(5,182,150)	43,917,619	(6,614,961)
Profit (loss) for the years		53,727,673	147,386,105	(133,012,722)	(76,145,544)

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended December 31, 2014

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Other comprehensive income					
Change in fair value of interest rate swap contract		1,263,578	(7,221,760)	1,263,578	(7,221,760)
Available-for-sale investments		(517,791)	(5,770,292)	(517,791)	(5,770,292)
Exchange differences on translation of financial statements in foreign currencies		0	(1,523,236)	0	0
Actuarial gain (losses)		(9,808,276)	0	(3,812,523)	0
Share of comprehensive income (loss) in associated company		(15,051,679)	30,721,784	0	0
Income tax effect		1,375,110	2,537,931	613,348	2,598,410
Other comprehensive income for the years		(22,739,058)	18,744,427	(2,453,388)	(10,393,642)
Total comprehensive income for the years		30,988,615	166,130,532	(135,466,110)	(86,539,186)
Profit attributable to :					
Equity holders of the parent		77,693,007	114,414,989	(133,012,722)	(76,145,544)
Non-controlling interests		(23,965,334)	32,971,116	0	0
		53,727,673	147,386,105	(133,012,722)	(76,145,544)
Total comprehensive income attributable to :					
Equity holders of the parent		56,922,964	133,159,416	(135,466,110)	(86,539,186)
Non-controlling interests		(25,934,349)	32,971,116	0	0
		30,988,615	166,130,532	(135,466,110)	(86,539,186)
Basic earnings per share	(Baht)				
Profit of shareholders' equity-parent company		0.1610	0.2371	(0.2756)	(0.1578)

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

STATEMENT
OF CHANGES
IN SHARE-
HOLDERS'
EQUITY
(CONSOL-
IDATED
FINANCIAL
STATEMENTS)

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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

For the year ended December 31, 2014

	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	Retained earnings	
					Appropriated Legal reserve	
Balance as at December 31, 2012	482,579,640	1,517,573	3,139,507	3,196,988	50,000,000	
Share-based payment transactions of the associated company	0	0	0	2,459,451	0	
Total comprehensive income for the year 2013	0	0	0	0	0	
Balance as at December 31, 2013	482,579,640	1,517,573	3,139,507	5,656,439	50,000,000	
Balance as at December 31, 2013	482,579,640	1,517,573	3,139,507	5,656,439	50,000,000	
Share-based payment transactions of the associated company	0	(7,226)	(77,825,668)	3,649,320	0	
Dividend paid	0	0	0	0	0	
Total comprehensive income for the year 2014	0	0	0	0	0	
Actuarial gain (losses)	0	0	0	0	0	
Balance as at December 31, 2014	482,579,640	1,510,347	(74,686,161)	9,305,759	50,000,000	

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

Unit : Baht

Equity holders of the parent

	Other components of equity					Total equity holders of the parent	Non-controlling Interest	Total Shareholders' Equity
	Other comprehensive income							
	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	Total other components of equity			
Unappropriated								
1,706,647,845	2,984,649	5,030,466	1,523,236	(44,891,914)	(35,353,563)	2,211,727,990	427,658,587	2,639,386,577
0	0	0	0	0	0	2,459,451	0	2,459,451
114,414,989	(5,777,408)	(4,616,234)	(1,523,236)	30,661,305	18,744,427	133,159,416	32,971,116	166,130,532
1,821,062,834	(2,792,759)	414,232	0	(14,230,609)	(16,609,136)	2,347,346,857	460,629,703	2,807,976,560
1,821,062,834	(2,792,759)	414,232	0	(14,230,609)	(16,609,136)	2,347,346,857	460,629,703	2,807,976,560
0	0	0	0	0	0	(74,183,574)	0	(74,183,574)
0	0	0	0	0	0	0	(9,804,000)	(9,804,000)
77,693,007	1,010,862	(414,232)	0	(15,201,174)	(14,604,544)	63,088,463	(25,934,349)	37,154,114
(6,165,499)	0	0	0	0	0	(6,165,499)	0	(6,165,499)
1,892,590,342	(1,781,897)	0	0	(29,431,783)	(31,213,680)	2,330,086,247	424,891,354	2,754,977,601

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

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(SEPARATE FINANCIAL STATEMENTS)

For the year ended December 31, 2014

	Issued and Paid-up Share Capital	Retained earnings				Other components of equity				Total Shareholders' Equity	Unit- Baht
		Appropriated Legal reserve	Unappropriated	Fair value of interest rate swap contract	Available - for - Sale Invest-ments	Total other Components of Equity	Other comprehensive income				
Balance as at December 31, 2012	482,579,640	50,000,000	1,131,729,293	2,984,649	5,030,466	8,015,115			1,672,324,048		
Total comprehensive income for the year 2013	0	0	(76,145,544)	(5,777,408)	(4,616,234)	(10,393,642)			(86,539,186)		
Balance as at December 31, 2013	482,579,640	50,000,000	1,055,583,749	(2,792,759)	414,232	(2,378,527)			1,585,784,862		
Balance as at December 31, 2013	482,579,640	50,000,000	1,055,583,749	(2,792,759)	414,232	(2,378,527)			1,585,784,862		
Total comprehensive income for the year 2014	0	0	(133,012,722)	1,010,863	(414,232)	596,631			(132,416,091)		
Actuarial gain (losses)	0	0	(3,050,019)	0	0	0			(3,050,019)		
Balance as at December 31, 2014	482,579,640	50,000,000	919,521,008	(1,781,896)	0	(1,781,896)			1,450,318,752		

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

STATEMENTS
OF CASH
FLOWS

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2014

Unit- Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Cash flows from operating activities					
Profit (loss) before income tax		(15,050,065)	152,568,255	(176,930,341)	(69,530,583)
Adjustments to reconcile profit before income tax to net cash provided by operating activities					
Depreciation and amortization		250,991,741	236,540,467	135,366,046	118,464,208
Withholding tax - written off		0	156,182	0	0
Doubtful accounts (reversal)		388,618	0	0	0
Loss on expired goods (reversal)		39,888,624	(45,807,882)	38,521,839	(26,415,724)
Loss on decline in value of inventories		(7,210,016)	7,972,619	(7,210,016)	7,972,619
(Gain) loss on exchange rate		(12,146,589)	21,640,129	(7,154,131)	13,115,572
Gain from liquidation of subsidiary		0	(1,523,236)	0	(705,933)
Gain on sales of available-for-sale investments		(4,770,430)	(10,067,850)	(4,770,430)	(10,067,850)
(Gain) loss on sales of fixed assets and writting off		2,751,171	(728,128)	(513,475)	(1,929,523)
Loss on impairment of assets		229,272,680	0	37,628,708	0
Employee benefit expenses		8,184,787	5,824,557	5,284,913	4,201,431
Dividend income		0	0	(46,917,164)	(37,113,166)
Share of profit from investments in associated company		(283,450,214)	(202,495,709)	0	0
Interest income		(94,656)	(99,754)	(1,549,244)	(1,532,115)
Interest expenses		85,957,011	88,771,674	50,891,328	55,159,822
		294,712,662	252,751,324	22,648,033	51,618,758

