



EMBRACE EVERY SINGLE LIFE

บริษัท ทิปโก้ฟู้ดส์ จำกัด (มหาชน)
รายงานประจำปี 2558

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

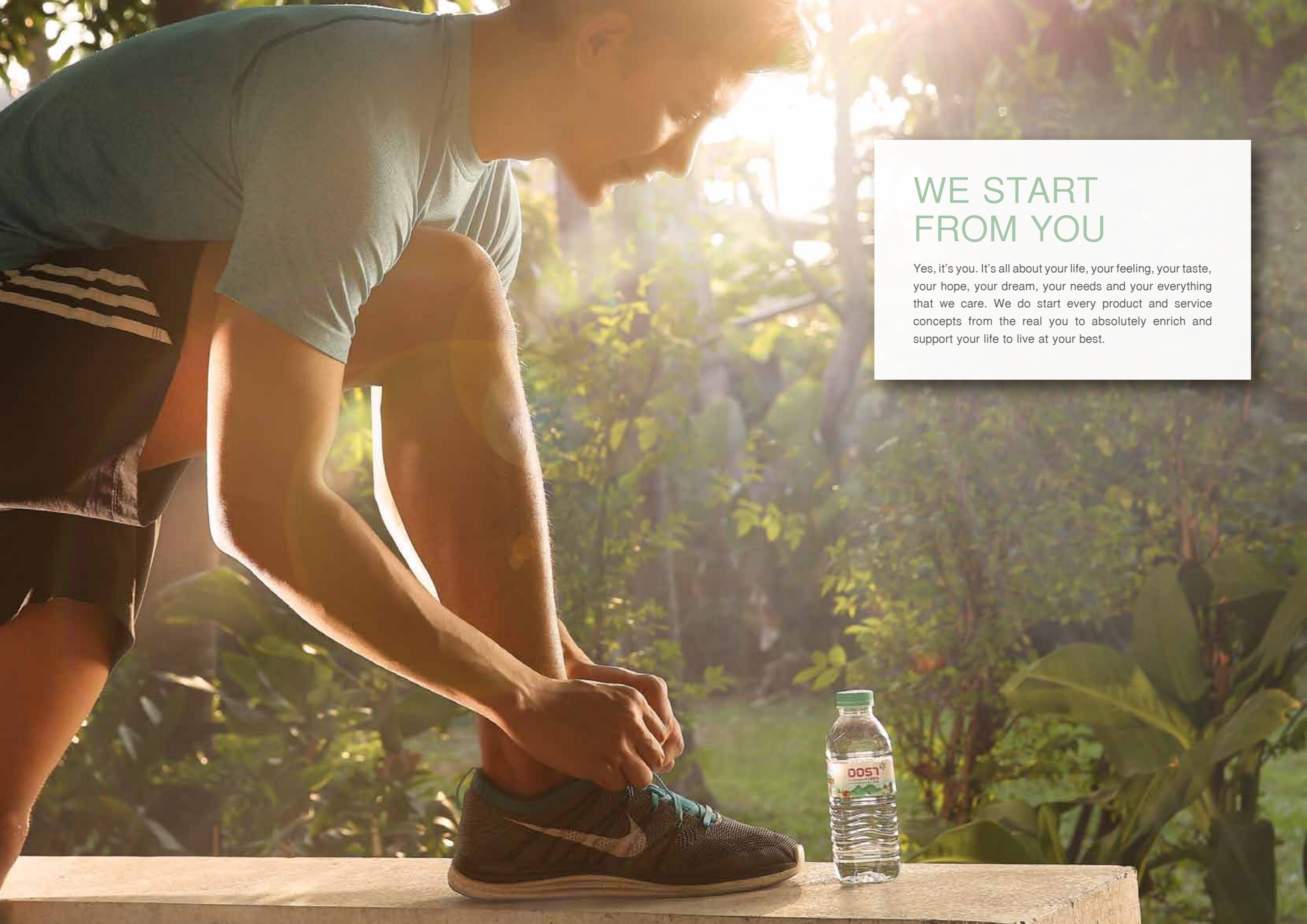


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ORGANIZATION CHART





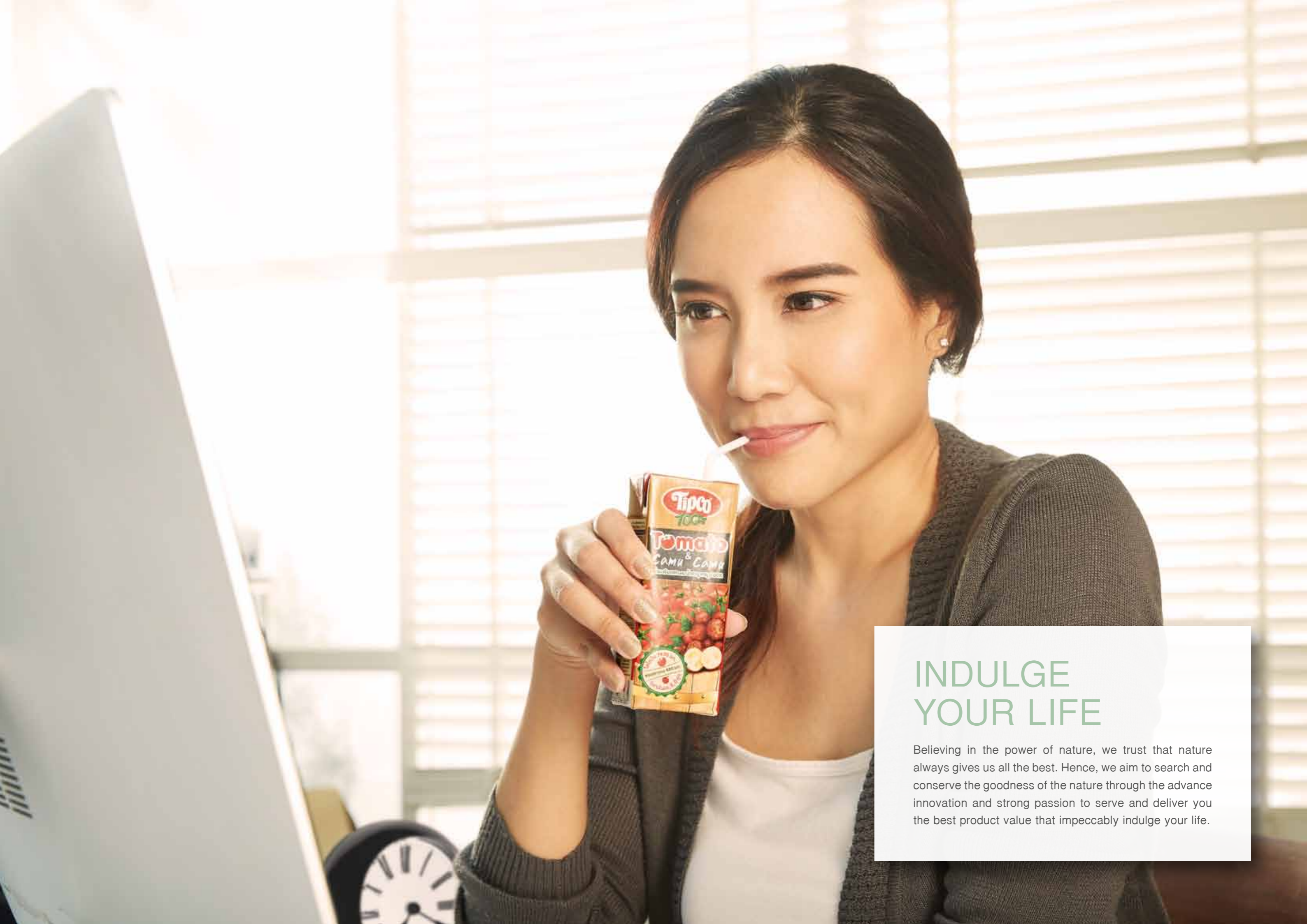
WE START FROM YOU

Yes, it's you. It's all about your life, your feeling, your taste, your hope, your dream, your needs and your everything that we care. We do start every product and service concepts from the real you to absolutely enrich and support your life to live at your best.



LIFE CHANGING EXPERIENCE

Life is about changing. Time flies, life moves forward. We value every life stage a great opportunity to create the new better and growing life. From a boy to a dad, from tasty food to healthy meal, from city living to natural breathing, we are and will always be here and there to be with you in every stages, every changing experience of your life.



INDULGE YOUR LIFE

Believing in the power of nature, we trust that nature always gives us all the best. Hence, we aim to search and conserve the goodness of the nature through the advance innovation and strong passion to serve and deliver you the best product value that impeccably indulge your life.



EMBRACE EVERY SINGLE LIFE

Every single life in this world is different, but they share one same thing which is the beauty of living. We love the real and original you. Aspiring to embrace you with a happier and better quality of your life, both physically and mentally, we bring the best of nature close to you. We aspire to see the world a better place, today and tomorrow for you, your family and your communities.

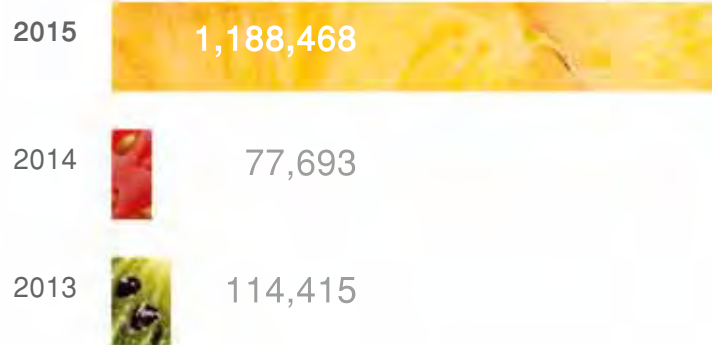
Revenues from sale (Consolidated)
 Thousand Baht



Gross Profit (Consolidated)
 Thousand Baht



Net Profit (Consolidated)
 Thousand Baht



MESSAGE FROM THE CHAIRMAN

Dear Fellow Shareholders,

2015 was yet another challenging year for TIPCO. Domestic and global economy remained depressed. Political realm had restored some stability but the economy were still stagnant after waves of protests in early 2014. It still posted the risk associated with a fragile economy. Therefore, the economic recovery had continued to be a major challenge. As a result, the country's GDP post a slight acceleration to 2.8%. Nonetheless, the Company successfully recorded modest improvement of business operation amid unfavorable economic climate home and abroad.

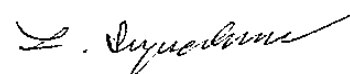
The Cannery business had continued to face challenge on raw material scarcity. Fresh pineapple price again sky rocketed to all-time high of almost Baht 13 per kg. To soften the impact of the high fruit price, the Company did better on raw material management and was able to pass on the part of the rising raw material cost. The Company had been focusing on research and development of new products. New contract farming program was developed and implemented successfully as the Company introduced multiple schemes to meet farmers' expectation.

While consumer confidence remained pessimistic, our Aura brand, celebrated its 20 anniversary, remains a leader in the fast-growing mineral water market. It is the only cold spring mineral water in Thailand from 2,700-foot high mountain. After doubling the production capacity in 2014, the

Company modernized its packaging design and launched television advertisement in early 2015. As a result, Aura recorded sales growth of almost 50% and fortified its leading position in this market.

Retail business competition was fierce in 2015. While major retailers were fighting head-on to capture consumer spending money, the situation became more challenging as the mid-to-small players tried to use their agility, digital technology, and products on hand to take market share. Nonetheless, our retail business successfully posted solid revenue growth. In addition, the Company foresaw the growing trend of health consciousness and launched Tipfood, a healthy delicious food business, which relied on traditional and coming online distribution channels.

On behalf of the board of directors, I would like to thank our shareholders and business allies for their support and trust, along with all executives and members of staff for their dedication and hard work throughout the challenging 2015. I would also like to assure the commitment of good corporate governance practices and deliver sustainable achievement of being a market driven company that enhances value for shareholders.



(Laksana Supsakorn)

Chairman of the Board of Directors



ALL FRUITS ALL RIGHT



BOARD OF DIRECTORS



BOARD OF INDEPENDENT DIRECTORS



MANAGING DIRECTOR AND
COMPANY SECRETARY



EXECUTIVE MANAGEMENT
OF TIPCO FOOD GROUPS



EXECUTIVE MANAGEMENT
OF TIPCO FOOD GROUPS



BOARD OF DIRECTORS



Miss Laksana Supsakorn
Chairman of the Board

Age : 63 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 :

- 2014 Role of the Chairman Program (RCP)
- 2014 Director Certification Program (DCP)
- 2012 Director Accreditation Program (DAP)

Shareholding in Company :
37,861,267 shares 7.85%

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 in Listed Companies at present :

- Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present :

- 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, Peyanarongwit Company Limited
- 2011-Present Director, Vanichapark Company Limited
- 2003-Present Director, Thanomwongse Service Company Limited

*Appointed to be the director since 1992



Mrs. Anurat Tiamtan
Director

Age : 66 Years

Education :

- M.Sc. (Biochemistry), The American University, Washington D.C., USA
- B.Sc. (Chemistry), Kasetsart University

Seminars on Director Roles Responsibilities/ Thai Institute of Directors :

- 2004 Director Certification Program (DCP)
- 2001 Chairman Program 2000

Shareholding in Company :
30,966,765 shares 6.42%

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 in Listed Company : None

Holding a Position of Director in Other Companies at present :

- Thanomwongse Service Company Limited
- Siam Container Terminal Company Limited
- Ruamsapsin Company Limited
- Tipco Tower Company Limited

Related Experience :

- 2013-Present Director, Tipco Foods Public Company Limited
- 2008-Present Director, Tipco Biotech Company Limited
- 2003-2013 Chairman of the Board, Tipco Foods Public Company Limited
- 2003-2013 Chairman of the Board, Tipco Asphalt Public Company Limited
- 2003-2013 Chairman of the Board, Thanomwongse Service Company Limited

*Appointed to be the director since 1992



Miss Roumsin Supsakorn
Director

Age : 62 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 in Listed Company : None

Holding a Position of Director in Other Companies at present :

- Siam Container Terminal Company Limited
- Thanomwongse Service Company Limited
- Ruamsapsin Company Limited
- Tipco Tower Company Limited

Related Experience :

- 1996-Present Director, Tipco Foods Public Company Limited
- 1988-2000 Director, Siam Container Transport and Terminal Company Limited
- 1988-1990 Director, Ekachai Container Terminal Company Limited

*Appointed to be the director since 1996



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 :

58,500,000 shares 12.12%

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 in Listed Companies at present :

- Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present :

- Siam Container Terminal Company Limited
- Thanomwongse Service Company Limited
- Ruamsapsin Company Limited
- Tipco Tower Company Limited

Related Experience :

- 2013-Present Director, Tipco Foods Public Company Limited

*Appointed to be the director since 1992



Mr. Somchit Sertthin
Director

Age : 63 years

Education :

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

Seminars on Director Roles Responsibilities/ Thai Institute of Directors :

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

Shareholding in Company :

11,599,846 shares 2.4%

Family Relationship with Management :

Brother in Law of Mrs. Anurat Tiamtan, Mr. Sitilarb Supsakorn, Miss Laksana Supsakorn, Ms. Roumsin Supsakorn and husband of Ms. Piyaratana Supsakorn

Holding a Position of Director in Listed Companies at present :

- Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present :

- Tipco Biotech Company Limited

Related Experience :

- 2008-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

*Appointed to be the director since 2005



Mr. Surachet Supsakorn
Director and Member of the Nomination and Remuneration 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 : No

Family Relationship with Management : Cousin of Mrs. Anurat Tiamtan, Mr. Sitilarb Supsakorn, Miss Laksana Supsakorn, Ms. Roumsin Supsakorn

Holding a Position of Director in Listed Companies at present :

- United Paper Public Company Limited

Holding a Position of Director in Other Companies at present :

- Thanomwongse Service Company Limited
- Ruamsapsin Company Limited
- Tipco Tower Company Limited

Related Experience :

- 2014-Present Director, Tipco Tower Company Limited
- 2011-Present Managing Director, Thanomwongse Service Company Limited
- 2004-Present Director and Nomination and Remuneration Committee, Tipco Foods Public Company Limited
- 2004-Present Independent Director and 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

*Appointed to be the director since 2003

BOARD OF INDEPENDENT DIRECTORS



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

Age : 68 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 :

- 2014 Director Certification Program Update (DCPU)
- 2013 Anti-Corruption for Executive Program (ACEP)
- 2008 Role of the Compensation Committee Program (RCC)
- 2004 Audit Committee Program (ACP)
- 2002 Director Certification Program DCP

Shareholding in Company : None

Family Relationship with Management : None

Holding a Position of Director in Listed
Companies at present :

- Bank of Ayudhya Public Company Limited

Holding a Position of Director in 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

*Appointed to be the director since 2007



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

Age : 66 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 :

- 2014 Role of the Chairman Program (RCP)
- 2014 Director Certification Program (DCP)
- 2012 Directors Accreditation Program (DAP)

Shareholding in Company : None

Family Relationship with Management : None

Holding a Position of Director in Listed
Company : None

Holding a Position of Director in 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

*Appointed to be the director since 2012



Mrs. Achara Pricha
Independent Director/Member of the
Nomination and Remuneration
committee

Age : 59 years

Education :

- Master in Business Management, Asian Institute of Management
- Bachelor degree of Mass Communications Arts. Major in Journalism.
- Pimuk College. Major in French Language.

Seminars on Director Roles Responsibilities/
Thai Institute of Directors :

- 2014 Director Certificate Program (DCP)
- 2015 Advanced Audit Committee Program (AACP)

Shareholding in Company : None

Family Relationship with Management : None

Holding a Position of Director in Listed
Company : None

Holding a Position of Director in Other
Companies at present :

- Sarnti Green Pack Co., Ltd.

Related Experience :

- 1995-Present Director Sarnti Green Pack Co., Ltd.
- 2008-2012 Director SSJ Pte., Ltd., Singapore.
- 2008-2011 Director Shaldan (Thailand) Co., Ltd.
- 2013-2014 Part Time Advisor on Export of Cosmetic, Pathawin Co., Ltd.
- 2010-2012 Assistant Vice President 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, Naraiphand Co., Ltd.

*Appointed to be the director since 2014

MANAGING DIRECTOR AND COMPANY SECRETARY



Mr. Chalit Limpanavech
Independent Director

Age : 63 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 in Listed Company : None

Holding a Position of Director in 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

*Appointed to be the director since 2008



Mr. Ekaphol Pongstabhon
Managing Director

Age : 51 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 in Listed Companies at present :

- Chairman of the Board, Wice Logistics Public Company Limited

Holding a Position of Director in Other Companies at present :

- 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

*Appointed to be the director since 2012



Mr. Phicharn Sluckpetch
Company Secretary

Age : 59 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 Board-room 2014

Shareholding in Company : None

Family Relationship with Management : None

Holding a Position of Director in Listed Company : None

Holding a Position of Director in 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



Mr. Seishi Ueno
Chief Operating Officer-
Tipco F&B Co., Ltd.

Age : 63 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 in Listed
Company : None

Holding a Position of Director in 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.



Ms. Nitima Aungathcharts
Chief Financial Officer-Consumer
Business and Retail Business

Age : 49 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 Responsibility /
Thai Institute of Directors :

- Corporate Secretary
- Investor relations

Shareholding in Company :
1,645 shares 0.0003%

Family Relationship with Management : None

Holding a Position of Director in Listed
Company : None

Holding a Position of Director in 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.
- 1998 Financial Service Manager Siam Media and Communication Siam Sat Network Company Limited
- 1989-1994 Auditor; Coopers & Lybrand (Thailand) Accountants and Management Consultants



Mr. Prasong Aimmanoj
Chief Financial Officer-Agro
Business and Biotech Business

Age : 49 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-Corruption : The Practical Guide

Shareholding in Company : None

Family Relationship with Management : None

Holding a Position of Director in Listed
Company : None

Holding a Position of Director in Other
Companies at present :

- 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



Mr. Peerapong Archawapongsawat
Managing Director-Tipco
Retail Co., Ltd.

Age : 45 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 in Listed
Company : None

Holding a Position of Director in Other
Company : None

Related Experience :

- 2015-Present Managing Director Tipco Retail Co., Ltd.
- 2012-2014 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.



Panu Satiempoch
Chief People and Information
Technology Officer

Age : 56 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 in Listed
Company : None

Holding a Position of Director in Other
Company : None

Related Experience :

- 2015-Present Chief People and Information Technology Officer
- 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.



Chokchai Tocharoentanaphol
Chief Operating Officer
Tipco Foods Public Company Limited

Age : 52 Years

Education :

- Bachelor, Department of chemistry, Faculty of science, Chulalongkorn University
- Master of science in marketing, Thammasat 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 in Listed
Company : None

Holding a Position of Director in Other
Company : None

Related Experience :

- General Electric, Product Manager (Asia Pacific)
- Guardian industry, Sales and Marketing Director
- Ocean glass, Sales and Marketing Director
- Kuiburi fruit cannery, Managing Director



Mr. Chatchai Sanguanwongs
Chief Design Officer (CDO)
Tipco Foods Public Company Limited

Age : 47 years

Education :

- MSc. (Innovation and technology Management) from King Mongkut's University of Technology Thonburi
- BSc. (Biochemistry) from Kasetsart 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 in Listed
Company : None

Holding a Position of Director in Other
Company : None

Related Experience :

- PosiGeneral Manager (Business Development), CPRAM Co., Ltd.
- Plant Manager, Business Development Manager, The Peace Canning Co., Ltd.
- Production Manager, Chef's Choice Food Manufacturer Co., Ltd.



Ms. Worapatarin Chinpongsonon
Sales Director-Tipco F&B Co., Ltd.

Age : 42 years

Education :

- Bachelor Degree of Business Administration (Marketing), Thammasat University
- Master Degree of Business Administration, Assumption University of Thailand

Seminars on Director Roles Responsibilities/
Thai Institute of Directors : None

Shareholding in Company : None

Family Relationship with Management : None

Holding a Position of Director in Listed
Company : None

Holding a Position of Director in Other
Company : None

Related Experience :

- Senior Manager Sales & Trade Marketing, Tipco F&B Co., Ltd
- Business Manager/Consumer Product Manager, MSD (Thailand) Ltd.
- Channel Marketing Manager/Key Account Manager/Promotion Manager, Dumex Thailand
- Product Manager/Assistant Product Manager/Area Manager Foodservices, Diethelm Co., Ltd



Mr. Kittichet Sathitnoppachai
Vice President-Marketing
Tipco Foods Public Company Limited

Age : 34 years

Education :

- Master of Science in Management, Assumption University
- Bachelor's Degree in Business Administration (1st Class Honor), Kasetsart 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 in Listed
Company : None

Holding a Position of Director in Other
Company : None

Related Experience :

- 2015-Present Vice President-Marketing, Tipco Foods Public Company Limited
- 2014-2015 First Vice President, Marketing SME & Wholesale Banking, TMB Bank Public Company Limited
- 2014 Group Product Manager, Pepsi-Cola (Thai) Trading Co., Ltd.
- 2010-2014 Brand Manager, Cerebos Thailand Co., Ltd.
- 2009-2010 Marketing Communication Manager, Thai Samsung Electronics Co., Ltd.
- 2006-2009 Account Manager, Leo Burnett Bangkok
- 2004-2006 International Business Manager, Double A (1991) Public Company Limited
- 2002-2004 Marketing Manager, Sanguan Wongse Industries Co., Ltd.

Auditor : Mr. Pornchai Kittipanya-ngam, CPA No. 2778 and/or
Mrs. Suwanee Kittipanya-ngam, CPA No. 2899
Bunchikij Co., Ltd. 87 Modern Town Bldg., 9 - 10 Fl.,
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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



POLICY AND BUSINESS OPERATION OVERVIEW

Established on 22 March 1976 with an initial registered capital of Baht 10 million, Tipco Foods Public Company Limited currently has a registered capital of Baht 500 million with Baht 482.6 million being paid-up. The Company and its subsidiaries are principally engaged in the business of 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 9001: 2000), TIPCO was accredited 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 for its food safety management system, making it Thailand's first canned 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.

5 July 2007 marks another milestone for TIPCO's achievements as the Company was Thailand's first food organization to win the "Single Food Audit Pack" approval which entails integrated assessment of various quality systems, namely ISO 9001, ISO 22000, HACCP, GMP and IFS. In 2008, the Company was certified by FAI (Food Audit International) for compliance with Food Safety and Food Security, with the excellent rating. In addition, TIPCO was approved by the Agricultural Research Department and the Organic Agriculture Certification Thailand for its organic aloe vera cultivation.

In 2011, the canned pineapple production factory was certified as meeting Thai Labour Standard (TLS8001-2010) (Initial Final Stage). In 2014, TIPCO was awarded "The Most Powerful Brand of Thailand 2014" in the product category of fruit juice by Chulalongkorn University. In 2015, the factory in Prachuab Kiri Khan Province also won the Welfare and Labor Protection Department's Award for Outstanding Operational Factory in the area of labor relations & welfare for the 5th successive year, along with the National Award for Workplace Safety, Sanitation and Environment. Additionally, the factory participated in the "TO BE NUMBER ONE" project, a campaign to prevent and solve drug abuse and won the runner-up place for its performance at the provincial-level competition, making it eligible for participation at the regional-level contest.

TIPCO joined the industrial sector's CSR development promotion project implemented by the Department of Industrial Works, Ministry of Industry, or "CSR-DIW" and won the CSR-DIW Continuous Award 2015. Moreover, the Company achieved a total rating of 81% or "Very Good" according to the corporate governance assessment conducted by the National Corporate Governance Committee.

This year, the Company also won the most popular brand award in the category of 100% pure fruit juice by the Marketeer Magazine, a leading marketing magazine, in collaboration with the Video Research International, a top marketing research firm. Besides, TIPCO had received a Prime Minister's Export Award 2015 for Best Thai Brand from the Institute of Design and Innovation for Trade, Department of International Trade Promotion, Ministry of Commerce, Thailand.

In addition, TIPCO implements an effective risk management system through methodically undertaking risk mitigation measures and overcoming obstacles in its business operations. Since 2009, TIPCO has focused on improving its internal management process, ranging from forecasting customer demand to product delivery (Demand & Supply Management). TIPCO's business objective is to offer quality products to the market, with a focus on selection of quality materials, efficient production control, and reasonable selling prices in order to maximize customer satisfaction.

TIPCO adjusted social and labor supervision standards to meet customer demands and standards in the European Union. Towards this end, the Company became a member of BSCI (Business Social Compliance Initiative) and SMETA (Sedex Members Ethical Trade Audit). 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 social, environmental and labor protection aspects.

With regard to production process development and improvement, TIPCO factories conducted machinery upgrade and production cost reduction through use of modern and efficient technologies. New machines were installed to accommodate corporate future business growth trends.

TIPCO's success was owing to the strong determination of its staff and management to delivering the best suite of products to customers as customer satisfaction is our pride. The Company continuously developed its quality products to the market, engaged a highly efficient team of professionals, and implemented an ongoing personnel development program. Moving forward, the Company's mission is to put customer needs as a priority and improve the well-being of consumers through offering new products and solutions to the market.

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 a subsidiary company, TIPCO F&B Co., Ltd., to expand its business to the ready-to-drink fruit juice market. The Company received warm response from domestic consumers. Subsequently, the Company focused on product research and development efforts, aimed at continuously staying ahead of consumer trends. Since 1997, the Company has adopted the policy of launching at least one new product every year. In 2007, TIPCO partnered with Suntory Japan and the two organizations formulated a joint objective to expand the products in which TIPCO has expertise and flagship products of Suntory to both the domestic and ASEAN markets by using the modern beverage factory in Wang Noi District, Ayutthaya Province, as a main beverage production base. The Company's key business strategy with a focus on product quality and new products created by a team of professionals together with on-going modern technology investments further strengthened TIPCO brand to be widely recognized and trusted by consumers.

2004: The Company entered a new market segment, i.e. blended fresh juice, under the brand 'Squeeze Juice Bar', starting with 10 branches. In 2007, Tipco Retail Co., Ltd. was set up to oversee business expansion of this product line. At present, TIPCO Squeeze Juice Bar has a total of 52 branches, 44 of which are owned by the Company and 8 are franchises. Strategically, the Company made changes to its beverage menu and branch model with a view to generating higher income and profits. The long term business plan was established with a focus on branch network expansion through branch up-scaling and menu change to fit the specific needs of each branch and channel.

2007: The Company invested in Tipco Biotech Co., Ltd. whose main assets included the land for plant cultivation, the Tissue Culture Lab for selecting and cultivating plant seedlings, and the Plant Extract factory.

2009: The Company launched a new pineapple strain, namely TIPCO Homsuwan, which has received a great response by consumers. Its outstanding features are fragrance, golden firm pulp, lower liquid content and shallow pineapple "eyes". The whole fruit ripens simultaneously and contains vitamin C 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 ranging from raw material procurement, de-hydration, grinding to production of extract substances. The Company also worked with customers in developing an extracting process through laboratory experiments and real production at the industrial level.

2013: Tipco continued its direction and paid high attention to leveraging the capacity of Tipco Biotech Co., Ltd. through production quality system improvement and a series of marketing activities. Equipped with the highly efficient and safe melting equipment, the Plant Extract factory enabled the company to provide a full range of services to customers and received the Good Manufacturing Practice (GMP) certificate from the National Food Institute (NFI).

2014: The Company completed additional installation of machinery for greater production capacity of Auro mineral water in April. This doubled the Company's production capacity, thereby enabling accelerated production to meet the high growth of market demand.

2015: The Company continued to develop and introduce product innovations to the market. Examples of such collaborative efforts between the Company and its customers included the development and introduction of product innovations to the market through use of the Company's strengths. With the production lines of pineapple and coconut products that were situated close to each other, the Company was able to develop pineapple in coconut milk in plastic cup, which was introduced to the market in America and received satisfactory feedback. Moreover, the Company developed and introduced canned coconut juice with chocolate flavor and chia seeds in coconut milk with assorted flavors such as banana, chocolate, cherry plus almond, and vanilla plus cinnamon for the markets in America and Canada. We expect to see the continuous growth of these new products into other markets in 2016.

INTERNATIONAL QUALITY ASSURANCE STANDARD CERTIFICATION

- 1994:** ISO 9002. The company became the world's first pineapple factory to be certified by Germany's RW TUV for compliance with this international standard.
- 1995:** HACCP standard was certified by SGS (Thailand).
- 2000:** ISO 9002 for pineapple juice and pineapple concentrate products was certified by SGF International E.V./IRMA of Germany.
- 2002:** HALAL standard 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 exported to the UK was approved by SGS (Thailand) and EFAIA (SAI GLOBAL).

- 2003:** ISO 9001: 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. In the same year, the Company's food safety system was approved by GMA-SAFE AUDIT (USA) under the supervision of Food Audit International (FAI).
- 2007/2008:** TIPCO Organic Aseptic Aloe Vera (from plant cultivation 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 from plant cultivation to factory production.
- 2009:** The Company was approved in accordance with Food Safety and Food Security Audit Program USA by FAI (Thailand), with the "Excellent" rating.
- 2010:** ISO 9001: 2008 was approved by SGS (Thailand).
- 2011:** Prachuab Kiri Khan Province Good Governance Award in the category of Environment; Thai Labour Standard (TLS8001-2010) (Initial Final Stage); and Outstanding Enterprise Award in the category of Labor Relations and Welfare
- 2012:** Prachuab Kiri Khan Province expanded the scope of certification of new products. For example, 'Coconut Water' passed GMP/HACCP/BRC/IFS standards while 'Fruit in Plastic Cup' met GMP/HACCP/IFS standards. 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 supervision of National Food Institute.

- 2014:** The Company obtained IFS certificate for its canned coconut milk aseptic and frozen pineapple single strength juice products. Additionally, the Company received Kosher's certificate for its coconut water with pomegranate juice and coconut water with mango flavor, and won Authorized Economic Operator (AEO: Authorized Economic Operator) certificate.
- 2015:** The Wang Noi Factory passed the standards on workplace drug abuse prevention and solution. The factory also won the best workplace award for its safety, occupational health, and workplace environment from Ayutthaya Province. Furthermore, the factory won the prestigious award for its workplace safety under the Safe Workplace project in honor of Her Royal Highness Princess Maha Chakri Sirindhorn.