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2014

Unit- Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Change in operating assets and liabilities					
(increase) decrease in assets					
Trade and other receivables		275,209,190	21,471,884	58,673,798	47,995,330
Inventories		370,865,356	63,643,105	386,474,172	107,476,618
Other current assets		2,108,944	795,761	73,629	1,735,375
Deposits and guarantees		(1,688,552)	(1,267,056)	0	(182,100)
Other non-current assets		919,752	892,973	269,250	269,250
Increase (decrease) in liabilities					
Trade and other payables		(338,296,823)	(84,448,453)	(68,815,714)	(80,991,807)
Other current liabilities		2,450,469	1,221,055	(656,601)	(3,915,301)
Employee benefit obligations		(17,242,507)	(1,153,110)	(17,242,507)	(637,790)
Cash generated from operations		589,038,491	253,907,483	381,424,060	123,368,333
Interest paid		(87,388,824)	(92,807,578)	(52,328,501)	(56,606,724)
Refund of prepaid company income tax		2,255,537	0	2,255,537	0
Income taxes paid		(6,874,515)	(8,920,958)	(2,086,826)	(2,488,373)
Net cash provided by operating activities		497,030,689	152,178,947	329,264,270	64,273,236

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

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended December 31, 2014

Unit- Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Cash flows from investing activities					
(Increase) decrease in current investments		(79,831)	(278,477)	0	0
Increase in short-term loans to related parties		0	0	17,500,000	(19,500,000)
Sales of Available-for-sale investments		4,972,921	10,211,150	4,972,922	10,211,150
Sales of fixed assets		3,469,744	6,156,406	2,064,917	2,267,245
Purchases of fixed assets		(270,092,020)	(194,618,263)	(168,166,056)	(112,297,182)
Payment for intangible assets		(214,400)	(4,610,109)	(170,900)	(4,225,210)
Dividend received		37,113,166	37,113,166	46,917,164	37,113,166
Interest received		94,656	99,754	1,549,244	1,532,115
Net cash used in investing activities		(224,735,764)	(145,926,373)	(95,332,709)	(84,898,716)
Cash flows from financing activities					
Increase (decrease) in bank overdrafts		(2,645,102)	2,855,549	(4,754,078)	4,754,078
Increase (decrease) in loans from financial institutions		(265,000,000)	375,000,000	55,000,000	185,000,000
Repayment for long - term machinery payable		(5,863,576)	(9,260,016)	0	0
Repayment for liabilities under finance lease		(4,687,980)	(5,188,035)	(3,621,798)	(3,263,771)
Proceeds from long - term loans		500,000,000	0	0	0
Repayment for long - term loans		(479,538,462)	(379,538,461)	(278,000,000)	(178,000,000)
Dividend paid		(9,804,000)	0	0	0
Net cash provided by (used in) financing activities		(267,539,120)	(16,130,963)	(231,375,876)	8,490,307
Effect from exchange rate in cash and cash equivalents		(12,564)	93,199	(6,427)	75,398
Increase (decrease) in cash and cash equivalents, net		4,743,241	(9,785,190)	2,549,258	(12,059,775)
Cash and cash equivalents as at January 1,		36,913,985	46,699,175	15,495,930	27,555,705
Cash and cash equivalents as at December 31,	4.2 and 6	41,657,226	36,913,985	18,045,188	15,495,930
Supplemental disclosures of cash flows information					
Non-cash items :					
Lease contract liabilities		0	3,268,832	0	3,268,832

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

NOTES TO THE FINANCIAL STATEMENTS (CONSOLI- DATED AND SEPARATE FINANCIAL STATEMENTS)

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 Company and its subsidiaries are engaged in the manufacture and distribution of products of pineapple in syrup, pineapple juice, mixed fruit juice, 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 follows

- 212 Phetkasem Rd., Moo 16, Aownoi, Amphur Muang, Prachaubkhirikhan 77210
- 504 Phetkasem Rd., Prachaubkhirikhan, Amphur Muang, Prachaubkhirikhan 77000
- 205/1 Moo 2, Pongyaeng, Amphur Mae-Rim, Chiang Mai 50180
- 90/1 Moo 7, Phaholyothin Rd., Sanubtueb, Amphur Wangnoi, Ayuthaya 13170

1.3. The major shareholders of the Company is Supsakorn family.

2. Basis for The 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	
	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
SUBSIDIARIES				
Tipco Biotech Co., Ltd.	50,000,000	50,000,000	99.9988	99.9988
Tipco F&B Co., Ltd.	600,000,000	600,000,000	50.00	50.00
Tipco Retail Co., Ltd.	50,000,000	50,000,000	75.50	75.50
INDIRECT SUBSIDIARIES				
TFB Distribution Co., Ltd. (indirect portion by Tipco F&B Co., Ltd.)	1,000,000	1,000,000	50	50

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 the subsidiaries are prepared by using the same significant accounting policies as applied to the Company.

2.4. Notification of applying the Financial Reporting Standards.

The Federation of Accounting Professions has issued the following new and Revised Financial Reporting standards.

2.4.1. The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2014.

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Asset

Financial Reporting Standards

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a lease
TSIC 29	Service Concession Arrangements - Disclosure
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfer of Assets from Customers

The adoption of the above Thai Financial Reporting Standards are not material impact on the financial statements for this accounting period.

2.4.2 The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2015.

Accounting Standards

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period
TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits

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- TAS 20 (revised 2014) Accounting for Government Grants and Disclosure of Government Assistance
- TAS 21 (revised 2014) The Effects of Changes in Foreign Exchange Rate
- TAS 23 (revised 2014) Borrowing Costs
- TAS 24 (revised 2014) Related Party Disclosures
- TAS 26 (revised 2014) Accounting and Reporting by Retirement Benefit Plans
- TAS 27 (revised 2014) Separate Financial Statements
- TAS 28 (revised 2014) Investments in Associates and Joint Ventures
- TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies
- TAS 33 (revised 2014) Earnings per Share
- TAS 34 (revised 2014) Interim Financial Reporting
- TAS 36 (revised 2014) Impairment of Assets
- TAS 37 (revised 2014) Provision, Contingent Liabilities and Contingent Assets
- TAS 38 (revised 2014) Intangible Assets
- TAS 40 (revised 2014) Investment Property

Financial Reporting Standards

- TFRS 2 (revised 2014) Share - based Payment
- TFRS 3 (revised 2014) Business Combinations
- TFRS 5 (revised 2014) Non-current Assets Held for Sale and Discontinued Operations
- TFRS 6 (revised 2014) Exploration for and Evaluation of Mineral Resources
- TFRS 8 (revised 2014) Operating Segments
- TFRS 10 Consolidated Financial Statements
- TFRS 11 Joint Arrangements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement

Accounting Standard Interpretations

- TSIC 10 (revised 2014) Government Assistance - No Specific Relation to Operating Activities
- TSIC 15 (revised 2014) Operating Leases - Incentives
- TSIC 25 (revised 2014) Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

TSIC 27 (revised 2014) Evaluating the Substance of Transactions Involving the Legal Form of a Lease

TSIC 29 (revised 2014) Service Concession Arrangements: Disclosure

TSIC 31 (revised 2014) Revenue-Barter Transactions Involving Advertising Services

TSIC 32 (revised 2014) Intangible Assets-Web Site Costs

Financial Reporting Standard Interpretations

TFRIC 1 (revised 2014) Changes in Existing Decommissioning, Restoration and Similar Liabilities

TFRIC 4 (revised 2014) Determining whether an Arrangement contains a Lease

TFRIC 5 (revised 2014) Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

TFRIC 7 (revised 2014) Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies

TFRIC 10 (revised 2014) Interim Financial Reporting and Impairment

TFRIC 12 (revised 2014) Service Concession Arrangements

TFRIC 13 (revised 2014) Customer Loyalty Programmes

TFRIC 14 TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TFRIC 15 (revised 2014) Agreements for the Construction of Real Estate

TFRIC 17 (revised 2014) Distributions of Non-cash Assets to Owners

TFRIC 18 (revised 2014) Transfers of Assets from Customers

TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

2.4.3. The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016.

Financial Reporting Standard

TFRS 4 (revised 2014) Insurance Contracts

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

2.5. Preparation of financial statements in conformity with the Generally Accepted Accounting Principles, which requires management to make estimates and assumptions that affect the reported amounts of these interim financial statements. The actual results may differ from such estimates.

3. Summary of Significant Accounting Policies

3.1. Measurement Basis Used In Preparing The 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 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 Statements of Financial Position date by reference to the Stock Exchange of Thailand. Unrealized gain (loss) on adjustment of the investments value are recognized in shareholder' equity

Investments in associated company in the Consolidated financial statements are accounted for by the equity method. (See Note to the Financial Statements No.12)

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 Note to the Financial Statements No.12)

3.6. Lease Agreements

Financial Leases

The leases of assets, which the substantially 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 profit or loss over the lease period. The leased asset is depreciated over the useful life of the asset.

Operating Leases

The leases of assets, which the substantially 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 profit or loss on a straight-line method over the period of the lease.

3.7. Investment Property

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost.

3.8. 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

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 included in cost of property, plant and equipment.

Cost of addition, improvement, repair or extension of lease agreement that increase the future economic benefits 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.

3.9. 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.

3.10. 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 profit or loss.

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.

3.11. 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.

3.12. 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.

3.13. 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.

The Company and its subsidiaries recognizes the actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to postemployment benefit plans in profit or loss.

3.14. Income Tax

Income tax expense represents the aggregate of current income tax expense and deferred tax.

Current income tax expense and deferred tax are recognized in profit or loss, except for the extent that they related to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income tax represents the amount of expected income tax payable or recoverable on the taxable profit or loss for the period, using tax rates in accordance with the regulation in the Revenue Code.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities is recognized for all income taxes payable in the future periods in respect of taxable temporary differences.

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

3.15. 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.

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.

3.16. 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 Asia PTE LTD. In Singapore	Holding and co-directors
Tipco Asphalt PCL.	Holding and co-directors
Thanomwongse Service Co., Ltd.	Co-directors
Ruamsapsin 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

Person or Related Parties	The Relationship
Rattanajit Co., Ltd.	Co-directors
Siamcontainer Transport Co., Ltd.	Holding by directors
Suratt Bittumen Co., Ltd.	Co-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.

The related party transaction are as follows :

Unit: Baht

	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Balance at the end periods				
Trade receivables				
• Subsidiary company				
Tipco F&B Co., Ltd.			26,533,035	12,993,806
Tipco Retail Co., Ltd.			1,002,112	888,066
Tipco Biotech Co., Ltd.			31,319	39,362
• Related companies				
Tipco Asphalt PCL.	940,264	1,018,639		
Thai Slurry Seal Co., Ltd.	39,033	18,724		
Thanomwongse Service Co., Ltd.	1,014,685	1,076,141		
Rattanajit Co., Ltd.	99,760	42,600		
Siamcontainer Transport Co., Ltd.	142,850	292,466		
Raycol Asphalt Co., Ltd.	93,812	118,644		
Tipco Maritime Co., Ltd.	45,516	52,240		
Thai Bitumen Co., Ltd.	131,200	136,382		
Bitumen Marine Co., Ltd.	0	1,098		
Other receivables				
• Subsidiary companies				
Tipco F&B Co., Ltd.			3,054,486	2,374,235
Tipco Biotech Co., Ltd.			57,535	482,162
Tipco Retail Co., Ltd.			21,711	27,671
TFB Distribution Co., Ltd.			1,859	1,859
• Related parties				
Tipco Asphalt PCL.	41,730	165,406	11,235	147,750
Tasco Shipping Co., Ltd.	1,605	3,210		
Alpah Maritime Co., Ltd.	16,853	1,605		
Raycol Asphalt Co., Ltd.	1,605	7,352	0	5,748
Thai Bitumen Co., Ltd.	20,063	11,235		
Bitumen Marine Co., Ltd.	1,605	1,605		
Suntory Beverage & Food Limited in Japan	5,922,845	69,515,058		
Suntory Beverage & Food Asia PTE LTD. In Singapore	18,763	659		
Suntory Beverage & Food (Thailand)Ltd.	33,170	0		
Loans receivable				
• Subsidiary companies				
Tipco Biotech Co., Ltd.			51,000,000	31,500,000
Balance brought forward			8,001,020	31,700,000
Increase in loans receivable in the period			25,501,020	12,200,000
Repayment of loans receivable in the period				

Unit: Baht

	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Balance carried forward			33,500,000	51,000,000
Fixed Assets				
• Related company				
Thanomwongse Service Co., Ltd.	5,356,283	11,688,943	5,356,283	0
Trade accounts payable				
• Subsidiary company				
Tipco F&B Co., Ltd.			3,022,911	2,715,719
Tipco Biotech Co., Ltd.			109,824	4,906,098
TFB Distribution Co., Ltd.			0	140,171
• Related companies				
Tipco Asphalt PCL.	665,817	928,143	268,462	542,017
Thanomwongse Service Co., Ltd.	609,232	5,568,549	304,240	4,675,387
Siamcontainer Transport Co., Ltd.	96,406	146,789	63,554	111,742
Ruamsapsin Co., Ltd.	305,533	0		
Other payables				
• Related parties				
Tipco Asphalt PCL.	201,576	558,551	201,576	558,551
Thanomwongse Service Co., Ltd.	541,267	529,375	259,782	270,499
Suntory Beverage & Food Limited in Japan	376,754	376,754		
Ruamsapsin Co., Ltd.	171,750	0		
Siamcontainer Transport Co., Ltd.	450	0		
Revenues and expenses for the periods				
• Sales				
• Subsidiary companies	3,653,759	0	272,092,628	207,995,959
• Related companies	0	6,296,685		
• Rental income				
• Subsidiary companies			1,646,533	2,718,112
• Interest income				
• Subsidiary companies			1,547,738	1,527,266
• Dividend income				
• Subsidiary companies			9,803,998	0
• Related companies			37,113,166	37,113,166
• Other income				
• Subsidiary companies			67,400,935	70,035,461
• Related companies	182,815,175	131,374,408	110,757	546,682
• Purchases				
• Subsidiary company			27,639,203	93,515,372
• Related companies			0	1,139,400

Unit: Baht

	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Rental and services expenses				
• Related companies	41,332,237	22,890,496	15,187,748	10,465,237
Marketing support expenses				
• Subsidiary companies			54,519,596	54,923,650
Other expenses				
• Related companies	0	376,814		
Key management personnel				
• Short-term employee benefits	39,903,785	39,503,463	26,840,875	30,832,575
• Post-employment benefits	1,105,213	377,058	962,918	315,008
Total key management personnel benefit expenses	41,008,998	39,880,521	27,803,793	31,147,583

The Group paid the director and administrative remunerations which are comprised of salaries, bonus, defined contribution, other benefits meeting per diem, and post-employee benefits, etc.

5. Cash and Cash Equivalents

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Cash on hand	1,548,791	2,365,603	511,529	1,101,349
Demand deposits	40,108,435	34,548,382	17,533,659	14,394,581
(As at December 31, 2014 and 2013 the interest rate are 0.01 %-0.10% p.a. and 0.01%-0.75% p.a. respectively)				
Total	41,657,226	36,913,985	18,045,188	15,495,930

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, 2014 and 2013 are at 1.85% - 1.95% p.a. and 1.95% - 2.10% p.a. respectively).