NATURE OF BUSINESS OPERATIONS

1. AGRO BUSINESS

Tipco Foods Public Company Limited is the producer and distributor of the following products:

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. BIOTECH BUSINESS

Tipco Biotech Company Limited is a subsidiary company which is engaged in the plant extract and agricultural business as follows:



Plant Extract Business Unit

The company is the producer of plant extracts that serve as ingredients for manufacturing food, beverage, cosmetics, food supplement, and medicine. The company's plant extract factory which has the largest smelter in Thailand operates at the highest level of efficiency and safety. The company also provides fully integrated customer services ranging from raw material procurement, dehydration, grinding to production of extract substances. The Company also works with customers in developing an extracting process through laboratory experiments for real production at the industrial level.

Agricultural Business Unit

The company also operates the agricultural business, with a special focus on new plant strain research and development as well as seedling cultivation. The purpose of this business is to partly support the development of 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. Moreover, Homsuan pineapple is available at supermarkets and Tipco's Squeeze Juice Bars.

3. CONSUMER BUSINESS

Tipco F & B Company Limited is a joint venture between Tipco Foods Public Company Limited and Suntory Beverage & Foods Asia. The company is the producer and distributor of the following ready-to-drink beverage products:

1. Ready-to-drink fruit juice and vegetable juice products

- Tipco 100% fruit juice
- Tipco Veggie - 100% mixed vegetable and fruit juice
- Tipco Super Kid - 100% fruit juice/mixed vegetable and fruit juice for kids
- Tipco Super Fruit Essence - Combo of pomegranate juice concentrate and prune juice concentrate plus fig pulp
- Tipco Fruit Plus - 100% fruit juice/mixed vegetable and fruit juice plus aloe vera pulp
- Tipco Squeeze - 100% pasteurized fruit juice and mixed vegetable and fruit juice
- Tipco Cool Fit - 40% mixed vegetable and fruit juice
- Tipco Profiber - 100% mixed vegetable and fruit juice plus high fiber help available in 2 300 ml PET bottle and 1 liter carton.



2. Mineral water product

The Aura mineral water product is available in different bottle sizes, 300 ML, 500 ML and 1.5 L. Aura mineral water is drawn directly from a cold spring located at a high mountain area, 2,700 feet above sea level, in Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province. This cold spring, which is a very large reservoir, is located 297 feet deep under the ground, and is among a few sources of its kind in the world and the only source in Thailand. The natural mineral water is bottled without involving the chemical process.

3. Ready-to-drink tea

Suntory Tea +Plus, Oolong tea OTTP packed in 500 ML PET bottle, is the first and only Oolong tea product in Thailand with Oolong Tea Polymerized Polyphenols (OTTP) substance of more than 70 mg in all flavors. The Company's product highlight is the feature to block the absorbing of fats into the body by obstructing the lipase enzyme digestive system in small intestine.

4. RETAIL BUSINESS

Tipco Retail Company Limited is a subsidiary company established by the joint investment between Tipco Foods Public Company Limited and Tipco F&B Company Limited, operating the retail business under the logo 'Squeeze Juice Bar by Tipco'. The company's products cover the following:

1. Smoothies:

Fresh fruit puree smoothies without sugar or syrup with soft and smooth content can be divided into the following categories:

- Super Fruit
- Hi Fiber
- Mega Smoothie
- Anti-Aging



2. Wheatgrass:

Freshly extracted wheatgrass juice provides supplemental nutrition with many health benefits including promotion of detoxification and cancer prevention.

3. Mountain Beans:

Coffee drinks with special recipes are available at our Squeeze Juice Bar shop. We carefully select high quality coffee beans materials for our customers.

4. Healthy Meal:

The healthy meal menu for health-conscious customers is offered at the counter of our Squeeze Juice Bar shop. We have a variety of freshly prepared meals every day from salad, soup to sandwich.

5. Special Goods:

- Happy yogurt: Our yogurt is made from 100% cow milk, containing micro-organism that helps improve the body's excretion and immune systems.
- Happy Soya: Our soy milk drink is made from Non-GMO soy beans with less sugar, containing no milk powder. One Happy Soya bottle contains high nutrition.

In addition, our Squeeze Juice Bar shop is also a distribution point of products of the group companies such as Tipco fruit juice, Homsuwan pineapple, etc.



INCOME STRUCTURE

The structure of income generated by product sales or services to external parties in the past 3 years

(Unit: Baht Million)

Products/services	Operated by	% of share-holding	2013		2014		2015	
			Income	%	Income	%	Income	%
Canned pineapple/ pineapple concentrate	Tipco Foods Pcl.		1,631.28	29.19	1,440.30	26.15	1,475.28	27.64
Mixed fruit juice and others	Tipco Foods Pcl. Tipco Retail Co., Ltd. Tipco Bio Tech Co., Ltd.	75.49 100.00	553.11	9.90	639.58	11.61	701.93	13.15
Ready-to-drink beverage	Tipco F&B Co., Ltd.	50.00	3,403.81	60.91	3,427.92	62.24	3,160.70	59.21
Total			5,588.20	100.00	5,507.80	100.00	5,337.91	100.00

CHANGES DURING THE PAST YEAR

In 2015, the agro business still experienced the ongoing increases in the prices of pineapple, the Company's key raw material, due to the insufficient output to meet the market demand. The pineapple supply to the market decreased 7% from the previous year. As a result, in November 2015, the factory prices of the pineapple adjusted upwardly to a record high of Baht 13 per kg., compared to Baht 8-9 per kg. at the end of 2014. Consequently, the Company had to bear the increasing cost burden. The continued rise in the pineapple price could have a long-term impact as the market might look for the same product from production sources in other countries or opt for substitute products. Also, the continuous trends of the world economic recession could drag the world market's buying power. The problem of highly volatile prices of this raw material occurred only in Thailand.

Recognizing Thailand's continuously declining competitiveness, Tipco placed the highest priority on achieving a turnaround of the situation and ensuring future sustainability of Thailand's pineapple industry. Towards this end, the Company initiated a new format of 'Contract Farming' program in which three types of guarantee are available, i.e. minimum income per rai guarantee, minimum price guarantee, and purchase guarantee. This program is intended to lessen the burden from pineapple price fluctuations in the market. At present, about more than 800 farmers have participated in the program.

Our plant extract business exhibited high business potential as it posted the net profit for the second successive year since its inception. The Company dedicated its efforts in the continued improvement of new technologies and creation of new products related to plant extracts.

Our agricultural business encountered climatic issues and the severe drought crisis. This caused the production output of the Homsuwan pineapple to fall short of the set target. However, in 2015, the Company expanded its distribution channels by selling its products at various office buildings in Bangkok. The Homsuwan pineapple has been very well received by consumers due to its outstanding characteristics such as strong aroma, high vitamin C, and shallow eyes compared to other general pineapples. Apart from the distribution channel expansion efforts, in 2015, the Company launched a new package to facilitate convenience for consumers through the distribution of the Homsuwan pineapple pieces in the beautiful plastic cup package.

As regards our consumer business, in 2015, the fruit juice market growth experienced a slowdown as a result of the economic sluggishness. However, the 100% fruit juice continued to account for a significant proportion in the fruit juice market. The Company's market share in the fruit juice market was 52%, making it the leader in the fruit juice market. Its success was reflected by the winning of the Most Popular Brand Award in the category of 100% fruit juice according to the survey jointly conducted by the Marketeer Magazine, the No.1 marketing magazine in Thailand, and Video Research International, the leading marketing research company.

As people place higher priority on their health and wellness, the healthy food diet is gaining more popularity. At present, the trend of skin treatment that starts from inside to outside of the body increasingly catches attention. The preference for healthy drinks grows higher among Thai female consumers. In response to the said growing healthcare trend, '100% Double Tomato' made of 100% real tomato juice squeezed from two types of tomatoes 'Red Tomato' and 'Golden Tomato' was launched. It is the only product in the market that features the combination of the values of the two tomato strains. Most of the products in the market are made from only one strain which is Red Tomato. This product is the result of the creative concept and the efforts to develop new products with unique features. The Company also launched '100% Tomato & Camu Camu', featuring 100% tomato juice mixed with camu camu juice. 'Camu Camu' is a fruit with 60 times vitamin C higher than orange, which helps whiten and brighten the skin. Its high lycopene content promotes skin treatment, and its high collagen also enhances skin flexibility, reducing wrinkles. Such product therefore meets the needs of health- and beauty-conscious customers. Online marketing media were used to effectively reach the new generation target group and the expanded customer base in the mixed vegetable and fruit juice market.

As for the 100% fruit juice for kids under the Tipco Super Kid brand, as the Company captured the growing healthcare trend in the kids market and introduced the newly licensed recipe with special raw materials promoting the immune system for children, the products in this segment saw a satisfactory growth. The Company also launched new marketing campaigns and conducted a full range of marketing activities using licensed well-known cartoon characters like Mickey Mouse in order to reach a wider target group. This year, the Company additionally added a new flavor 'Strawberry', a commonly popular fruit among kids, to its product line as a new choice for customers.

As for the Aura mineral water, the Company celebrated the 20th Anniversary of the product release as the mineral water brand with the longest legacy in Thailand. Our Aura mineral water has gained confidence from Thai consumers and has been widely recognized as 'No.1 Mineral Water Brand' in Thailand. The key activities related to the product during the year can be summarized as follows:

1. Following the year 2014, the Company invested in new machines valued at Baht 200 million in order to expand its production capacity to reach 130 million bottles per year. This investment is to reflect the Company's commitment to meet the customer demand. According to the 2015 data, the Aura mineral water represented a 26% market share and saw a 46% sales growth rate, high than that of other brands.

2. A new commercial movie was launched to promote the outstanding characteristics of the product, such as the cold spring source which is located in the mountain area at the height of 2,700 feet. The movie also features the new, modernized bottle design, and the unveil of the new compact 330 ML bottle, focusing on the segment of health-concerned, female consumers and those who love natural healthcare products .

The retail business was affected by the ongoing economic sluggishness, the high household debt level, and the emergence of the new rivals in the market. As a result, in 2015, the Company adjusted its management strategy in preparation for the higher competition. The new strategy encompasses outlet expansion to reach more specific groups of customers, the design of the new campaign called "Smoothie of the month" featuring a new flavor offered each month, and the sales promotion campaign through membership card.

In 2016, the Company will continue to place importance on the development of the management strategy through outlet expansion to reach specific groups of customers and the issuance of new products to serve the needs of customers as well as the revitalization of the "King of Smoothie" concept.

INDUSTRY OUTLOOK AND COMPETITION

AGRO BUSINESS

The year 2015 was another time of crisis in the Thai pineapple industry history due to the high competition in the Thai pineapple products export market. The drought condition and the reduction in the pineapple plantation area in the previous year resulted in the significant decrease in the raw material supply, thereby causing the fierce competition in the procurement of raw materials. In 2015, the pineapple price reached a record high of Baht 15 per kg., higher than that in 2014. Even though the selling prices were adjusted upwardly in line with the rising price, the decrease in the volume of raw materials led to the decline in export value. With the high increases in the selling prices in 2015, it is expected that the global market demand would be affected, especially the demand for pineapple juice concentrate which might drop significantly. It is noted that the fruit juice producers around the world have adjusted their production recipe by diminishing the use of pineapple juice ingredient.

Nonetheless, the pineapple output in 2016 is projected to be higher than the previous year, and consequently, the prices of the raw materials are likely to decline, leading to a more favorable competition. With the Company' strong customer base and the customers' confidence in our product quality and standard, we believe that the Company will be able to maintain its customer base and market share going forward, and is ready to drive business growth of other products such as fruits in plastic packages and coconut-based products, particularly canned coconut juice and coconut milk.

BIOTECH BUSINESS

Plant Extract Business

As there is a growing trend towards healthcare and beauty, the domestic market of relevant products and services has seen an ongoing expansion for several years. This is the opportunity for Tipco Biotech Co., Ltd. to drive sales growth from plant-extract business as plant extracts serve as raw materials for the producers of food, beverage, food supplement, cosmetics, and pharmaceutical products in the country. At the same time, the company also focuses on collaborating with international alliances and trading partners that require plant extracts that can be found only in specific areas or have lower costs.

Agricultural Business

From the first day on which the Homsuwan pineapple was introduced to the market until now, or a total of 5 years (2011-2015), the product has continuously received a very warm welcome from the customers. The 2015 Homsuwan pineapple business outlook continued to go upward due to the high market demand for the Homsuwan pineapple with outstanding characteristics and unique taste. However, the output from the farm this year did not go as expected because during the first half of the year there were drought crisis and lack of rainfall, resulting in the decline in the volume and quality

of the output. Nonetheless, during the second half of the year, the said situation had improved and the output from the farm was as planned. Therefore, the sales volume in the second half of the year was better than that in the first six months.

CONSUMER BUSINESS

In 2015, Thailand's ready-to-drink fruit juice and vegetable juice market was worth a total of Baht 12,909 million. The market can be divided into the following 5 categories based on the characteristics of the Company's products:

- 100% fruit juice and vegetable juice market (Premium market) with the market value of 36%
- 40% fruit juice and vegetable juice market (Medium market) with the market value of 7%
- 25% fruit juice and vegetable juice market (Economy market) with the market value of 13%
- Less than 25% fruit juice and vegetable juice market (Super Economy market) with the market value of 27%
- Other fruit juice and vegetable juice market (Other market) such as longan juice and fresh toddy palm juice with the market value of 16%

The fruit juice and vegetable juice market can also be divided into two categories based on product life, i.e. products which can be kept at room temperature and last 6-12 months or 'UHT' and products which last approximately 30-45 days and must be kept in refrigerator or 'Pasteurized'. In 2015, the fruit juice and vegetable juice market grew at approximately 4%. Tipco F&B CO., Ltd. was able to maintain market share leadership in the 100% fruit juice segment by creating brand value based on highly selective quality raw materials and production processes that directly benefit consumer's health. New product development and launching were aimed at expanding market share. The Company has also taken steps to expand the customer base of fruit juice and vegetable juice products to various Asian countries, namely South Korea, Indonesia and the Philippines.

In 2015, the mineral water market value was approximately Baht 3,200 million with the growth rate of up to 25%. After the expansion of the production capacity to accommodate market growth, Aura mineral water saw a strong growth in terms of sales and market share. In 2016, the Company set out to conduct more marketing activities for Auro mineral water.

The read-to-drink tea market value in 2015 was around Baht 16,000 million with the growth rate of 0.4%. The Company planned to conduct a series of marketing activities for Suntory T Plus Oolong tea drinks in order to maintain the existing customer base comprising healthy tea lovers.

RETAIL BUSINESS

The retail business outlook continues to see a high competition between existing business operators striving to maintain their customer base and market share and new retail market players. The plan for the Squeeze Juice Bar business is to improve the management and marketing effectiveness in terms of shop model, location, and products and services in order to stay head of the current and future business trends. Also, Tipco will continuously promote awareness and recognition of the stores and products as well as develop new products with a view to better serving target groups, expanding regular customer base, and increasing customers' purchase frequency and value.

MANAGEMENT DISCUSSION AND ANALYSIS

ANNUAL OPERATING RESULTS

In 2015, the Company recorded income from sales and services totaling Baht 5,337.91 million, a decrease of Baht 169.89 million or 3.08% from last year. The profit before share of profit from investment in an associated company increased by Baht 248.67 million or 115.62% to Baht 33.59 million from the loss of Baht 215.09 recorded in the previous year. The net profit attributable to the equity holder of the parent increased by Baht 1,110.78 million or 1,429.70% to Baht 1,188.47 million. Hence, the basic earnings per share this year improved to Baht 2.46 per share from Baht 0.16 per share in the previous year.

Analysis of income

Analysis of income from sales and services

Income from sales and services by business

Income from sales and services by business (Baht Thousand)	2015		2014		2013		Growth Rate (%)	
	Income	%	Income	%	Income	%	2015/2014	2015/2014
Products from vegetables and fruits	1,905,505.28	35.7%	1,888,390.83	34.3%	2,080,061.55	37.2%	0.91%	(9.21)%
Beverages	3,684,521.10	69.0%	3,845,834.02	69.8%	3,787,655.68	67.8%	(4.19)%	1.54%
Others	149,660.13	2.8%	117,241.60	2.1%	146,576.75	2.6%	27.65%	(20.01)%
Eliminated items	401,777.02	(7.5)%	(343,671.04)	(6.2)%	426,094.53	(7.6)%	16.91%	(19.34)%
Total	5,337,909.49	100.0%	5,507,795.42	100.0%	5,588,199.45	100.0%	(3.08)%	(1.44)%

Income segregated by business

In 2015, the income from beverage business covering Tipco's fruit juice and vegetable juice, Aura mineral water, and T Plus Oolong tea constituted 69.0% of the total income portfolio (before eliminated items). The income from this segment decreased around 4.19% as compared to 2014 because of the decrease of the ready-to-drink fruit juice market. The income from products of vegetables, and fruits accounted for 35.7% of the total income (before eliminated items). The main products included canned pineapple, canned aloe vera, canned coconut juice, and Homsuwan pineapple. The income from this segment this year increased as compared to the previous year due to the upward adjustment of the selling prices following the rising costs of raw materials and the positive factor from the Baht depreciation.