7. Trade and Other Receivables

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Trade receivables				
• Domestic	291,084,016	439,228,614	11,396,584	32,971,660
• Foreign	108,746,427	162,155,004	94,801,928	134,678,866
• Related parties	2,507,120	2,756,934	27,566,466	13,921,234
	402,337,563	604,140,552	133,764,978	181,571,760
Less Allowance for doubtful accounts	(6,937,320)	(6,548,703)	(6,548,703)	(6,548,703)
Total trade receivables	395,400,243	597,591,849	127,216,275	175,023,057
Other receivables				
• Other receivables - others	50,861,046	67,578,799	1,979,523	11,567,713
• Other receivables - related parties	6,058,239	69,706,130	3,146,826	3,039,425
• Prepaid expenses	23,115,897	18,974,416	7,071,058	7,704,251
• Advance to employees	126,756	758,667	62,706	54,304
• Accrued income	10,171,226	5,036,832	5,239,379	53,664
Total other receivables	90,333,164	162,054,844	17,499,492	22,419,357
Total	485,733,407	759,646,693	144,715,767	197,442,414

Aging schedule as at December 31, 2014

Unit: Baht

	Consolidated Financial Statements	Separate Financial Statements
Not yet due	359,319,763	106,694,039
Overdue 1-90 Days	35,650,012	20,522,236
Overdue 91-180 Days	34,455	0
Overdue 181-270 Days	451,156	0
Overdue 271-360 Days	108,886	0
Overdue 360 Days	6,773,291	6,548,703
Total	402,337,563	133,764,978

Aging schedule as at December 31, 2013

Unit: Baht

	Consolidated Financial Statements	Separate Financial Statements
Not yet due	415,847,846	128,275,011
Overdue 1-90 Days	176,120,196	41,337,811
Overdue 91-180 Days	148,266	0
Overdue 181-270 Days	1,966	0
Overdue 271-360 Days	0	0
Overdue 360 Days	12,022,278	11,958,938
Total	604,140,552	181,571,760

8. Short - Term Loans to Related Parties

Loans to Tipco Biotech Co., Ltd. are in the form of promissory notes. The interest rate at 3.25% p.a. and 3.75% p.a. as at December 31, 2014 and 2013 respectively.

9. Inventories

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Finished goods	439,342,306	738,081,528	224,671,549	521,702,536
Work in process	103,665,941	145,504,361	19,366,732	44,994,260
Raw materials	402,982,506	437,963,218	139,557,376	209,363,264
Spare parts and factory supplies	50,626,658	45,905,023	28,781,588	24,102,238
Less Allowance for loss on decline	996,617,411	1,367,454,130	412,377,245	800,162,298
In value of inventories	(762,604)	(7,972,619)	(762,604)	(7,972,619)
Allowance for expired goods	(63,558,689)	(23,670,066)	(61,503,948)	(22,982,110)
	932,296,118	1,335,811,445	350,110,693	769,207,569
Goods in transit	3,640,403	4,649,810	2,497,160	1,811,108
Total	935,936,521	1,340,461,255	352,607,853	771,018,677

10. Other Current Assets

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Value added tax	7,961,826	13,428,032	694,492	6,238,993
Short - term deposits	1,375,370	1,419,249	0	0
Prepaid company income tax	0	2,255,537	0	2,255,537
Withholding tax	2,279,430	2,662,478	2,086,826	2,488,373
Others	1,561,569	766,479	989,734	694,707
Total	13,178,195	20,531,775	3,771,052	11,677,610

11. Available-For-Sale Investments (Consolidated and Separate Financial Statement)

Unit: Baht

	31 Dec 2014	31 Dec 2013
Opening cost amount	720,282	345,792
Additions	0	0
Disposals	(720,282)	(143,300)
Closing cost amount	0	202,492
Changes in fair value	0	517,790
Closing net book amount	0	720,282

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, 2014 and 2013, the remaining warrants are 0 units and 706,159 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.

Name	Business	Relation-ship	Consolidated Financial Statements							
			Paid-up share capital		%		Investments (Equity method)			
			31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013		
The local subsidiary companies										
TIPCO F&B COMPANY LIMITED	Manufacturer of Fruit Juice	Shareholder	600,000	600,000	50.00	50.00	50.00	407,260	441,917	
TIPCO RETAIL COMPANY LIMITED	Retail of Foods and Beverage	Shareholder	50,000	50,000	75.50	75.50	75.50	17,669	23,343	
TIPCO BIOTECH COMPANY LIMITED	Pharmaceutical ingredients	Shareholder	36,800	36,800	99.99	99.99	99.99	141,094	139,999	
Total								566,023	605,259	
Less Eliminated intragroup transactions								(566,023)	(605,259)	
								0	0	
The local associated company										
TIPCO ASPHALT PUBLIC COMPANY LIMITED	Manufacturer of Asphalt	Shareholder	1,532,780	1,525,480	24.2130	24.3236	24.3236	1,431,925	1,274,973	

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.

Name	Business	Relation-ship	Separated Financial Statements							
			Paid-up share capital		%		Investments (Equity method)		Dividend received	
			31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
The local subsidiary companies										
TIPCO F&B COMPANY LIMITED	Manufacturer of Fruit Juice	Shareholder	600,000	600,000	50.00	50.00	279,050	279,050	9,804	0
TIPCO RETAIL COMPANY LIMITED	Retail of Foods and Beverage	Shareholder	50,000	50,000	51.00	51.00	25,500	25,500	0	0
TIPCO BIOTECH COMPANY LIMITED	Pharmaceutical ingredients	Shareholder	36,800	36,800	99.99	99.99	160,787	160,787	0	0
							465,337	465,337	9,804	0
The local associated company										
TIPCO ASPHALT PUBLIC COMPANY LIMITED	Manufacturer of Asphalt	Shareholder	1,532,780	1,525,480	24.2130	24.3236	647,110	647,110	37,113	37,113
							1,112,447	1,112,447	46,917	37,113

The financial statements of associated company, named Tipco Asphalt PCL. as at December 31, 2014 and 2013 were reviewed and 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	
	31 Dec 2014	31 Dec 2013
Investment in associated company	1,431,925,238	1,274,972,938
Percentage of total assets in consolidation	25.93	20.70
Equity in profit for the periods of associated company		
For the year ended December 31,		
Percentage of total revenues in consolidation	283,450,215	202,495,709
	4.62	3.32

The financial statements of associated company are as follows :

Unit: Baht

Consist of	Consolidated Financial Statements	
	31 Dec 2014	31 Dec 2013
Total assets	15,145,118	20,273,519
Total liabilities	9,020,101	14,382,582
Total revenues	46,249,063	34,140,374
Profit for the period	1,157,109	861,607

13. Restricted Deposit at Bank

This represent the fixed deposit (6 months) of a subsidiary company which was used as collateral for issuing Bank of Guarantee as indicated in Note 35 to the financial statements.

14. Investment Property

Unit: Baht

Consist of	Consolidated Financial Statements					Separate Financial Statements				
		Increase (Decrease) in the period					Increase (Decrease) in the period			
	31 Dec 2013	Pur-chases	Disposal	Transfer	31 Dec 2014	31 Dec 2013	Pur-chases	Disposal	Transfer	31 Dec 2014
Cost of assets										
Land cost	11,014,500	7,269,561	0	0	18,284,061	11,014,500	7,269,561	0	0	18,284,061
Total	11,014,500	7,269,561	0	0	18,284,061	11,014,500	7,269,561	0	0	18,284,061

Unit: Baht

Consist of	Consolidated Financial Statements					Separate Financial Statements				
		Increase (Decrease) in the period					Increase (Decrease) in the period			
	31 Dec 2012	Pur-chases	Disposal	Transfer	31 Dec 2013	31 Dec 2012	Pur-chases	Disposal	Transfer	31 Dec 2013
Cost of assets										
Land cost	11,014,500	0	0	0	11,014,500	11,014,500	0	0	0	11,014,500
Total	11,014,500	0	0	0	11,014,500	11,014,500	0	0	0	11,014,500

15. Property, plant and equipment

Unit: Baht

Consist of	Consolidated Financial Statements				Separate Financial Statements			
	31 Dec 2013	Increase (Decrease) in the period			31 Dec 2013	Increase (Decrease) in the period		
		Pur- chases	Disposal	Transfer		Pur- chases	Disposal	Transfer
								31 Dec 2014
Cost of assets								
Land-original cost	275,716,969	0	950,000	154,573,986	0	950,000	155,523,986	
Land development	58,057,992	0	0	54,589,902	0	0	54,589,902	
Building and complement	1,140,379,069	285,000	57,650,782	617,928,803	205,500	37,439,733	655,574,036	
Machinery and equipment	2,716,935,267	2,811,125	252,595,641	1,334,663,720	270,000	186,983,408	1,513,649,770	
Tools and equipment	305,126,290	9,362,708	16,720,146	129,954,221	2,063,659	5,111,722	132,556,747	
Furniture and office equipment	89,554,118	2,979,919	4,488,891	52,760,077	757,584	1,033,316	49,676,309	
Vehicles	49,643,256	0	262,617	33,181,235	0	(2,930,849)	30,250,386	
Total	4,635,412,961	15,438,752	332,668,077	2,377,651,944	3,296,743	231,518,179	2,591,821,136	
Accumulated depreciation								
Land development	29,198,887	3,994,140	0	28,640,579	3,756,599	0	32,397,178	
Building and complement	514,726,936	54,135,350	(29,776,111)	365,002,211	30,395,216	0	395,397,427	
Machinery and equipment	1,279,103,259	136,823,139	0	919,681,337	77,620,314	(8,156,706)	989,144,945	
Tools and equipment	198,936,055	37,411,575	0	86,092,534	13,855,974	(3,495,657)	96,452,851	
Furniture and office equipment	63,740,497	9,005,612	0	38,689,561	4,452,936	(4,571,538)	38,570,959	
Vehicles	39,148,240	3,524,344	0	27,836,133	1,836,496	(2,870,563)	26,802,066	
Total	2,124,853,874	244,894,160	(76,031,597)	1,465,942,355	131,917,535	(19,094,464)	1,578,765,426	
Less impairment of assets								
Assets in transit and in progress	2,510,559,087	(35,292,089)	(229,272,680)	911,709,589	(37,628,709)		1,013,055,710	
Machinery in transit	2,475,266,998	157,531,478	(201,198,142)	896,621,494	45,635,669		960,338,906	
Total property, plant and equipment, net	2,623,497,230	126,852,927	(155,912,155)	975,005,750	117,061,643		2,311,486	
							0	
							962,650,392	

As at December 31, 2014, the cost of plant and equipment, which were depreciated in fully amount in Consolidated Financial Statements is in the amount of Baht 1,538 million (2013 : Baht 1,551 million) and in Separate Financial Statements is in the amount of Baht 895 million (2013 : Baht 917 million). In 2014, the BOD's committee resolve the value of set aside impairment asset as amount of Baht 37,628,709 on November 13, 2014. The BOD of subsidiary company's committee resolve the value of set aside impairment asset as amount baht 191,643,972 on November 25, 2014.

Unit: Baht

Consist of	Consolidated Financial Statements				Separate Financial Statements			
	31 Dec 2013	Increase (Decrease) in the period			31 Dec 2013	Increase (Decrease) in the period		
		Pur- chases	Disposal	Transfer		Pur- chases	Disposal	Transfer
Cost of assets								
Land-original cost	275,716,969	0	0	154,573,986	0	0	0	154,573,986
Land development	57,904,442	153,550	0	54,589,902	0	0	0	54,589,902
Building and complement	1,073,107,028	13,246,483	(425,751)	572,312,553	3,734,328	(425,752)	42,307,674	617,928,803
Machinery and equipment	2,534,990,489	54,880,528	(4,800,139)	1,185,584,477	35,371,010	(4,746,467)	118,454,700	1,334,663,720
Tools and equipment	286,296,860	23,079,186	(16,343,420)	116,545,063	8,807,484	(4,161,602)	8,763,276	129,954,221
Furniture and office equipment	89,185,203	9,935,261	(12,435,710)	55,830,804	5,336,403	(8,989,999)	582,869	52,760,077
Vehicles	61,745,972	3,861,754	(15,964,470)	46,564,977	204,600	(13,588,342)	0	33,181,235
Total	4,378,946,963	105,156,762	(49,969,490)	2,186,001,762	53,453,825	(31,912,162)	170,108,519	2,377,651,944
Accumulated depreciation								
Land development	24,949,802	4,249,085	0	24,623,922	4,016,657	0	0	28,640,579
Building and complement	464,772,488	50,296,490	(342,042)	337,674,156	27,670,097	(342,042)	0	365,002,211
Machinery and equipment	1,153,727,321	129,817,465	(4,441,527)	859,683,718	64,435,619	(4,438,000)	0	919,681,337
Tools and equipment	177,786,265	35,532,169	(14,382,379)	76,948,455	13,175,690	(4,031,611)	0	86,092,534
Furniture and office equipment	66,822,984	8,925,708	(12,008,195)	42,898,649	4,699,921	(8,909,009)	0	38,689,561
Vehicles	49,487,803	4,282,604	(14,622,167)	38,872,096	2,552,374	(13,588,337)	0	27,836,133
Total	1,937,546,663	233,103,521	(45,796,310)	1,380,700,996	116,550,358	(31,308,999)	0	1,465,942,355
Less impairment of assets								
	2,441,400,300			805,300,766				911,709,589
	(35,292,089)			(15,088,095)				(15,088,095)
Assets in transit and in progress	2,406,108,211			790,212,671				896,621,494
Machinery in transit	220,017,077	106,401,262	(207,247,335)	179,304,846	42,648,279		(170,591,607)	51,361,518
	0	29,059,228		0	27,022,738			27,022,738
Total property, plant and equipment, net	2,626,125,288			969,517,517				975,005,750

As at December 31, 2013 The cost of plant and equipment, which were depreciated in fully amount in Consolidated Financial Statements is in the amount of Baht 1,551 million (2012 : Baht 1,508 million) and in Separate Financial Statements is in the amount of Baht 917 million (2012 : Baht 879 million)

16. Intangible Assets

Unit: Baht

Consist of	Consolidated Financial Statements				
	31 Dec 2013	Purchases	Disposal	Transfer	31 Dec 2014
Cost price-intangible assets					
Computer software	22,118,630	761,600	2,299,114	5,947,300	26,528,416
Trademarks	26,051,203				26,051,203
Total	48,169,833	761,600	2,299,114	5,947,300	52,579,619
Accumulated amortization -intangible assets					
Computer software	10,382,094	5,176,012	2,298,206	0	13,259,900
Total	10,382,094	5,176,012	2,298,206	0	13,259,900
Total intangible assets	37,787,739				39,319,719