Income from sales and services by geographical location

Income from sales and services by geographical location (Baht Thousand)	2015		2014		2013		Growth Rate (%)	
	Income	%	Income	%	Income	%	2015/ 2014	2014/ 2013
Overseas	2,201,607.13	41.24%	2,000,544.70	36.32%	2,167,391.34	38.79%	10.05%	(7.70)%
Domestic	3,538,079.38	66.28%	3,850,921.76	69.92%	3,846,902.64	68.84%	(8.12)%	0.10%
Eliminated	(401,777.02)	(7.53)%	(343,671.04)	(6.24)%	(426,094.53)	(7.62)%	16.91%	(19.34)%
Total	5,337,909.49	100.00%	5,507,795.42	100.00%	5,588,199.45	100.00%	(3.08)%	(1.44)%

Income segregated by geographical location

The Company's overseas sales income increased by 10.05% as a result of the increase in the sales from fruit processing business. However, the domestic economic slowdown resulted in the 8.12% decrease in domestic sales income.

Explanation of income situation by business

1. Fruit processing business

In 2015, Tipco experienced the situation of the ongoing rises in the prices of pineapple which is the key raw material of the Company. The pineapple supply was insufficient to meet the market demand. The Company's operating results fluctuated according to the situation of the output and prices of the raw materials. Recognizing the importance of the development of competitiveness and sustainability for the Thai pineapple industry, the Company improved and adopted the new format of contract farming to foster the collaboration between the Company and farmers in a more sustainable manner, with a focus on output increase, cultivation system enabling output to meet targets, harvesting timing, and quality control as per the standards prescribed by the Company. At present, more than 800 farmers are participating in aforesaid program. Furthermore, thanks to the adjustment of the business management strategy, the Company posted an increased income from sales and services of Baht 153.54 million, or a 7.3% increase.

2. Agricultural business

The Company is engaged in the business of plantation and sale of a special strain of pineapple developed by the Company itself under the logo name of "Homsuwan". In 2015, the Homsuwan pineapple received a very well response from the customers and was distributed through leading supermarkets. The income from this product in 2015 went up 16.81%. The Company planned to expand the plantation area for the Homsuwan pineapple to meet the higher market demand in the next 5 years.

3. Plant extract business

The Company is engaged in the business of plant extract production using the raw materials mainly from the fruit processing business and the agricultural business. The Company also conducts research and development of the extracts from local plants and herbs in collaboration with a number of educational institutions and research and development organizations in Thailand. The Company also has long-term overseas alliance in terms of marketing for the plant extract business and the business related to ingredients in foods, drinks and cosmetics. In 2015, this business saw an increase of over 147.60% in the profit.

4. Consumer business

The Company operates the business of production and distribution of Tipco fruit juice, Aura mineral water, and T Plus Oolong tea. Due to the ongoing economic slowdown in 2015, the Company saw an increase of 8% in income. Overall, the 100% fruit juice market this year saw an increase in its value of 9%. Tipco however still maintained leadership in its market share with the market share of 51%. The Company promoted understanding among consumers about the benefits of the fruit juice and how to properly consume fruit juice under the concept of 'Moment of consumption'. Besides, the Company remains steadfast in developing new products to meet the changing needs of the consumers. In 2015, the Company launched a number of new products to respond to the healthy vegetable drink trend. Such products included '100% Double Tomato' juice and '100% Tomato & Camu Camu' juice.

The products received a great response from the market. As for the mineral water business, the production capacity was expanded in 2014. Hence, the sales of the mineral water products in 2015 increased by 40%. The total market value of the mineral water business grew 26% while Aura mineral water ranked second in terms of its market share at 22%. (Source: Market research information by The Nielsen Company (Thailand) Limited)

5. Retail Business

The Company operates the retail business through the sale of smoothie drinks under the name of 'Squeeze'. Due to the impact from the economy during the past 3 years, the Company started adjusting its strategy to respond to the changing business environment especially the rising cost of rental. Therefore, the Company focused on the increase in income per outlet by launching new products and having a plan to increase the number of outlets. The strategy also takes into consideration the outlet location as well as the appropriate and adequate format and size in order to meet the needs of specific target groups and their purchasing power. From the continued development of the strategy and products, in 2015 the average sales per outlet per month increased by 6%.

Analysis of other income

(Baht Thousand)

Other income	2015	2014	2013
Marketing support income	63,737.55	182,704.42	194,868.32
Income from sale of scrap materials	5,858.95	5,707.05	7,388.74
Income from sale of investment	7,671.25	4,770.43	10,067.85
Gain on exchange rate	19,681.40	14,916.78	-
Reversal of loss on expired goods	30,972.12	-	45,807.88
Gain from sale of assets	70,819.84	-	-
Interest income	57.55	94.66	99.75
Others	53,700.82	42,345.72	47,379.40
Total	252,499.49	250,539.05	305,611.94

In 2015, the Company's other income went up by Baht 1.96 million or 0.78% to Baht 252.50 million, as compared to Baht 250.54 million in the previous year. The main reasons for such increase were as follows:

- Marketing support income is received from the brand owners for the production of advertisement and promotion of the particular products. In 2015, the Company recorded a decrease of Baht 118.97 million or 65.11% in the marketing support income.

- Reversal of loss on expired goods was the reversal of the allowance for obsolete products which was previously recorded in accordance with the accounting principles. Since the Company was able to sell such products in other markets, the allowance was then reversed as income. In 2015, the Company recorded income from reversal of loss from obsolete products of Baht 30.97 million.
- Gain from sale of assets in 2015 was due to the sale of some machines and unused land totaling Baht 70.82 million.
- Gain on exchange rate in 2015 was Baht 19.7 million. This was due to the high exchange rate fluctuations during the year as a result of each country's exercise of financial measures to solve the economic problems. The movement of the fund flow made it difficult to predict the exchange rate trends. As a result, the Company implemented risk management measures in a strict manner by closely monitoring the currency value and entered into the forward contracts for both import and export deals. This was aimed to hedge against the risks, especially for transactions in which purchase orders and sales orders were already confirmed. At times when currency movements favored the Company, the Company recorded gains from exchange rate.

Analysis of cost of sales and services and gross profit

(Baht Thousand)

	2015		2014		2013	
	Baht Thousand	% Sales	Baht Thousand	% Sales	Baht Thousand	% Sales
Income from sales and services	5,337,909	100.0%	5,507,795	100.0%	5,588,199	100.0%
Cost of sales and services	3,635,920	68.1%	3,735,894	67.8%	4,030,334	72.1%
Gross profit	1,701,989	31.88%	1,771,902	32.17%	1,557,866	27.9%

In 2015, the Company's cost of sales and services continuously decreased in line with the income from sales and services. As a result, the Company's gross profit dropped by 3.95% or Baht 69.91 million from Baht 1,771.90 million in 2014 to Baht 1,701.99 million in 2015. The gross profit margin slightly decreased to 31.88%, as compared to 32.17% year-on-year. The reason for the decrease in the gross profit was mainly due to the domestic sales of the Company's products while the pineapple export business, the mineral water business, the plant extract business, and the retail business continued to generate the higher gross profit for the Company.

Analysis of selling and administrative expenses

	2015		2014		2013	
	Baht Thousand	% Sales	Baht Thousand	% Sales	Baht Thousand	% Sales
Selling and administrative expenses	1,919,561	36.0%	2,008,253	36.5%	1,824,073	32.6%

In 2015, the selling and administrative expenses decreased by 4.42% from Baht 2,008.25 million in 2014 to Baht 1,919.56 million in 2015, or a decrease of Baht 88.69 million. The selling expenses reduced 4.01% from Baht 1,490.14 million to Baht 1,430.46 million, or a decrease of Baht 59.69 million, owing to the decrease in the advertising and sales promotion expenses. Also, the administrative expenses went down 5.60% or Baht 29.00 million from Baht 518.11 million to Baht 489.10 million as a result of the reserve for expired goods for more than Baht 40 million set aside by the Company in 2014.

Asset Impairment

In 2014, the Company and its subsidiaries recorded the loss from asset impairment totaling Baht 229.27 million, of which over Baht 191.50 million was the impairment of the machinery while Baht 37.77 million was set aside as a reserve for asset impairment. In 2015, the reserve for fixed assets impairment was Baht 1.34.

Analysis of net profit attributable to the equity holder of the parent

	2015		2014		2013	
	Baht Thousand	% Sales	Baht Thousand	% Sales	Baht Thousand	% Sales
Net profit attributable to the equity holder of the parent	1,188,478	21.3%	77,693	1.3%	114,415	1.9%

Net profit attributable to equity holder of the parent increased 1,429.72% from Baht 77.69 million to Baht 1,188.47 million, or an increase of Baht 1,110.78 million. This was mainly due to the share of profit from investment in an associated company totaling Baht 1,216.17 million. Excluding the share of profit from investment in the associated company, the net profit attributable to the parent improved significantly as well.

Cash Flow Analysis

Expenses (Baht Thousand)	2015	2014	2013
Cash flows from operating activities:			
Profit before income tax	1,190,741.55	(15,050.07)	152,568.26
Adjustment of profit before tax into net cash flow from operating activities	(1,010,292.57)	309,762.73	100,183.07
Adjusted net cash flow (increase) decrease	(120,829.28)	202,318.03	(100,572.38)
Net cash flow from (used in) operating activities	59,619.71	497,030.69	152,178.95
Net cash flow from investing activities	249,490.67	(224,735.76)	(145,926.37)
Net cash flow from financing activities	(274,424.47)	(267,539.12)	(16,130.96)
Exchange rate impact on cash & cash equivalent items	12.41	(12.56)	93.20
Cash and cash equivalent items Increase (Decrease)	34,698.32	4,743.24	(9,785.19)
Cash and cash equivalent items as of January 1,	41,657.23	36,913.99	46,699.18
Cash and cash equivalent items as of December 31,	76,355.55	41,657.23	36,913.99

In 2015, the Company recorded net cash flows from operating activities at Baht 59.6 million, a decrease from 2014, due to the increase in the trade receivables, formerly the distribution representatives, of a subsidiary company. At present, the contracts between the two parties were terminated, with the total outstanding debt of Baht 294 million. The audit process was being undertaken before the settlement. Net cash flows from investing activities in 2015 consisted of net cash flows from the sale of the assets totaling Baht 136 million which were not used according to the assets management plan as well as the dividend received of Baht 222 million from an associated company. Additional investments went to tools and equipment and information technology to improve operational efficiency. As regards cash flows from financing activities, loans from financial institutions decreased due to long-term loan repayments and there was no dividend payment.

Liquidity

Liquidity ratio	2015	2014	2013
Current ratio (time)	0.8	0.7	0.7
Interest coverage ratio (time)	21.2	0.8	2.7
Debt to equity ratio (time)	0.7	1.0	1.2

In 2015, the current ratio slightly increased to 0.8 time, as compared to 0.7 time in the earlier year. This was due to the higher current assets such as trade receivables and other receivables. Also, the current liabilities slightly decreased from the repayment of the overdraft facilities and short-term loans from financial institutions.

The interest coverage ratio significantly increased to 21.2 times from 0.8 times because the Company had the increase in profit before financial cost and tax of Baht 1,249.76 million, compared to Baht 68.37 in 2014.

The debt to equity ratio significantly decreased to 0.7 time from 1.0 time. This was mainly because of the increase in the unappropriated portion of the retained earnings to Baht 3,081.06 million from Baht 1,892.59 million in 2014. As a result, the shareholders' equity increased to Baht 3,980.78 million, as compared to Baht 2,754.98 million in the previous year. In addition, the total liabilities decreased to Baht 2,734.16 million, compared to Baht 2,766.49 million year-on-year.

Profitability

Ratios	2015	2014	2013
Return on equity (%)	33.3%	3.3%	4.9%
Gross profit margin (%)	31.9%	32.2%	27.9%
Net profit margin (%)	22.3%	1.4%	2.0%

Return on equity (ROE) in 2015 increased to 33.3% as the net profit attributable to equity holder of the parent increased to Baht 1,188.47 million.

In 2015, gross profit margin slightly decreased from last year due to the Thai economic slowdown.

Net profit margin significantly increased to 22.3%, as compared to 1.4% in 2014, as a result of the increase in the share of profit from investment in associated company.

Asset quality and financial ratios

Proportion of assets	2015	2014	2013
Trade receivables and other receivables	13.0%	8.8%	12.3%
Inventory	12.0%	17.0%	21.8%
Investments	36.7%	25.9%	20.7%
Land, buildings and equipment	34.0%	43.8%	42.6%
Others	4.2%	4.5%	2.6%

In 2015, the proportion of trade receivables and other receivables increased to 13.0%, as compared to 8.8% in 2014. The undue portion of debts increased by 30.12% from 2014. The portion of debts with the overdue period between 1-90 days increased by 845.83% while the portion of debts with the overdue period of over 90 days continuously declined.

The inventory proportion decreased from 17% in 2014 to 12.0% in 2015. This was due to the inventory shortage as the pineapple output was insufficient to match the market demand. Consequently, the raw material inventory decreased more than 29.64%. Furthermore, the number of day sales of inventory holding decreased continuously to 81 days.

Investments represented the investment in TIPCO Asphalt Public Company Limited which the Company has a policy to maintain the proportion of shareholding at 20-25%. This item was recorded as equity method in accordance with generally accepted accounting principles. The actual cost of acquisition was shown in the Notes to the Financial Statements.

The Company's land, buildings and equipment undergo regular annual maintenance and repair. In 2015, the Company disposed of some machines, resulting in the decrease in the proportion of its land, buildings and equipment from the previous year.

Operational efficiency

Ratio	2015	2014	2013
Return on assets	17.7%	1.4%	1.9%
Return on fixed assets	51.0%	3.2%	4.3%

The return on assets and the return on fixed assets increased as a result of the increased net profit margin.

RISK FACTORS

The Company established the company-wide risk management policy and set up the Risk Evaluation Committee in order to manage 6 aspects of business risks due to changes in internal and external factors as follows :

- | | |
|---------------------------|-------------------------|
| 1. Strategic risk (S) | 4. Political risk (P) |
| 2. Financial risk (F) | 5. Operational risk (O) |
| 3. Technological risk (T) | 6. Compliance risk (C) |

Degrees of risk severity based on possibility of risk occurrence and impacts were also determined, namely

- | | | | |
|---------|----------------|-----------------|---------|
| 1. High | 2. Significant | 3. Moderate and | 4. Low. |
|---------|----------------|-----------------|---------|

The Company adopted consistent risk management practice through use of measures to mitigate the severity of the risks on an ongoing basis. Hence, various risk factors in 2015 were managed and controlled to a certain level. There are some issues whose risk degree is high and must be further managed in 2016.

1. CORE BUSINESSES FAILING TO MEET PROFITABILITY TARGETS

Rationale/root cause

The Company suffered losses during the first half of the year due to the fluctuating costs of raw pineapple production in 2015 driven by higher pineapple prices and declining output coupled with the determination of selling prices of the Company's core products based on forward contracts at times when pineapple prices were not very high.

Responsive measure

The Company adjusted the raw material procurement method, adopted contract farming, controlled production costs, revised selling price structure, produced new products with higher value, and expanded products to new markets with favorable growth trends. The implementation of the said measures led to the improved performance during the second half of the year.

2. ADAPTATION TO BUSINESS ENVIRONMENT CHANGES

Rationale/Root cause

The Company underwent organizational restructuring and business expansion to support future growth. However, the economic uncertainties and business environment changes had an impact on personnel planning.

Responsive measure

The Company in collaboration with the Thailand Management Association (TMA) organized the “Strategic Business Management Program (SBMP), a 12-day course aimed to develop and enhance business management skills, for more than 30 executives at entry level. Also, job rotation policy was introduced for executives at entry and middle levels.

3. THE COMPANY’S KEY INFORMATION DAMAGE OR LEAKS

Rationale/Root cause

To promote IT security and business continuity

Responsive measure

A working team has been set up to assess information importance, threats, and damage or leaks that could occur and have impacts. The team’s responsibilities range from preparing a system to determine access rights and prevent unauthorized access to information, to organizing public relations activities to promote awareness of IT security rules, regulations and policies among employees.

4. RAW MATERIAL VOLUME AND PRICE FLUCTUATIONS

Rationale/Root cause

Reducing pineapple (the Company’s key raw material) plantation areas, unfavorable climatic conditions, environments, natural disasters, and farming patterns adopted by farmers affected the forecast of raw material volume and prices.

Responsive measure

The Company installed the software for monitoring plantation progress and controlling productivity of pineapple zones. The Company in collaboration with the Office of Agricultural Economics (OAE) used the satellite images received from the Geo-Informatics and Space Technology Development Agency (GISTDA) for interpreting domestic pineapple plantation zone data and adjusting the data tracking plan of the function responsible for raw material procurement to improve the prediction method to a certain level.

5. UNPREPAREDNESS OF SUCCESSORS FOR KEY POSITIONS

Rationale/Root cause

The Company focused on organizational restructuring and business expansion to accommodate future growth as well as personnel planning to support business continuity and optimal benefits towards the organization.

Responsive measure

The Company identified key positions and conducted succession planning for such positions through hiring an advisor to conduct assessment and develop a succession plan for key positions on a continuous basis for future replacements or work expansion.

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	2015	2014	2013	2012	2011
Net profit/share	0.3791	(0.2756)	(0.1578)	0.1380	0.3313
Dividend/share	0.25	0.00	0.00	0.00	0.12
Dividend/profit (%)	66%	0%	0%	0%	36.2%

CORPORATE
SOCIAL
RESPONSIBILITY



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 Food Group according to the policy: 'Tipco develops business along with the 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 meets 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 a budget for 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 regularly holds the meeting for planning and monitoring the activities and reports the environmental and social promotion performance to the management. The activity plan is divided into 3 categories.

1. SOCIAL

- Support scholarships to the schools in the community
- Support scholarships for children of farmers supplying raw materials
- Conduct community relations visits in conjunction with the surrounding community and government agencies such as a healthcare visit for the elderly in 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. Environmental

- Support marine conservation activities in collaboration with the Provincial Fisheries Office

3. Religious

- Promote good moral principles and social benefit by raising employees' awareness of the importance of volunteerism, good deeds, and ethical and honest behavior

In 2015, the Company won Ministry of Industry's CSR-DIW Continuous Award for the 6th consecutive year 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 channels for reporting complaints or fraud as follows:

- Allow the general public to lodge traces or complaints of wrongdoings against laws or ethics to the mailing address and phone number as appeared in the Company's website
- 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' (CSL) average score in 2015 was 4.41 out of the total score of 5, compared to 4.35 in the previous year. The Prachuab Khiri Khan factory scored 4.52, higher than the previous year's score of 4.51. The Wang Noi factory scored 4.37, higher than the previous year's score of 4.24. The Company also assigned various departments to follow up on relevant suggestions made by the community, and undertake necessary adjustments to improve existing operations.

To promote the awareness of the rights of related stakeholders, the Company brought this concept to define a framework for business operations. The Company established its new vision and core values as follows:

Vision : '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 to customers, 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 95.8%.

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 2015, the survey score was 3.99 out of the full score of 5.00, lower than 4.08 of the prior year.

The Company also conducted a survey of suppliers' satisfaction and obtained the average satisfaction score of 4.65 out of the full score of 5.00, up from 4.60 in the previous year. The Company brought suppliers' suggestions for operational improvement by assigning action owners and timeline for completion of relevant actions. Periodic reviews were conducted to ensure good corporate governance and equitable treatment of all stakeholders.

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

IN 2015, THE COMPANY CARRIED OUT VARIOUS SOCIAL AND ENVIRONMENTAL ACTIVITIES AS DESCRIBED BELOW.

Social

- Donated TIPCO fruit juice, Tea Plus products, and other products to the schools and government agencies in Wang Noi District, Ayutthaya Province
- Donated AURA mineral water to the Pong Yaeng Subdistrict Administrative Organization, Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province to support Children's Day activities
- Donated TIPCO fruit juice for public service points on the occasion of 2015 Songkran Festival
- Donated TIPCO fruit juice and AURA mineral water for the Super Sport 10 Miles International Run 2015
- Sponsored the activities on National Labour Day 2015 arranged by the Chiangmai Labour Protection and Welfare Office
- Donated TIPCO fruit juice to the Fund Raising Bureau, Thai Red Cross Society to support the Red Cross charity concert

Environmental

- Donated AURA mineral water in support of the community forest ordination project under the Thung Rao Royal Project Development Center, Ban Buak Chan, Moo 7, Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province, and forest ordination activities at the upstream of Nam Un Creek, Ban Pong Yaeng Nai, Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province

- Donated AURA mineral water in support of the Reforestation Campaign in Commemoration of His Majesty the King, Nong Hoi Royal Project Development Center, Mae Ram Subdistrict, Mae Rim District, Chiangmai Province, and the Reforestation Activity, Sa Mai Royal Project Development Center, Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province
- Donated AURA mineral water for the Mae Ka Canal Restoration Project, Mueang District, Chiangmai Province

Educational

- Supported Baa Bueng School, Prachuab Khiri Khan Province in the form of rice for school children
- Donated TIPCO fruit juice to support the National Olympic Mathematics Competition held by King Mongkut's University of Technology North Bangkok (KMUTNB)
- Granted scholarships for 2015 to TIPCO employees' children at various levels

Arts, Cultural, and Religious

- Supported the ceremony to offer robes to monks in collaboration with Baan Bung School through donating funds to purchase educational equipment
- Donated AURA mineral water and lent candles for monks at Pong Yaeng Pattana Monastery, Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province at the ceremony to mark the beginning of Buddhist Lent season

Tipco Food Group also provided support in other activities in the public and private sectors such as visiting local communities and sending employees to attend activities with various organizations including government agencies, schools, temples, etc.

DISCLOSURE OF PREVENTION AGAINST INVOLVEMENT OF CORRUPTION

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

1. The Company established its Anti-Corruption Policy and Anti-Corruption Guideline in writing as shown in the Company's website, which was duly approved by the Board of Directors.
2. The Board of Directors determined the Anti-Corruption Policy by disclosing its intention to join the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company ratified the declaration of its intent to counter corruption in all its forms.
3. The Board of Directors approved the anti-corruption measures in writing as shown in the Company's website to ensure uniform practices among all employees. Such measures are aimed to promote transparency and fairness in conducting business in accordance with the Good Corporate Governance Policy and the Anti-Corruption Policy.
4. In 2015, the Company established a working team comprising responsible parties from all departments in order to propose the application for membership accreditation by the CAC within 2016.

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 responsible parties shall be subject to punishments imposed by government authorities without attempts to avoid such punishments.
- (2) The Company provides whistleblowing channels for employees in case they find of any form of violation, fraud or corruption and has in place measures to protect reporters. The details of the policies and actions related to the prevention against involvement with corruption are disclosed in the Company's website under the topic of corporate governance.





REPORT OF THE CORPORATE GOVERNANCE SUBCOMMITTEE

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

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

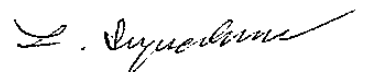
The Company constantly conducted the training program on good corporate governance and code of conduct in an effort to concretely communicate the Company's relevant policies to the management and employees at all levels; to encourage the employees to recognize the importance of good corporate governance 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 2015, the average score of all entities under the topic of anti-corruption was 4.24 (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 2015, the National Corporate Governance Committee assigned the Company the good governance score of 81 % or "Good" which was above the average score of 75% 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 2015 shareholders meeting was rated 98.50 points or "Excellent" by the Thai Investors Association.

In 2015 the company won the CSR-DIW Continuous Award for the sixth 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 five 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 GOVERNANCE

The Company adopted the Stock Exchange of Thailand's 2012 Principles of Good Corporate Governance for Listed Companies by integrating the updated version of the Principles of Good Corporate Governance into the original SET's 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 corporate governance.

In 2015, 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, verifiability 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 2015 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. Details of TIPCO's scores rated in 2014-2015 are as follows:

	2015	2014
Rights of Shareholders	99%	91%
Equitable Treatment of Shareholders	96%	96%
Rights of Stakeholders	65%	62%
Information Disclosure and Transparency	84%	84%
Board of Directors' Responsibility	78%	80%

1. CORPORATE GOVERNANCE POLICY

In 2015, 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 management 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, Environment, and Society. 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 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 2015, the Corporate Governance Subcommittee approved the adoption of the SET's 2012 Principles of 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 2015 Annual General Meeting of Shareholders, 10 directors, including the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee, attended the meeting; Miss Roumsin Supsakorn, director, and Mr. Chalit Limpanavech, independent director, were 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). The barcode registration system installed at the Annual General Meeting of Shareholders in 2015 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 verifiability. 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. 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 2015 Annual General Meeting of Shareholders was rated "Excellent" with 98.50 points out of 100, compared to the average score of 92.68 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 and to raise questions freely. 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 a conflicting interest. 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 nominate qualified candidates for directorship have been published on the Company's website. In 2015, 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, decision making, and verification.

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 earnings. Joint shareholding of the Company and its affiliate (Tipco Asphalt Pcl.) resulted from 23.96 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 a conflicting interest in these transactions. The Audit Committee has the authority and duty to oversee and 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 employees' 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, the environment, and community role and development. The Code of Business Ethics and the 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 by 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. Examples of the Company's CSR activities include assistance and support in the forms 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 Interests

With a view to preventing conflict of interests, the Company has adhered to the policy of adhering to the Code of Business Ethics and defined the 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 party 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 amendments to its Articles of Association in order to protect the interests of minor shareholders. The amendments duly approved by the 2003 Annual General Meeting of Shareholders are 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 party transaction, or a transaction related to the acquisition or divestiture of assets of the Company or its subsidiaries in accordance with the announcement by the Stock Exchange of Thailand governing related party 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 a potential conflict of interest, the Company's employees are required to sign a “Conflict of Interest Agreement”. The agreement specifies that 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 shareholdings 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 a conflict of interest in such transactions shall abstain from voting. If such related party 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 political involvement, 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 acknowledgement 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 verifiability 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 CSR policy and communicated it across the organization to ensure correct understanding and compliance on the part of employees.

The Board of Directors' Responsibilities

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, and alignment with current business environment and practices.

To ensure that employees at all levels correctly understand and comply with policies that relate to good corporate governance and code of conduct, such topics are included in the orientation program for new employees and relevant refresher courses to be conducted at least twice per 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 2015, the ratings of the 2 topics were 4.24 and 4.32 respectively, out of the total of 5.00. 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 Policy" to the 2015 Employee Opinion Survey (EOS). The score of this topic was 4.24 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 principles of good corporate governance. In addition, 4 committees have been established, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Subcommittee, and the Risk Management Committee. Members of the said committees have qualifications and duties that correspond to the requirements set by the Stock Exchange of Thailand. Roles, duties and responsibilities between the committees and the management team and between the committees 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, the Articles of Association, and resolutions of Shareholders Meetings, and protect the Company's interests in accordance with the principles of good corporate governance.
2. Determine the Company's policies and business directions as well as monitor and supervise 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/her 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 controls and audits, putting in place control systems for finance, operations, and compliance supervision as well as 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; and ensure sustainable competitiveness and appropriate returns for shareholders.
4. Allocate resources and recruit high potential personnel for maximum benefits to the Company.
5. Promote and develop a strong organizational culture to support the Company's vision and business growth.
6. Closely monitor the Company's operations, evaluate performance, and report activities undertaken by the management to the Board of Directors on a regular basis and in a timely manner.
7. Consider, screen and present to the Board of Directors for approval the following matters: policies and business directions of the Company, affairs which may 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 position 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 as per facts, complete, adequate and reliable.
2. Ensure that the Company and the management establish suitable and efficient internal control systems. 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 disclosed in 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 committee shall also consider the performance, qualifications and appropriateness of the directors who retire by rotation and those who are qualified for reelection. The committee shall then propose a list of candidates to the Board of Directors for consideration and endorsement before submission thereof 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 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 therewith 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 impacts on business operations, and review such risks at least once per 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 his profile in page 28)

List of directors possessing financial knowledge

Mr. Somchit Serththin, Mr. Ekaphol Pongstabhon, and Mr. Virat Phairatphiboon (Refer to their profile in pages 27-29)

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 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 appointing an appropriate candidate as Managing Director.

Qualifications of Independent Directors

1. Meet the required qualifications of directors.
2. Perform duties and express opinions by applying independent judgment, upholding integrity and giving top priority to the Company's benefits rather than the interests of major shareholders, individual shareholders or oneself.
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, and associated companies, in excess of 2% of the total number of shares with voting rights, or persons with possible conflict of interests (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 receives regular salary, or a person with the controlling authority in the Company, affiliated companies, associated companies, or a person with possible conflict of interests. 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 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 with management members and major shareholders of the Company, affiliated companies, associated companies, or persons with a possible conflict of interest, or those who are appointed as representatives to protect the interests of directors or major shareholders.
 - 3.5 Disclose to the Board of Directors any relationship which may compromise independence.

Qualifications of Directors

1. Possess an unblemished record.
2. Have a vision and demonstrate a broad business perspective.
3. Exhibit good interpersonal skills, a sense of justice, and an amenable personality.
4. Possess effective communications skills.
5. Demonstrate systematic business thinking and decision making.
6. Possess good knowledge and understanding 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 of 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. Effectively 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.
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 possession of prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535;

- (4) Removal by the resolution of the shareholders meeting as per 20; 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 with suitable qualifications and having no prohibited characteristics 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 may or may not be a shareholder of the Company.

Balance of Power of Non-executive Directors

The Board of Directors consists of 11 directors who are fully equipped with vast knowledge and experiences as follows:

1 executive director,	representing	9%	of all directors
10 non-executive directors,	representing	91%	of all directors
4 independent directors,	representing	36%	of all directors

More than one third of the directors shall be independent directors; non-executive directors shall comprise more than 50% of Board of Directors, assuming that the proportion of the directors representing the significant 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 laws, 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 entire 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 or Segregation of Duties

The Chairman of Board of Directors and 5 directors, totaling 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 duties of formulating governance policy and management of routine operations are clearly segregated (See detailed descriptions of the roles, authority and duties of the Managing Director, the Board of Directors and other committees under the Organizational Structure section). The Board of Directors has assigned the Nomination and Remuneration 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 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 and Suitability

The Company has adopted a clearly defined and transparent policy on directors' remuneration which is consistent with industry standards and guidelines approved by the Shareholders Meeting. Directors serving in the Audit Committee have received additional remuneration commensurate with the wider scope of responsibilities. The remuneration of the Managing Director and employees is based on individual performance and reviewed by the Nomination and Remuneration Committee. 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 Committee annually reviews the appropriateness of the directors' remuneration by benchmarking against peers in the same industry and of comparable size.

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:

1. The Board of Directors considers and appoints representatives of the Company to be directors of the subsidiary and associated companies according to investment proportion.
2. 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.
3. Activities among subsidiary and associated companies should be held to ensure that they are aware of aligned action plans.
4. The budgets for the entire food business group should be combined before submission to the Board of Directors of the Company for consideration.
5. Related party transactions must be proposed to the Board of Directors on a quarterly basis through the consideration of the Audit Committee.
6. Job transfers or promotions within Tipco Food Business Group are allowed whereas the work duration shall be counted on a continuous basis.

5. SUPERVISION OF USAGE OF INSIDER INFORMATION

The Company has developed the policy and regulations prohibiting the management from use of information for personal gain or for trading of shares during one month prior to the disclosure of the 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 each 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 to the corporate secretary for further submission to the SEC has replaced the practice of individual reporting. Directors and executives are also required to disclose the number of Company shares which they currently own at every quarter.

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 presents the information to the Board of Directors on an annual basis for endorsement of 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 Office of the Securities and Exchange Commission.

In 2015, the auditor's remuneration consisted of:

1. Audit fee

The Company and its subsidiaries paid the audit fee of Baht 2,630,000 in total. Details are as follows:

The Company's financial statements and consolidated financial statements: Baht 1,200,000.