Unit: Baht

Consist of	Separated Financial Statements				
	31 Dec 2013	Purchases	Disposal	Transfer	31 Dec 2014
Cost price-intangible assets					
Computer software	14,631,701	228,100	1,711,625	2,855,300	16,003,476
Trademarks	26,463,244				26,463,244
Total	41,094,945	228,100	1,711,625	2,855,300	42,466,720
Accumulated amortization -intangible assets					
Computer software	7,680,973	3,439,291	1,711,450	0	9,408,814
Total	7,680,973	3,439,291	1,711,450	0	9,408,814
Total intangible assets	33,413,972				33,057,906

17. Bank Overdrafts and Short-Term Loans From Financial Institutions

As at December 31, 2014

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	Amount	Interest rate at	Amount	Interest rate at
Bank overdrafts	2,108,976	MOR	0	MOR
Loans from financial institutions :				
• Promissory notes	1,465,000,000	MMR	990,000,000	MMR
• Packing Credit	0		0	
Total	1,467,108,976		990,000,000	

As at December 31, 2013

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	Amount	Interest rate at	Amount	Interest rate at
Bank overdrafts	4,754,078	MOR	4,754,078	MOR
Loans from financial institutions :				
• Promissory notes	1,730,000,000	MMR	935,000,000	MMR
Total	1,734,754,078		939,754,078	

18. Trade and Other Payables

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Trade payables				
• Others	274,797,507	363,675,117	78,218,298	120,374,871
• Related parties	1,676,988	6,643,481	3,768,991	13,091,134
Total trade payables	276,474,495	370,318,598	81,987,289	133,466,005
Other payables				
• Other payables - others	371,928	377,053	7,414	47,186
• Other payables - related parties	1,291,797	1,464,680	461,358	829,050
• Accrued expenses	171,926,376	417,118,346	23,640,956	41,127,018
• Advance incomes	17,165,622	19,247,778	15,668,331	15,929,771
• Deposit received for goods	27,151,415	5,760,152	2,914,317	2,657,759
Total other payables	217,907,138	443,968,009	42,692,376	60,590,784
Total	494,381,633	814,286,607	124,679,665	194,056,789

19. Long-Term Liabilities

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Facility agreements (Note 19.1)	730,153,846	709,692,308	149,000,000	427,000,000
Machinery payable (Note 19.2)	0	5,863,576	0	0
Lease contract liabilities (Note 19.3)	4,129,955	8,817,935	3,854,729	7,476,527
	734,283,801	724,373,819	152,854,729	434,476,527
Less Current portion of long-term loans	(179,153,846)	(479,538,462)	(78,000,000)	(278,000,000)
Current portion of machinery payable	0	(5,863,576)	0	0
Current portion of lease contract liabilities	(3,197,955)	(4,687,980)	(2,922,729)	(3,621,798)
Net	551,932,000	234,283,801	71,932,000	152,854,729

19.1 Loan Agreements

19.1.1 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 purchasing of machinery. The term of repayment will be quarterly, the interest rate referenced to BIBOR. The first repayment was in May 2010.

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 interest rate referenced to THBFIX. Land, building were mortgaged to cover the loans from financial institution. The first repayment was in September 2010.

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 December 31, 2014 and December 31, 2013, the notional amount of Baht 149 million and Baht 227 million was outstanding respectively. 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 was in August 2012. The interest rate referenced to BIBOR.

19.1.4 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

19.1.5 On July 21, 2014, Tipco F&B Co., Ltd. has entered into a 7 year long-term loan agreement amounting to Baht 500 million with a financial institution and an interest rate based on BIBOR. The first installment due after 15 month grace period end since fully draw down (July 25, 2014). The loan principal is repayable in 24 quarterly installments, by repaying the 1st - 22nd installment of Baht 20 million, each and the last 2 installments of Baht 30 million, each. The first installment will be in October 2015 and the last installment will be in July 2021. This subsidiary company should maintain the Negative Pledge, Debt-to-Equity Ratio and the structure of the shareholders in accordance with the loan criterion.

19.2. Machinery Payable

The subsidiary entered into the purchase of machinery agreement by installment, the terms of payment will be quarterly, 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 2016.

20. Employee Benefit Obligations

Movement in the present value of the employee benefit obligations

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Defined benefit obligations as at the beginning of the period	39,028,205	34,356,758	31,503,833	27,940,192
Current service costs	6,109,316	3,994,500	3,790,790	2,703,765
Interest costs	2,075,471	1,830,057	1,494,123	1,497,666
Benefits paid by the plan	(17,242,507)	(1,153,110)	(17,242,507)	(637,790)
Actuarial (gains) losses	9,808,276	0	3,812,523	0
Defined benefit obligations as at the ending of the period	39,778,761	39,028,205	23,358,762	31,503,833

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Expenses recognized in profit or loss				
Current service cost	6,109,316	3,994,500	3,790,790	2,703,765
Interest cost	2,075,471	1,830,057	1,494,123	1,497,666
Total	8,184,787	5,824,557	5,284,913	4,201,431

Principal actuarial assumptions at the reporting date

% per annual

Consist of	Consolidated and Separate Financial Statements	
	31 Dec 2014	31 Dec 2013
Discount rate	4.30	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 and buying forward exchange contract which are presented in the financial statements at fair value. Unrealized gain or loss from the forward contracts is recorded in profit or loss.

The outstanding balance of forward exchange contracts are as follows :

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
The exchange forward contract - Sold (USD)	2,421,059	5,025,012	2,369,687	4,547,593
The exchange forward contract - Sold (EUR)	0	0	0	0
The exchange forward contract - Bought (USD)	430,371	284,916	0	0
The exchange forward contract - Bought (EUR)	0	988,260	0	988,260
The call option contract (USD)	0	2,000,000	0	0
The put option contract (USD)	0	1,000,000	0	1,000,000

22. Equity

22.1. 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.

22.2. Managing Capital

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

22.3. Dividend Paid

The shareholders' meeting of a subsidiary company, held on February 27, 2014, approved to declare the dividend payment to shareholders on the profit of year 2013 in the amount of Baht 19.608 million, at Baht 0.3268 per share.

23. Share of Comprehensive Income in Associated Company

Unit: Baht

Consist of	Consolidated and Separate Financial Statements	
	31 Dec 2014	31 Dec 2013
Currency translation differences	(29,142,110)	(13,342,956)
Surplus on change in fair value of interest rate swap contract	(289,673)	(887,653)
Total	(29,431,783)	(14,230,609)

24. Revenues from the Sale of Goods and the Rendering of Services

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Revenues from the sale of goods	5,507,795,418	5,585,403,492	2,110,128,520	2,260,587,170
Revenues from the rendering of services	0	2,795,954	3,171,956	7,450,918
Total	5,507,795,418	5,588,199,446	2,113,300,476	2,268,038,088

25. Other Incomes

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Dividend income	0	0	46,917,164	37,113,166
Management fees income	0	0	12,333,095	13,820,096
Royalty income	0	0	54,519,596	54,923,650
Marketing support income	272,163,536	194,868,315	0	0
Sale of scraps income	5,707,051	7,388,736	2,725,930	3,054,082
Gain on sale of investments	4,770,430	10,067,850	4,770,430	10,067,850
Gain on exchange rate	14,916,775	0	9,678,320	5,475,904
Reversal of loss on expired goods	0	45,807,882	0	26,415,724
Interest income	94,656	99,754	1,549,244	1,532,115
Others	42,345,723	47,379,402	19,552,352	34,294,856
Total	339,998,171	305,611,939	152,046,131	186,697,443

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	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Employee expenses	599,991,351	698,750,287	305,112,031	402,091,602
Depreciation	244,681,216	233,103,521	131,917,535	116,550,357
Amortization	5,176,011	2,614,019	3,439,291	1,502,175
Finance costs	83,415,143	89,357,586	50,891,328	55,338,394
Loss on impairment of assets	229,272,680	0	37,628,708	0
Cost of production and service (Excluded cost of employees and depreciation)	2,641,676,364	3,006,213,467	1,356,113,899	1,623,715,684

28. Income Tax

The income tax expenses is computed from the profit before income tax, which is in accordance with the regulation in the Revenue Code.