Financial statements of 4 subsidiaries: Baht 1,430,000.

2. Non-audit fee

The Company and its subsidiaries paid the non-audit fee of Baht 310,900.

7. COMPLIANCE WITH THE GOOD CORPORATE GOVERNANCE PRINCIPLES - OTHER MATTERS

Risk Management:

The frequency of reviewing risk management issues was changed from 6 months to 3 months. 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. Time frame or frequency of the review depends on the nature of each transaction. Such practice has been implemented since 2014. Early warning signs have been defined more clearly and colour codes have been used to indicate the severity levels such as the red colour which signifies high severity level. Besides the identification of severity levels, risk probability and impact have been evaluated. To develop risk management awareness among employees at all levels, team meetings are held on a daily basis, department meetings and management meetings are held monthly, and the Risk Assessment Committee's meetings are held every 3 months. Furthermore, the Audit Committee assigns the Internal Control Audit Department to examine the practicality of risk management practices and to track the progress of issue rectification on a quarterly basis. Issues which require improvement are reported to the Board of Directors meeting by the Audit Committee.

Corporate Secretary:

A 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 the 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 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 the Board of 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 the Board of Directors according to the contact information of directors including their name, position, address, telephone number, and e-mail address, and is 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 other committees 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 other committees 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 the remuneration of the Managing director and high-level executives:

The Nomination and Remuneration Committee prepared the principle and policy regarding the remuneration for submission to the Board of Directors for consideration and for further submission to the Shareholders Meeting No. 1/2006 for approval. The Nomination and Remuneration Committee had considered and adjusted remunerations for every level of employees to ensure alignment with the Company's business operations and peers with similar business size.

Managing Director Succession Planning:

The Managing Director is required to regularly report the succession plans for the Managing Director and high-level executive positions as well as to implement and report the executive development project on an annual basis, starting from 2005 onwards.

In 2015, the Board of Directors Meeting conducted a self-assessment in compliance with the good corporate governance principles based on a questionnaire which covered 99 sub-items, as prepared by the Corporate Governance Center, Stock Exchange of Thailand, in May 2013. 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 either was not implemented or was not fully implemented:

The Chairman of the Board of Director being an independent director:

Compliance with this practice was not yet demonstrated because the major shareholders were not ready for the change and no independent directors intended to assume the position.

Clear office term of directors:

The limit of consecutive office term of directors was not yet determined due to concerns regarding the 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 other committee members:

The office term was not yet clearly set due to the same reasons for the 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 non-listed companies.

Meetings of the Board of Directors and Other Committees

List of board/committee members (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			6/6	0/1
Miss Roumsin Supsakorn			5/6	0/1
Mr. Sitilarb Supsakorn			5/6	1/1
Mr. Paisal Pongprayoon	4/4	1/1	6/6	1/1
Mrs. La-or Chaowanamayta	1/1		1/1	1/1
Mrs. Achara Pricha	3/3	1/1	6/6	1/1
Mr. Ekaphol Pongstabhon			6/6	1/1

The office term as independent director and audit committee member of Mrs. La-or Chaowanamayta completed in April 2015 and Mrs. Achara Pricha assumed the position of audit committee member in May 2015.

Board Evaluation

The Board of Directors of Tipco Foods 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 Stock Exchange of Thailand to ensure 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 strategies, and the approval of business plans and significant investments, etc. The goals which were not yet fulfilled included the assigning of an independent director as the Chairman of the Board of Directors, and composition of Board of Directors with more than 50% of directors being independent directors.

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 the duties appropriately,

enabling a highly productive meeting atmosphere, demonstrating fairness and objectivity, and allowing all directors to freely express their opinions without setting the time limit on each agenda. This made the directors feel that they contributed a value to the organization through their performance of duties.

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 Office of 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 and without management present. The meeting results were reported to the management for improvement and rectification. The Audit Committee also undertook the responsibility of auditing the financial statements and any conflict of interest.

The Nomination and Remuneration Committee 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 Committee and the Chairman of the Board of Directors. The evaluation was based on consideration of 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 effectively and completely fulfilled its duties, enabling the Company to be fully aware of all risks, and provided recommendations which were based on proper and sound principles.

The Board of Directors evaluated the performance of the Nomination and Remuneration Committee and opined that the Nomination and Remuneration Committee provided meaningful suggestions to the Company 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 dedicated time and efforts to the performance of the Board of Directors.

Investor Relations

The Board of Directors has attached importance to the accurate, transparent, and timely disclosure of financial reports and generation information. 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 02-273-6807 or the Company's website at www.tipco.net or e-mail at Ardisak@tipco.net. Investors can access the corporate information published under the Investor Relations section in the Company's website.

SHAREHOLDING STRUCTURE

SHAREHOLDING STRUCTURE (30/12/2015)

No.	Name	No. of Shares	%
1.	Mr. Sitilarb Supsakorn	58,500,000	12.122
2.	Ms. Roumsin Supsakorn	48,437,398	10.037
3.	Miss Laksana Supsakorn	37,861,267	7.845
4.	Mrs. Anurat Tiamtan	30,966,765	6.417
5.	Miss Piyaratana Supsakorn	30,379,328	6.295
6.	THAI NVDR Co.,LTD	20,834,706	4.317
7.	Mr. Viwat Kovitsopon	19,746,900	4.092
8.	Mrs. Rieam Supsakorn	18,039,299	3.738
9.	Ms. Natalie Supsakorn	11,832,520	2.452
10.	Mr. Somchit Sertthin	11,599,846	2.404

PERSONS WITH MUTUAL INTEREST AND RELATED TRANSACTIONS

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

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

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

Related company	Type and Nature of Business	Relationship with the related companies	Relationship with the company/shareholder name and equity stake of the related company's total share
Thanomwongse Service Co., Ltd.	Distributor of petroleum products, constructor of buildings, roads and surface maintenance	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan director Ms. Roumsin Supsakorn director Mr. Sitilarb Supsakorn director Mr. Surachet Supsakorn Director	15.23% held by Miss Laksana Supsakorn 15.23% held by Mrs. Anurat Tiamtan 15.23% held by Miss 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	23.96% 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	16.67% held by Ms. Laksana Supsakorn 16.67% held by Mrs. Anurat Tiamtan 16.67% held by Ms. Roumsin Supsakorn 16.67% held by Mr. Sitilarb Supsakorn

Related company	Type and Nature of Business	Relationship with the related companies	Relationship with the company/shareholder name and equity stake of the related company's total share
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. Roumsin Supsakorn director Mr. Sitilarb Subsakorn director	20.00% held by Miss Laksana Supsakorn 20.00% held by Mrs. Anurat Tiamtan 20.00% held by Miss Roumsin Supsakorn 20.00% held by Mr. Sitilarb Supsakorn
Tipco Tower Co., Ltd.	Rental office, Contractor and civil works of all types.	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan director Ms. Roumsin Supsakorn director Mr. Sitilarb Subsakorn director	20.00% held by Miss Laksana Supsakorn 20.00% held by Mrs. Anurat Tiamtan 20.00% held by Miss Roumsin Supsakorn 20.00% held by Mr. Sitilarb Supsakorn

ORGANIZATIONAL 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 Supsakorn	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.	Mr. Ekaphol Pongstabhon	Managing Director
12.	Mr. Phicharn Sluckpetch	Secretary

AUDIT COMMITTEE

1.	Mr. Virat Phairatphiboon	Chairman
2.	Mr. Paisal Pongprayoon	Member
3.	Mrs. Achara Pricha	Member
4.	Miss Kullakarn Cheenpun	Secretary

NOMINATION AND REMUNERATION COMMITTEE

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. Panu Satienpoch | Member |
| 5. | Mr. Chokchai Tocharoentanaphol | Member |
| 6. | Mrs. Pornanong Yoocha | Secretary |
| 7. | Miss Kanittha Seubchakdee | Assistant Secretary |

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

Remark

- Mrs. La-or Chaowanamayta's term of office as an independent director and a member of the Audit Committee ended in April 2015.
- Mrs. Achara Pricha was appointed to assume the position of member of the Audit Committee according to the resolution of the Board of Directors Meeting No. 1/2015 and commenced her duties as member of the Audit Committee from May 2015 onwards.

MANAGEMENT TEAM-TIPCO FOODS GROUP

1.	Mr. Ekaphol Pongstabhon	Managing Director
2.	Mr. Seichi Ueno	Chief Operations Officer - Consumer Business
3.	Mr. Prasong Aimmanoj	Chief Financial Officer - Fruit Processing Business and Extract and Agro Business; and Acting Managing Director, Tipco Biotech Co., Ltd.
4.	Ms. Nitima Aungaticharts	Chief Financial Officer - Consumer Business and Retail Business
5.	Mr. Peerapong Archawapongsawat	Managing Director - Tipco Retail Co., Ltd.
6.	Mr. Panu Satienpoch	Chief People and Information Technology Officer
7.	Mr. Chokchai Tocharoentanaphol	Chief Operations Officer - Fruit Processing Business
8.	Mr. Chatchai Sanguanwong	Chief Innovation and Product Development Officer

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 an 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 Committee, 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 laws, relevant regulations, and the good corporate governance principles
- 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 and report the progress to the Board of Directors
- Communicate and provide information concerning the Company's business to directors
- Arrange orientation sessions for new directors and provide support for continuous development of directors
- Coordinate matters with external consultants such as legal counsel

REMUNERATION OF DIRECTORS AND EXECUTIVES

The Company 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 Committee. To ensure the transparency and clarity, policies and principles related to the 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 2015, 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:

Name	Position	Remuneration (Baht)			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	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 Supsakorn	Director	360,000			360,000
Mr. Surachet Supsakorn	Director Member of the Nomination and Remuneration Committee	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	120,000	40,000		160,000
Mr. Chalit Limpanavech	Independent Director	360,000			360,000
Mr. Paisal Pongprayoon	Independent Director Chairman of the Nomination and Remuneration Committee Member of the Audit Committee	360,000	120,000	50,000	530,000
Mrs. Achara Pricha	Independent Director Member of the Audit Committee Member of the Nomination and Remuneration Committee	360,000	120,000	30,000	510,000
Mr. Ekaphol Pongstabhon	Managing Director	360,000			360,000

Remuneration of executives

In 2015, 12 executives received the remuneration, consisting of salary and bonus, of Baht 29,421,059.64 in total.

2. OTHER REMUNERATION

Other remuneration of executive directors and committee members

- Nil -

Other remuneration of executives

In 2015, the employer's contribution to the provident fund paid by the Company, at the ratio of 5% of salary, for 12 executives totaled Baht 1,368,097.15.

In addition, 3 executive directors and executives were provided with company cars and 9 executives were provided with vehicle allowances totaling Baht 2,031,400.

Personnel

In 2015, the Company had a total 1,414 employees and paid the total remuneration of Baht 322 million, which covered salary, overtime pay, cost of living allowance, bonus, and social security and provident fund contributions, among others. In addition, subsidiary companies paid similar forms of employee remuneration totaling Baht 293 million.

Recognizing the high priority of employees' health, the Company organized the annual health check-up program which accounted for Baht 748,662 of budgetary expenditures. During the past year, the Company also paid Baht 1,096,659 to cover medical expenses (under the Company's health insurance plan) and influenza vaccination for employees.

2015	Tipco Foods Pcl.	Tipco F&B Co., Ltd.	Tipco Retail Co., Ltd.	Tipco Biotech Co., Ltd.
Operating employees	1,369	597	242	135
Management employees	45	37	2	2
Total (person)	1,414	634	244	137
Headquarters employees	98	131	115	2
Employees outside headquarters	1,316	503	129	135
Total (person)	1,414	634	244	137
Employees' remuneration (Baht Million)	322	234	43	16

Number of Employees in Last 3 Years

Tipco Foods Public Company Limited had the total number of employees as follows:

As at 31 December 2012, the Company's total number of employees was 1,906.

As at 31 December 2013, the Company's total number of employees was 2,155.

As at 31 December 2014, the Company's total number of employees was 1,470.

Major Labour Dispute in Last 3 Years

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

Accident Statistics in 2015

- The number of employees taking leave as a result of the accident 2 persons (LTA./Frequency Rate=0.13)
- The number of leave days 15 days (DLT./Level of Severity = 0.97)

Human Resources Development

The Company places importance on personnel development to ensure that its employees possess knowledge, capabilities and potential in line with changing business strategies and goals, as well as to prepare them to be ready for future business opportunities.

In 2015, the Company arranged various training courses for employees at all levels to equip them with the power to perform duties in a more efficient manner.

As for high- and middle-level executives, trainings were provided to enhance their leadership effectiveness through various courses including 'Manager as Coach' and 'Leader as Coach'. The 'Business Strategic Management' course was also provided to improve business acumen and perspectives.

As for supervisors and employees, our offered courses were mainly related to development of problem solving and decision making skills, such as 'Mind Map', 'Systematic Thinking', 'Problem Solving & Decision Making', 'High Performance Employee', etc., as these skills could be applied to their actual operations.

Apart from the courses aimed at supporting employees to be ready to work in alignment with the Company's business plans, the Company also offered a variety of training courses in other fields totaling approximately Baht 5 million such as marketing, sales, customer services, accounting, finance, personnel administration, and English language for business, to maximize the performance of each individual employee and the Company as a whole. In addition, the Company defined 2015 as the 'Year of Personnel Development', with a focus on individual development plan, job rotation, career advancement management, and talent management.

INTERNAL CONTROL AND RISK MANAGEMENT

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 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 delegated authority, duties and independence to the Nomination and Remuneration committee so as 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 that management with quality, integrity, transparency and fairness to all parties will lead to the achievement of sustainable business growth.

1.2 INTERNAL CONTROL SYSTEM

At the Board of Directors Meeting No. 1/2015 held on 18 February 2015 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. Furthermore, 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 committee which is responsible for determining the risk management scope and policy. The committee 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. 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. Compliance with relevant laws and requirements has been monitored. Compliance with relevant laws and requirements has been monitored. 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 2015 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 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 (BOT), the Office of the Securities and Exchange Commission (SEC), the Office of Insurance Commission, the Office of Energy Regulatory Commission (OERC) 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 29)

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 2015 include these followings :

Type of transaction	Company / relationship	Related transaction value (million Baht)	Pricing policy
1. Others incomes	Tipco Asphalt PCL.	0.20	Market prices, equivalent to that quoted for outsiders
	Total	0.20	
2. Acquiring services and others	Thanomwongse Service Co., Ltd.	6.30	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	1.05	
	Siamcontainer Terminal Co., Ltd.	0.56	
	Ruamsapsin Co., Ltd.	0.09	
	Tipco Tower Co., Ltd.	8.99	
	Total	16.99	

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.	0.19	Market prices, equivalent to that quoted for outsiders
	Raycol Asphaltl Co., Ltd.	0.03	
	Thanomwongse Service Co., Ltd.	1.61	
	Tipco Asphalt PCL.	1.76	
	Rattanajit Co., Ltd.	0.50	
	Thai Bitumen Co., Ltd.	0.07	
	Thai Slurry Seal Co., Ltd.	0.03	
	Tipco Maritime Co., Ltd.	0.02	
	Tipco Tower Co., Ltd.	0.03	
	Total	4.24	

Type of transaction	Company / relationship	Related transaction value (million Baht)	Pricing policy
2. Acquiring services and others	Tipco Asphalt PCL.	0.37	Market prices, equivalent to that quoted for outsiders
	Thanomwongse Service Co., Ltd.	3.81	
	Siamcontainer Terminal Co., Ltd.	0.27	
	Ruamsapsin Co., Ltd.	7.53	
	Tipco Tower Co., Ltd.	3.80	
	Total	15.78	

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	0.41	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.10	
	Ruamsapsin Co., Ltd.	6.53	
	Tipco Tower Co., Ltd.	0.96	
	Total	8.00	

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 10.07 million Baht, 4.45 million Baht and 1.00 million Baht, respectively. The Audit Committee had taken serious consideration to prove that such rental was fair when compared with similar buildings and facilities services available in Bangkok. Approval was made by the Company's Board of Directors, in which related Directors had no voting rights.

THE 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.

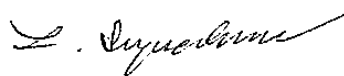
REPORT OF THE BOARD OF DIRECTORS RESPONSIBILITY TO FINANCIAL REPORTING

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.

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 2015.



(Ms.Laksana Supsakorn)
Chairman of the Board



(Mr.Ekaphol Pongstabhon)
Managing Director

REPORT OF THE AUDIT COMMITTEE

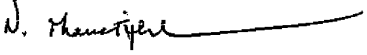
The Audit Committee of Tipco Foods Public Company Limited comprises 3 Independent Directors. Mr. Virat Phairatphiboon serves as Chairman of the Audit Committee, while Mr. Paisal Pongprayoon and Mrs. Achara Pricha serve as Members of the Audit Committee. The Audit Committee carried out its duties as assigned by the Board of Directors under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2015, the Audit Committee held 4 formal meetings with the external auditor and internal auditor. The Committee also held several consultations with the internal auditor, external auditor and management. The Audit Committee's key operations can be summarized as follows:

1. The Audit Committee together with Audit and Management Consultants Co., Ltd., the internal auditor of the Company, determined the annual internal audit plan in order to ensure the sufficiency of internal control systems. An emphasis was placed on managing business risks and the internal auditor was assigned the task of reviewing such risks on a quarterly basis.
2. The Committee together with the external auditor reviewed the quarterly and annual financial statements and related financial reports to ensure compliance with updated Thai financial reporting standards of the Federation of Accounting Professions and the Ministry of Commerce before further submission thereof to the Company's Board of Directors for consideration and approval.
3. The Committee reviewed all connected transactions between the Company and related individuals and juristic persons and opined that such transactions were carried out in the ordinary course of business, at competitive market prices, and on an arm's length basis.
4. The Committee opined that effective internal control systems were in place. No significant faults 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 duly endorsed the 2016 annual internal audit plan as well as promoted and supported internal audit activities to meet international standards.
5. The Committee monitored the Company's investment projects by periodically following up and reviewing progress through management reports.

6. The Committee reviewed the Company's compliance with the relevant regulations and laws in order to ensure integrity and transparency to shareholders and all related parties. Based on the review, it was found that the Company was in full compliance with such regulations and laws.
7. The Committee proposed to the Board of Directors the appointment of an auditor at an appropriate period and an audit fee for further seeking approval from the shareholders' meeting. In this regard, Bunchikij Accountants Co., Ltd. was appointed as the Company's auditor for 2015.

In summary, the Audit Committee reviewed the principal operations of the Company and held joint discussions with the management, internal auditor and external auditor and was satisfied that the Company's internal control systems were sufficient and consistently enhanced. The Company was found to comply with good corporate governance and risk management principles while the process of the Company's financial statements preparation was carried out under appropriate and adequate controls. The Company's financial statements were prepared in accordance with Thai financial reporting standards and reliable. In addition, the Committee considered and changed auditors according to appropriate timeframes as well as conducted regular reviews of the relevant laws, regulations and rules to ensure the Company's compliance therewith.



Mr. Virat Phairatphiboon
Chairman of the Audit Committee
17 February 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Tipco Foods Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Tipco Foods Public Company Limited and its subsidiaries, and of Tipco Foods Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2015, 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 of Tipco Foods Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

Other Matter

The financial statements of Tipco Foods Public Company Limited and its subsidiaries, and of Tipco Foods Public Company Limited for the year ended December 31, 2015, were audited by another auditor of the same office who expressed an unqualified opinion on those statements on February 20, 2015.



(Mr. Pornchai Kittipanya-ngam)

Certified Public Accountant

Registration No. 2778

Bunchikij Co., Ltd.

Bangkok

February 19, 2016

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	3.2 and 5	76,355,545	41,657,226	39,155,492	18,045,188
Current investments	6	3,800,857	3,737,499	-	-
Trade and other receivables	3.3 and 7	874,654,042	485,733,407	259,835,464	144,715,767
Short - term loans to related parties	8	-	-	-	33,500,000
Inventories	3.4 and 9	808,683,816	935,936,521	304,986,735	352,607,853
Accounts receivable to forward exchange contracts	34	68,769	-	-	-
Other current assets	10	20,811,138	13,178,195	7,268,309	3,771,052
Total current assets		1,784,374,167	1,480,242,848	611,246,000	552,639,860
NON-CURRENT ASSETS					
Investments in associated company	3.5 and 12	2,466,355,206	1,431,925,238	644,929,739	647,109,739
Investments in subsidiary companies	3.5 and 12	-	-	465,336,902	465,336,902
Restricted deposit at bank	13	1,016,000	1,016,000	-	-
Investment properties	14	7,269,561	18,284,061	7,269,561	18,284,061

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

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Property, plant and equipment	3.8 and 15	2,284,168,108	2,418,612,564	819,733,849	962,650,392
Intangible assets	3.9 and 16	46,411,924	39,319,719	35,654,906	33,057,906
Deposits and guarantees		12,068,990	11,938,598	3,140,570	2,328,970
Deferred tax assets, net	28	106,684,272	115,572,456	56,052,793	62,473,017
Other non-current assets		6,595,480	4,552,829	5,749,371	3,789,749
Total non-current assets		4,930,569,541	4,041,221,465	2,037,867,691	2,195,030,736
Total assets		6,714,943,708	5,521,464,313	2,649,113,691	2,747,670,596

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

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	17	1,320,288,281	1,467,108,976	620,058,736	990,000,000
Trade and other payables	18	720,540,421	494,381,633	222,357,918	124,679,665
Current portion of long-term liabilities	19	94,513,976	182,351,801	13,882,000	80,922,729
Accrued income tax		3,044,170	8,251,145	-	-
Forward exchange contracts	21	-	202,983	-	156,444
Other current liabilities		19,507,431	17,653,164	4,072,265	3,867,495
Total current liabilities		2,157,894,279	2,169,949,702	860,370,919	1,199,626,333
NON-CURRENT LIABILITIES					
Long-term liabilities	19	517,181,976	551,932,000	116,550,000	71,932,000
Interest rate swap contract		-	2,434,749	-	2,434,749
Provision for dismantling cost		2,406,000	2,391,500	-	-
Employee benefit obligations	20	56,682,386	39,778,761	37,125,090	23,358,762
Total non-current liabilities		576,270,362	596,537,010	153,675,090	97,725,511
Total liabilities		2,734,164,641	2,766,486,712	1,014,046,009	1,297,351,844
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital	22				

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

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
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		1,494,466	1,510,347	-	-
Change in the interest in subsidiary of the associated company which not resulted in loss of control of the associate		(73,900,864)	(74,686,161)	-	-
Capital reserve for share-based payment transactions of the associated company		18,078,255	9,305,759	-	-
Retained earnings					
Appropriated for legal reserve	22.1	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		3,081,058,341	1,892,590,342	1,102,488,042	919,521,008
Other components of equity		6,109,519	(31,213,680)	-	(1,781,896)
Total equity holders of the parent		3,565,419,357	2,330,086,247	1,635,067,682	1,450,318,752
Non-controlling interests		415,359,710	424,891,354	-	-
Total shareholders' equity		3,980,779,067	2,754,977,601	1,635,067,682	1,450,318,752
Total liabilities and shareholders' equity		6,714,943,708	5,521,464,313	2,649,113,691	2,747,670,596

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

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Revenues from the sales of goods and the rendering of services	24	5,337,909,489	5,507,795,418	2,266,843,958	2,113,300,476
Cost of the sales of goods and the rendering of services		3,635,920,120	3,735,893,879	2,108,563,881	2,009,078,836
Gross profit		1,701,989,369	1,771,901,539	158,280,077	104,221,640
Other incomes	25	252,499,486	250,539,053	365,881,102	97,526,535
Profit before expenses		1,954,488,855	2,022,440,592	524,161,179	201,748,175
Selling expenses		(1,430,457,736)	(1,490,144,806)	(87,298,079)	(75,080,824)
Administrative expenses		(489,103,384)	(518,108,243)	(211,600,063)	(215,077,656)
Loss on impairment of investment		(1,340,659)	(229,272,680)	(1,340,659)	(37,628,708)
Profit (loss) before Share of profit from investments in associated company		33,587,076	(215,085,137)	223,922,378	(126,039,013)
Share of profit from investments in associated company		1,216,173,249	283,450,215	-	-
Profit (loss) before finance costs and income tax		1,249,760,325	68,365,078	223,922,378	(126,039,013)
Finance costs	27	(59,018,771)	(83,415,143)	(34,980,595)	(50,891,328)
Profit (loss) before income tax expenses		1,190,741,554	(15,050,065)	188,941,783	(176,930,341)
Income tax expenses	28	(11,805,200)	68,777,738	(5,974,750)	43,917,619
Profit (loss) for the years		1,178,936,354	53,727,673	182,967,033	(133,012,722)
Other comprehensive income Items that will not be reclassified to profit or loss :					

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

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Change in fair value of interest rate swap contract		2,227,371	1,263,578	2,227,371	1,263,578
Actuarial gain (losses)		-	(9,808,276)	-	(3,812,523)
Share of comprehensive income (loss) in associated company		35,613,719	(15,051,679)	-	-
Income tax effect		(517,892)	1,271,551	(445,474)	509,789
		37,323,198	(22,324,826)	1,781,897	(2,039,156)
Items that will be reclassified to profit or loss :					
Losses on revaluation available for-sale investment		-	(517,790)	-	(517,790)
Income tax effect		-	103,558	-	103,558
		-	(414,232)	-	(414,232)
Other comprehensive income (loss) for the years		37,323,198	(22,739,058)	1,781,897	(2,453,388)
Total comprehensive income (loss) for the years		1,216,259,552	30,988,615	184,748,930	(135,466,110)
Profit (loss) attributable to :					
Equity holders of the parent		1,188,467,999	77,693,007	182,967,033	(133,012,722)
Non-controlling interests		(9,531,645)	(23,965,334)	-	-
		1,178,936,354	53,727,673	182,967,033	(133,012,722)
Total comprehensive income (loss) attributable to :					
Equity holders of the parent		1,225,791,197	56,922,964	184,748,930	(135,466,110)
Non-controlling interests		(9,531,645)	(25,934,349)	-	-
		1,216,259,552	30,988,615	184,748,930	(135,466,110)
Basic earnings (loss) per share					
Profit of shareholders' equity-parent company	(Baht)	2.463	0.161	0.379	(0.276)

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

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES
IN SHAREHOLDERS' EQUITY

(CONSOLIDATED FINANCIAL STATEMENTS)

FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

	Equity holders of the parent												Non-controlling Interest	Total Shareholders' Equity
	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			Other components of equity				Total equity holders of the parent		
					Appropriated Legal reserve	Unappropriated	Fair value of interest rate swap contract	Other comprehensive income			Total other components of equity			
								Available-for-sale investments	Share of comprehensive income in associate (Note 23)					
Balance as at December 31, 2013	482,579,640	1,517,573	3,139,507	5,656,439	50,000,000		1,821,062,834	(2,792,759)	414,232	(14,230,609)	(16,609,136)	2,347,346,857	460,629,703	2,807,976,560
Share-based payment transactions of the associated company	-	(7,226)	(77,825,668)	3,649,320	-		-	-	-	-	-	(74,183,574)	-	(74,183,574)
Dividend paid	-	-	-	-	-		-	-	-	-	-	-	(9,804,000)	(9,804,000)
Total comprehensive income for the year 2014	-	-	-	-	-		77,693,007	1,010,862	(414,232)	(15,201,174)	(14,604,544)	63,088,463	(25,934,349)	37,154,114
Actuarial gain (losses)	-	-	-	-	-		(6,165,499)	-	-	-	-	(6,165,499)	-	(6,165,499)
Balance as at December 31, 2014	482,579,640	1,510,347	(74,686,161)	9,305,759	50,000,000		1,892,590,342	(1,781,897)	-	(29,431,783)	(31,213,680)	2,330,086,247	424,891,354	2,754,977,601
Balance as at December 31, 2014	482,579,640	1,510,347	(74,686,161)	9,305,759	50,000,000		1,892,590,342	(1,781,897)	-	(29,431,783)	(31,213,680)	2,330,086,247	424,891,354	2,754,977,601
Share-based payment transactions of the associated company	-	(15,881)	785,297	8,772,496	-		-	-	-	-	-	9,541,912	-	9,541,912
Total comprehensive income for the year 2015	-	-	-	-	-		1,188,467,999	1,781,897	-	35,541,302	37,323,199	1,225,791,198	(9,531,644)	1,216,259,554
Balance as at December 31, 2015	482,579,640	1,494,466	(73,900,864)	18,078,255	50,000,000		3,081,058,341	-	-	6,109,519	6,109,519	3,565,419,357	415,359,710	3,980,779,067

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

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 (SEPARATE FINANCIAL STATEMENTS)
 FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

	Issued and paid-up share capital	Retained earnings		Other components of equity			Total Shareholders' Equity
		Appropriated Legal reserve	Unappropriated	Othe comprehensive income		Total other components of equity	
				Fair value of interest rate swap contract	Available-for-sale investments		
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	-	-	(133,012,722)	1,010,862	(414,232)	596,630	(132,416,092)
Actuarial gain (losses)	-	-	(3,050,018)	-	-	-	(3,050,018)
Balance as at December 31, 2014	482,579,640	50,000,000	919,521,009	(1,781,897)	-	(1,781,897)	1,450,318,752
Balance as at December 31, 2014	482,579,640	50,000,000	919,521,009	(1,781,897)	-	(1,781,897)	1,450,318,752
Total comprehensive income for the year 2015	-	-	182,967,033	1,781,897	-	1,781,897	184,748,930
Balance as at December 31, 2015	482,579,640	50,000,000	1,102,488,042	-	-	-	1,635,067,682

Notes to financial statements are an integral part of these statements

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Cash flows from operating activities :					
Profit (loss) before income tax		1,190,741,554	(15,050,065)	188,941,783	(176,930,341)
Adjustments to reconcile profit before income tax to net cash provided by operating activities					
Depreciation and amortization		232,371,658	250,991,741	123,636,023	135,366,046
Doubtful accounts		-	388,618	-	-
Loss on expired goods (reversal)		(30,971,607)	39,888,624	(33,066,226)	38,521,839
Loss on decline in value of inventories		559,766	(7,210,016)	559,766	(7,210,016)
Gain on exchange rate		(337,653)	(12,146,589)	(222,973)	(7,154,131)
Gain on sales of available-for- sale investments		-	(4,770,430)	-	(4,770,430)
Gain on sales associated company investment		(7,671,250)	-	(10,313,750)	-
(Gain) loss on sales of fixed assets and writting off		(68,676,786)	2,751,171	(48,486,678)	(513,475)
Loss on impairment of assets		1,340,659	229,272,680	1,340,659	37,628,708
Employee benefit expenses		20,312,699	8,184,787	17,021,121	5,284,913
Dividend income		-	-	(222,003,996)	(46,917,164)
Share of profit from investments in associated company		(1,216,173,249)	(283,450,214)	-	-
Interest income		(65,572)	(94,656)	(725,423)	(1,549,244)
Interest expenses		59,018,770	85,957,011	34,980,511	50,891,328
		180,448,989	294,712,662	51,660,817	22,648,033

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

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Change in operating assets and liabilities					
(Increase) decrease in assets					
Trade and other receivables		(391,948,891)	275,209,190	(122,065,254)	58,673,798
Inventories		156,547,557	370,865,356	79,760,710	386,474,172
Other current assets		2,712,145	2,108,944	772,522	73,629
Deposits and guarantees		(130,394)	(1,688,552)	(841,599)	-
Other non-current assets		488,040	919,752	269,250	269,250
Increase (decrease) in liabilities					
Trade and other payables		113,970,666	(338,296,823)	97,094,697	(68,815,714)
Other current liabilities		76,038,675	2,450,469	(1,045,487)	(656,601)
Employee benefit obligations		(3,409,073)	(17,242,507)	(3,254,793)	(17,242,507)
Cash generated from operations		134,717,714	589,038,491	102,350,863	381,424,060
Interest paid		(60,251,672)	(87,388,824)	(35,714,547)	(52,328,501)
Refund of prepaid company income tax		-	2,255,537	-	2,255,537
Income taxes paid		(14,846,332)	(6,874,515)	(1,474,410)	(2,086,826)
Net cash provided by operating activities		59,619,710	497,030,689	65,161,906	329,264,270
Cash flows from investing activities :					
Increase in current investments		(63,357)	(79,831)	-	-
Increase in short-term loans to related parties		-	-	33,500,000	17,500,000
Sales of Available-for-sale investments		12,493,750	4,972,921	12,493,750	4,972,922
Sales of fixed assets		87,290,943	3,469,744	63,569,917	2,064,917
Sales of Investment properties		48,734,370	-	48,734,370	-
Purchases of fixed assets		(114,867,381)	(270,092,020)	(27,897,060)	(168,166,056)

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

Unit : Baht

	Note	Consolidated Financial Statements		Separate Financial Statements	
		Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Payment for intangible assets		(6,167,227)	(214,400)	(4,051,043)	(170,900)
Dividend received		222,003,996	37,113,166	222,003,996	46,917,164
Interest received		65,572	94,656	725,423	1,549,244
Net cash provided by (used in) investing activities		249,490,666	(224,735,764)	349,079,353	(95,332,709)
Cash flows from financing activities :					
Increase (decrease) in bank overdrafts		(1,820,694)	(2,645,102)	58,736	(4,754,078)
Increase (decrease) in loans from financial institutions		(162,724,615)	(265,000,000)	(370,000,000)	55,000,000
Repayment for long - term machinery payable		-	(5,863,576)	-	-
Repayment for liabilities under finance lease		(4,609,931)	(4,687,980)	(3,702,729)	(3,621,798)
Proceeds from long - term loans		129,500,000	500,000,000	129,500,000	-
Repayment for long - term loans		(234,769,231)	(479,538,462)	(149,000,000)	(278,000,000)
Dividend paid		-	(9,804,000)	-	-
Net cash used in financing activities		(274,424,471)	(267,539,120)	(393,143,993)	(231,375,876)
Effect from exchange rate in cash and cash equivalents		12,414	(12,564)	13,038	(6,427)
Increase in cash and cash equivalents, net		34,698,319	4,743,241	21,110,304	2,549,258
Cash and cash equivalents as at January 1,		41,657,226	36,913,985	18,045,188	15,495,930
Cash and cash equivalents as at December 31,	3.2 and 5	76,355,545	41,657,226	39,155,492	18,045,188
Non-Cash items :					
Accounts payable for fixed assets		35,723,962	32,395,952	4,056,313	379,103
Accounts payable for intangible assets		12,430,511	2,148,800	3,745,728	57,200

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

TIPCO FOODS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

(CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS)

FOR THE YEAR ENDED DECEMBER 31, 2015

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 purpose and prepared in Thai language. This English translation of financial statements has been prepared for the convenience of the readers. All financial information presented in Thai Baht has been rounded in the notes to the financial statements unless otherwise stated.