In December 2011, the Royal Decree has been issued, regarding the reduction of corporate income tax rates, from the rate of 30% to 23% for the year 2012, and 20% for the year 2013 and 2014. In November 2014, the Royal Decree has been issued to extend the reduced rate for corporate income tax (20%) for the year 2015 commencing on or after 1 January 2015.

Income tax expenses for the year ended December 31, 2014 and 2013 are as follow:

Consist of	Unit: Baht			
	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Current income tax :	11,706,578	5,980,410	0	0
Current income tax expenses				
Deferred tax :				
Temporary difference and reversal of temporary differences	(80,484,316)	(798,260)	(43,917,619)	6,614,961
Income tax expense reported in the statement of comprehensive income	(68,777,738)	5,182,150	(43,917,619)	6,614,961

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2014 and 2013 are as follow:

Unit: Baht

Consist of	Consolidated Financial Statements			
	2014		2013	
	Rate (%)		Rate (%)	
Accounting profit before income tax		(15,050,065)		152,568,255
Income tax at applicable tax rate	20	0	20	30,513,651
Tax effect :				
Disallowed expenses for net profit calculation		49,651,624		1,269,968
Exemption of income/Deductible expenses		(10,436,312)		(12,608,351)
Privileges according to the Investment Promotion		(27,508,734)		(13,194,858)
Current income tax		11,706,578		5,980,410
Deferred tax:				
Temporary difference and reversal of temporary differences		(80,484,316)		(798,260)
Income tax expenses	-	(68,777,738)	3	5,182,150

Unit: Baht

Consist of	Separate Financial Statements			
	2014		2013	
	Rate (%)		Rate (%)	
Accounting profit (loss) before tax		(176,930,341)		(69,530,583)
Income tax at applicable tax rate	20	0	20	0
Tax effect :				
Disallowed expenses for net profit calculation		9,389,331		5,972,156
Exemption of income/Deductible expenses		(17,123,118)		(19,032,520)
Current income tax		0		0
Deferred tax:				
Relating to origination and reversal of temporary differences		(43,917,619)		6,614,961
Income tax expenses	-	(43,917,619)	(10)	6,614,961

The total income tax relating to items that are recognized directly to equity as at December 31, 2014 and 2013 are as follow:

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Change in accounting policy : Deferred tax	0	28,066,513	0	23,962,381

The amounts of income tax relating to each component of other comprehensive income for the years ended December 31, 2014 and 2013 as follows: (Continued)

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Deferred tax relating to change in fair value of interest rate swap contract	(252,715)	1,444,352	(252,715)	1,444,352
Deferred tax relating to change in fair value of available-for-sale investments	103,558	1,154,058	103,558	1,154,058
	(149,157)	2,598,410	(149,157)	2,598,410

The components of deferred tax assets and deferred tax liabilities as at December 31, 2014 and 2013 are as follow:

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Deferred tax assets				
Allowance for doubtful accounts	10,827,241	11,473,895	1,309,740	1,309,740
Allowance for loss on decline in value of inventories	152,521	1,594,524	152,521	1,594,524
Allowance for obsolete goods	12,475,466	4,638,003	12,300,790	4,596,422
Allowance for asset impairment	48,783,556	3,942,779	8,160,821	847,039
Employee benefit obligations	7,396,973	7,649,566	4,671,752	6,300,767
Difference depreciation for tax purpose	1,456,212	1,564,685	1,456,212	1,564,685
Liabilities under finance lease contracts	1,142,273	1,094,455	1,142,273	1,094,455
Loss exchange rate forward (MTM)	31,289	2,376,285	31,289	1,405,076
Deficit brought forward	34,336,332	0	34,336,332	0
Others	546,256	743,621	486,950	743,621
Total	117,148,120	35,077,813	64,048,680	19,456,329

Unit: Baht

Consist of	Consolidated Financial Statements		Separate Financial Statements	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Deferred tax liabilities				
Fair value of available-for-sale investments	0	103,558	0	103,558
Assets under finance lease contracts	705,663	829,089	705,663	829,089
Amortization of Trademark	870,000	580,000	870,000	580,000
Others	0	1,631	0	1,631
Total	1,575,663	1,514,278	1,575,663	1,514,278
Deferred tax assets, net	115,572,456	33,563,535	62,473,017	17,942,051

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

The Company and its subsidiaries have obtained the certificate for the investment promotion, entitled privileges for manufacturing of empty can, canned coconut milk and desiccated coconut at Prachaubkhirikhan factory and vegetable and fruit juices at Ayuthaya factory as follows :

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 2021.
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 separately report the revenues from domestic sales and export sales and to separately report the promoted and non-promoted business. The Revenues are as follows :

Unit: Baht

Consist of	Consolidated Financial Statements					
	31 Dec 2014			31 Dec 2013		
	Exemption from company income tax	Non - Promoted Business	Total	Exemption from company income tax	Non - Promoted Business	Total
Sales - Domestic	2,644,038,866	863,211,855	3,507,250,721	2,668,456,663	792,185,475	3,460,642,138
Sales - Export	390,022,303	1,610,522,394	2,000,544,697	417,324,546	1,710,232,762	2,127,557,308
	3,034,061,169	2,473,734,249	5,507,795,418	3,085,781,209	2,502,418,237	5,588,199,446

Unit: Baht

Consist of	Separate Financial Statements					
	31 Dec 2014			31 Dec 2013		
	Exemption from company income tax	Non - Promoted Business	Total	Exemption from company income tax	Non - Promoted Business	Total
Sales - Domestic	20,452,682	487,561,751	508,014,433	255,892	496,940,469	497,196,361
Sales - Export	45,786,575	1,559,499,468	1,605,286,043	20,890,033	1,749,951,694	1,770,841,727
	66,239,257	2,047,061,219	2,113,300,476	21,145,925	2,246,892,163	2,268,038,088

31. Long-Term Lease Agreements

January 1, 2013, 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 476,986/month and Baht 715,484/month respectively.

32. Information on Operating Segments

TFRS 8 "Operation Segments"

Information on operation segments requires the Company and its subsidiaries disclose the segment information based on the internal reports regularly reviewed by the Company and its subsidiaries's Chief Operation Decision Maker in order to allocate resources to those segments and to assess the segment's performance.

The Company and its subsidiaries operate in three reportable business segments which are organized by similar products, (1)products of vegetable & fruit (2)beverages and (3) others. The business operations are carried on

both in Thailand and overseas. The information on operating segments has been presented as follows:

Business segment information

Consolidated Financial Statements For the year ended December 31, 2014						Unit: Baht
	Segment			Eliminated	Total	
	Products of vegetable & fruit	Beverages	Others			
Revenues from sales of goods	1,888,390,834	3,845,834,024	117,241,603	(343,671,043)	5,507,795,418	
Cost of the sales	1,821,953,986	2,255,315,056	92,316,918	(344,232,963)	3,825,352,997	
Gross profit	66,436,848	1,590,518,968	24,924,685	561,920	1,682,442,421	
Other incomes					339,998,171	
Profit before expenses					2,022,440,592	
Selling expenses					(1,490,144,806)	
Administrative expenses					(747,380,923)	
Profit before Share of profit from Investments in associated company					(215,085,137)	
Share of profit from investments in associated company					283,450,215	
Profit before finance costs and income tax					68,365,078	
Finance costs					(83,415,143)	
Income tax expenses					68,777,738	
Profit after tax					53,727,673	
Non-controlling interests					(23,965,334)	
Profit for the period					77,693,007	
Fixed assets	614,921,994	1,720,372,785	62,673,255		2,397,968,034	

Business segment information

Consolidated Financial Statements
For the year ended December 31, 2013

Unit: Baht

	Segment			Eliminated	Total
	Products of vegetable & fruit	Beverages	Others		
Revenues from sales of goods	2,080,061,551	3,787,655,677	146,576,748	(426,094,530)	5,588,199,446
Cost of the sales	2,008,008,473	2,316,651,764	125,973,394	(420,299,834)	4,030,333,797
Gross profit	72,053,078	14,710,003,913	20,603,354	(5,794,696)	1,557,865,649
Other incomes					305,611,939
Profit before expenses					1,863,477,588
Selling expenses					(1,373,626,430)
Administrative expenses					(450,421,026)
Profit before Share of profit from investments in associated company					39,430,132
Share of profit from investments in associated company					202,495,709
Profit before finance costs and income tax					241,925,841
Finance costs					(89,357,586)
Income tax expenses					(5,182,150)
Profit after tax					147,386,105
Non-controlling interests					32,971,116
Profit for the period					114,414,989
Fixed assets	656,477,694	1,754,632,634	77,794,542		2,488,904,870

Geographie segment information

For the year ended December 31, 2014				Unit: Baht
	Sales-export	Sales-Domestic	Eliminated	Total
Revenues from the sale of goods and the rendering of services	3,850,921,764	2,000,544,697	(343,671,043)	5,507,795,418
Segment operating profit	118,750,370	1,563,130,131	561,920	1,682,442,421

For the year ended December 31, 2013				Unit: Baht
	Sales-export	Sales-Domestic	Eliminated	Total
Revenues from the sale of goods and the rendering of services	2,167,391,339	3,846,893,838	(426,094,530)	5,588,199,446
Segment operating profit	138,874,699	1,424,785,646	(5,794,696)	1,557,865,649

33. Financial Instruments

The Company and its subsidiaries' financial instruments are as follows :-

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 is minimal, 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 follows :

Consolidated financial statements As at December 31, 2014					Unit : Million Baht
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	Over 1 - 5 year			
Financial Assets					
Cash and cash equivalents	-	-	1	41	42
Current investments	4	-	-	-	4
Trade and other receivables	-	-	-	486	486
Restricted deposit at bank	1	-	-	-	1
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	1,465	-	2	-	1,467
Trade and other payables	-	-	-	494	494
Long - term loans from banks	-	-	730	-	730
Long - term machinery payable	-	-	-	-	-
Financial lease payable	3	1	-	-	4

Consolidated financial statements
As at December 31, 2013

Unit : Million Baht

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1 - 5 year			
Financial Assets					
Cash and cash equivalents	-	-	2	35	37
Current investments	0.7	-	-	-	0.7
Trade and other receivables	-	-	-	760	760
Available-for-sale investment	-	-	-	0.7	0.7
Restricted deposit at bank	4	-	-	-	4
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	1,730	-	5	-	1,735
Trade and other payables	-	-	-	814	814
Long - term loans from banks	-	-	710	-	710
Long - term machinery payable	6	-	-	-	6
Financial lease payable	5	4	-	-	10

Separate financial statements
As at December 31, 2014

Unit : Million Baht

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1 - 5 year			
Financial Assets					
Cash and cash equivalents	-	-	1	17	18
Trade and other receivables	-	-	-	145	145
Short-term loans to related parties	34	-	-	-	34
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	990	-	-	-	990
Trade and other payables	-	-	-	125	125
Long - term loans from banks	-	-	149	-	149
Financial lease payable	3	1	-	-	4

Separated financial statements
As at December 31, 2013

Unit : Million Baht

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1 - 5 year			
Financial Assets					
Cash and cash equivalents	-	-	1	14	15
Trade and other receivables	-	-	-	197	197
Short-term loans to related parties	51	-	-	-	51
Available-for-sale investment	-	-	-	0.7	0.7
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	935	-	5	-	940
Trade and other payables	-	-	-	194	194
Long - term loans from banks	-	-	427	-	427
Financial lease payable	4	3	-	-	7

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, 2014 are as follows:

Foreign currency	Bought contracts	Sold contracts	Contractual exchange rate	
			Bought	Sold
US Dollar	430,371	2,421,059	33.0475-33.3550	32.3400-33.1550

The right to exercise under the contract depends on spot exchange rate on the due date.

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at December 31, 2014 are as follow:

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2014
			(Baht per 1 foreign currency unit)
US Dollar	3,209,328	377,413	32.92
Australia Dollar			
Euro	0	12,300	40.00
Yen	0	4,450,000	0.273

Foreign exchange contracts of the Company and its subsidiary outstanding at December 31, 2013 are as follow:

Foreign currency	Bought contracts	Bought contracts	Financial assets	Sold contracts
			(Baht per 1 foreign currency unit)	
US Dollar	284,916	5,025,012	32.4450-32.5600	30.0210-32.3900
Euro	988,260	0	44.9900	0

Option contract of the company and its subsidiary outstanding at December 31, 2013 are at follow:

Foreign currency	Call option	Put option	Contractual exchange rate	
			Call option	Put option
			(Baht per 1 foreign currency unit)	
US Dollar	2,000,000	1,000,000	30.85	31.00

The right to exercise under the contract depends on spot exchange rate on the due date.

The balances of financial assets and liabilities of the Company and its subsidiaries denominated in foreign currencies as at December 31, 2013 are as follows:

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at 31 December 2014
			(Baht per 1 foreign currency unit)
US Dollar	4,996,635	1,329,583	32.76
Australia Dollar	2,952	0	29.13
Euro	6,072	60,732	44.96
Yen	273,602	7,007,250	0.312
Won	1,600,972	0	0.030

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 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 discounted cash flow of the present value.

Long-term loans, with fixed interest rate, the carrying value are approximated at their fair values, calculated by the present value of the contractually determined stream of future cash flow discounted at the market interest rate prevailing on the date of the statement of financial position. Long-term loans with variable interest rates which close to market rates, the carrying value are approximated at their fair value, presented in the statements of financial position.

34. Reclassification of Accounts

Certain accounts in the 2013 financial statements have been reclassified to conform to the presentation in the 2014 financial statements as follows:

Unit : Baht

	Consolidated financial statements			Separate financial statements		
	Before Reclassific- ation	Reclassific- ation	After Reclassific- ation	Before Reclassific- ation	Reclassific- ation	After Reclassific- ation
Statement of financial position	0	11,014,500	11,014,500	0	11,014,500	11,014,500
Investment Property						
Property, plant and equipment	2,634,511,730	(11,014,500)	2,623,497,230	986,020,250	(11,014,500)	975,005,750

35. Commitments

Unit : Baht

Consist of :	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Letter of guarantee (BAHT)	21,450,578	21,112,237	11,720,832	11,582,932
Letter of credit (EUR)	0	192,500	0	192,500

36. Approval of Financial Statements

These financial statements were approved and authorized for issue by Board of Directors on February 20, 2015 by the authorized directors.

TIPCO Foods Public Company Limited
118/1 TIPCO Tower, Rama 6, Samsen Nai, Bangkok 10400 Thailand
Tel: (662)273-6200 Fax: (662) 271-4304, 271-1600

www.tipco.net