2.3 Basis of preparation of the consolidated financial statements

The consolidated financial statements included the accounts of the company and the sub-sidiaries as follows:

Name	Paid — up share capital (Baht)		% of investments	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
SUBSIDIARIES				
Tipco Biotech Co., Ltd.	50,000,000	50,000,000	99.99	99.99
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	50.00	50.00

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 used by the Company.

2.4 New Financial Reporting Standards

The Federation of Accounting Professions has notifications of applying the revised and new financial reporting standards as follows:

2.4.1 The Financial Reporting Standards that became effective in the current accounting period The Company and its subsidiaries has adopted the Thai Financial Reporting Standards that are effective for annual periods beginning on or after January 1, 2015. The adoption of these Thai Financial Reporting Standards does not have any significant impact on the Company's and its subsidiaries financial statements.

2.4.2 The Financial Reporting Standards that will become effective in the future The Financial Reporting Standards which are effective for accounting periods beginning on or after January 1, 2016, as follow :

Conceptual Framework for Financial Reporting (revised 2015)

Financial Reporting Standards

TFRS 2 (revised 2015)	Share — based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contract
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement

Accounting Standards

TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flow
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Cost
TAS 24 (revised 2015)	Related Party Disclosure

TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture

Financial Reporting Standards Interpretations

TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Royalty Programs
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customer
TFRIC 20 (revised 2015)	Stripping Cost in the Production Phase of a Surface Mine
TFRIC 21	Levies

Accounting Standard Interpretations

TSIC 10 (revised 2015)	Government Assistance — No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases — Incentives
TSIC 25 (revised 2015)	Income Taxes — Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2015)	Disclosure — Service Concession Arrangements
TSIC 31 (revised 2015)	Revenue — Barter Transaction Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets — Web Site Costs
Accounting Treatment Guidance	Accounting Treatment Guidance for Measurement and Recognition for Bearer Plant

The Company and its subsidiaries would not yet adopt the above standards before the effective date. The management of the Company and its subsidiaries assess that there will have no material the impact 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 goods and work in process comprise raw materials, labor 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.

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.

3.6 Lease agreements

Financial leases

The leases of assets, which all the substantially 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 records 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 all the substantially 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 the 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 the straight-line method based on the estimated useful lives of 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 which contributes future economic benefits is capitalized 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 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 recognize the impairment loss in the profit or loss.

Recoverable amount of assets represents asset's net selling price or its value in use, whichever is higher 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 values less discount, goods return, and the estimates of good return of goods return (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 cannot be estimated reliably, revenue is recognized only to the extent of expenses that are recoverable.

Interest income is recognized the period.

Rental income is recognized on the period of agreement.

Dividend income is recognized when the right to receive 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 established a provident fund for the employees. The fund composed of contributions from employees which are deducted from the is monthly salaries and contributions made by the Company and its subsidiaries. The fund's assets are held in a separate trust fun 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 recognize 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 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, in accordance with the Revenue Code.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of records recognized by the tax rulings. Assets and liabilities for and the amounts at the end of the reporting period.

The measurement of deferred reflects the tax consequences that would 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 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 Retail Co., Ltd.	Holding and co-directors
TFB Distribution Co., Ltd.	Co-directors
Suntory Beverage & Food Asia Pte., Ltd. in Japan	Co-directors
Suntory Beverage & Food Asia Pte., Ltd. in Singapore	Co-directors
Tipco Asphalt PCL.	Holding and co-directors
Thanomwongse Service Co., Ltd.	Co-directors
Ruamsapsin Co., Ltd.	Co-directors
Tipco Tower Co., Ltd.	Co-directors
Raycol Asphalt Co., Ltd.	Indirect portion
Thai Slurry Seal Co., Ltd.	Holding by associates' directors
Ekachaicontainer Terminal Co., Ltd.	Co-directors
Thai Crushing Co., Ltd.	Co-directors
Rattanajit Co., Ltd.	Co-directors
Siamcontainer Transport Co., Ltd.	Holding by directors
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
Alpha Maritime Co., Ltd.	Co-directors

4.2 The company and its subsidiaries' 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. 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	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Balance at the end periods				
Trade receivables				
- Subsidiary company				
Tipco F&B Co., Ltd.	-	-	16,507,741	26,533,035
Tipco Retail Co., Ltd.	-	-	861,897	1,002,112
Tipco Biotech Co., Ltd.	-	-	102,820	31,319
- Related companies				
Tipco Asphalt PCL.	985,663	940,264	-	-
Thai Slurry Seal Co., Ltd.	27,507	39,033	-	-

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Thanomwongse Service Co., Ltd.	1,035,395	1,014,685	-	-
Rattanajit Co., Ltd.	21,240	99,760	-	-
Siamcontainer Transport Co., Ltd.	200,507	142,850	-	-
Raycol Asphalt Co., Ltd.	34,029	93,812	-	-
Tipco Maritime Co., Ltd.	-	45,516	-	-
Thai Bitumen Co., Ltd.	74,426	131,200	-	-
Tipco Tower Co., Ltd.	34,311	-	-	-
Other receivables				
Tipco F&B Co., Ltd.	-	-	(332,609)	3,054,486
Tipco Biotech Co., Ltd.	-	-	490,526	57,535
Tipco Retail Co., Ltd.	-	-	(87,498)	21,711
TFB Distribution Co., Ltd.	-	-	1,859	1,859
- Related parties				
Tipco Asphalt PCL.	42,081	41,730	-	11,235
Tasco Shipping Co., Ltd.	-	1,605	-	-
Alpha Maritime Co., Ltd.	-	16,853	-	-
Raycol Asphalt Co., Ltd.	-	1,605	-	-
Thai Bitumen Co., Ltd.	11,235	20,063	-	-
Bitumen Marine Co., Ltd.	1,605	1,605	-	-
Suntory Beverage & Food Limited in Japan	9,206	5,922,845	-	-
Suntory Beverage & Food Asia PTE LTD. In Singapore	36,479	18,763	-	-
Suntory Beverage & Food (Thailand)Ltd.	-	33,170	-	-
Loans receivable				
- Subsidiary companies				
Tipco Biotech Co., Ltd.				
Balance brought forward	-	-	33,500,000	51,000,000
Increase in loans receivable in the period	-	-	3,000,000	8,001,020
Repayment of loans receivable in the period	-	-	(36,500,000)	(25,501,020)
Balance carried forward	-	-	-	33,500,000
Tipco F&B Co., Ltd.	-	-	310,242	3,022,911
Tipco Biotech Co., Ltd.	-	-	2,213,867	109,824
Other payables				
- Related parties				
Tipco Asphalt PCL.	652,097	867,393	223,366	470,038

Unit : Baht

	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Thanomwongse Service Co., Ltd.	136,246	1,150,499	84,972	564,022
Tipco Tower Co., Ltd.	5,536,915	-	5,130,030	-
Ruamsapsin Co., Ltd.	1,348,952	477,283	54,881	-
Siamcontainer Transport Co., Ltd.	74,459	96,856	55,199	63,554
Suntory Beverage & Food Limited in Japan	-	376,754	-	-
Suntory Beverage & Food Asia PTE LTD. In Singapore	2,349,037	-	-	-
Revenues and expenses for the periods				
Sales				
- Subsidiary companies	-	3,653,759	336,652,223	272,092,628
Rental income				
- Subsidiary companies	-	-	2,775,570	1,646,533
Interest income				
- Subsidiary companies	-	-	724,597	1,547,738
Dividend income				
-Subsidiary companies	-	-	-	9,803,998
- Related companies	-	-	-	37,113,166
Other income				
- Subsidiary companies	-	-	13,022,884	67,400,935
- Related companies	-	182,815,175	199,595	110,757
Purchases				
- Subsidiary company	-	-	23,122,436	27,639,203
Rental and services expenses				
- Related companies	40,770,036	41,332,237	16,988,157	15,187,748
Marketing support expenses				
- Subsidiary companies	-	-	-	54,519,596
Key management personnel				
- Short-term employee benefits	49,120,507	39,903,785	37,773,057	26,840,875
- Post-employment benefits	1,057,906	1,105,213	905,515	962,918
Total key management personnel benefit expenses	50,178,413	41,008,998	38,678,572	27,803,793

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

5. CASH AND CASH EQUIVALENTS

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Cash on hand	1,619,410	1,548,791	590,590	511,529
Demand deposits	74,736,135	40,108,435	38,564,902	17,533,659
(As at December 31, 2015 and 2014 the interest rate are 0.01 %-0.10% p.a. and 0.01 %-0.10% p.a. respectively)				
Total	76,355,545	41,657,226	39,155,492	18,045,188

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, 2015 and 2014 are at 1.85% - 1.95% p.a. and 1.85% - 1.95% p.a. respectively).

7. TRADE AND OTHER RECEIVABLES

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Trade receivables				
- Domestic	574,009,703	291,084,016	18,957,971	11,396,584
- Foreign	235,217,965	108,746,427	219,978,966	94,801,928
- Related parties	2,413,078	2,507,120	17,472,458	27,566,466
	811,640,746	402,337,563	256,409,395	133,764,978
Less Allowance for doubtful accounts	(6,879,767)	(6,937,320)	(6,548,703)	(6,548,703)
Total trade receivables	804,760,979	395,400,243	249,860,692	127,216,275

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Other receivables				
- Other receivables - others	49,964,159	50,861,046	1,238,588	1,979,523
- Other receivables — related parties	100,606	6,058,239	72,278	3,146,826
- Prepaid expenses	14,860,944	23,115,897	8,468,045	7,071,058
- Advance to employees	138,277	126,756	61,270	62,706
- Accrued income	4,829,077	10,171,226	134,591	5,239,379
Total other receivables	69,893,063	90,333,164	9,974,772	17,499,492
Total	874,654,042	485,733,407	259,835,464	144,715,767

Aging schedule as at December 31, 2015

Unit : Baht

	Consolidated Financial Statements	Separate Financial Statements
Not yet due	467,539,935	223,777,640
Overdue 1-90 Days	337,190,158	26,083,053
Overdue 91-180 Days	31,036	-
Overdue 181-270 Days	29,850	-
Overdue 271-360 Days	-	-
Overdue 360 Days	6,849,767	6,548,702
Total	811,640,746	256,409,395

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	-
Overdue 181-270 Days	451,156	-
Overdue 271-360 Days	108,886	-
Overdue 360 Days	6,773,291	6,548,703
Total	402,337,563	133,764,978

8. SHORT - TERM LOANS TO RELATED PARTIES

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Tipco Biotech Co., Ltd.	-	-	-	33,500,000

(The interest rate at 3.65% p.a. and 3.25% p.a. as at December 31, 2015 and 2014, respectively.)

9. INVENTORIES

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Finished goods	408,554,419	439,342,306	242,573,773	224,671,549
Work in process	80,609,597	103,665,941	3,791,019	19,366,732
Raw materials	283,535,515	402,982,506	58,603,044	139,557,376
Spare parts and factory supplies	51,951,283	50,626,658	28,294,385	28,781,588
	824,650,814	996,617,411	333,262,221	412,377,245
Less Allowance for loss on decline in value of inventories	(1,322,370)	(762,604)	(1,322,370)	(762,604)
Allowance for expired goods	(32,587,081)	(63,558,689)	(28,437,722)	(61,503,948)
	790,741,363	932,296,118	303,502,129	350,110,693
Goods in transit	17,942,453	3,640,403	1,484,606	2,497,160
Total	808,683,816	935,936,521	304,986,735	352,607,853

10. OTHER CURRENT ASSETS

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Value added tax	12,499,439	7,961,826	5,224,814	694,492
Short — term deposits	379,300	1,375,370	30,000	-
Prepaid company income tax	5,572,665	-	-	-
Withholding tax	1,638,717	2,279,430	1,474,410	2,086,826
Tax coupon	466,052	-	352,869	-
Others	254,965	1,561,569	186,216	989,734
Total	20,811,138	13,178,195	7,268,309	3,771,052

11. AVAILABLE - FOR - SALE INVESTMENTS (CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT)

Unit : Baht

	Dec 31, 2015	Dec 31, 2014
Opening cost amount	-	720,282
Additions	-	-
Disposals	-	(720,282)
Closing cost amount	-	-
Changes in fair value	-	-
Closing net book amount	-	-

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.

12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in associated company in the Consolidated financial statements are accounted for by the equity method.

Unit : Thousand Baht

Name	Business	Relationship	Consolidated Financial Statements							
			Paid-up share capital		%		Investments (Equity method)		Dec 31, 2014	
			Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014		
The local subsidiary companies										
TIPCO F&B COMPANY LIMITED	Manufacturer of Fruit Juice	Shareholder	600,000	600,000	50.00	50.00	50.00	50.00	398,895	407,260
TIPCO RETAIL COMPANY LIMITED	Retail of Foods and Beverage	Shareholder	50,000	50,000	75.50	75.50	75.50	75.50	14,012	17,669
TIPCO BIOTECH COMPANY LIMITED	Pharmaceutical ingredients	Shareholder	36,800	36,800	99.99	99.99	99.99	99.99	165,988	141,094
Total									578,895	566,023
Less Eliminated intragroup transactions									(578,895)	(566,023)
									-	-
The local associated company										
TIPCO ASPHALT PUBLIC COMPANY LIMITED	Manufacturer of Asphalt	Shareholder	1,543,850	1,532,780	23.9584	24.2130	24.2130	24.2130	2,466,355	1,431,925

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.

Unit : Thousand Baht

Name	Business	Shareholder	Separate Financial Statements											
			Paid-up share capital		%		Investments (Cost method)		Dividend received					
			Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014				
The local subsidiary companies														
TIPCO F&B COMPANY LIMITED	Manufacturer of Fruit Juice	Shareholder	600,000	600,000	50.00	50.00	50.00	50.00	279,050	279,050	279,050	279,050	-	9,804
TIPCO RETAIL COMPANY LIMITED	Retail of Foods and Beverage	Shareholder	50,000	50,000	51.00	51.00	51.00	51.00	25,500	25,500	25,500	25,500	-	-
TIPCO BIOTECH COMPANY LIMITED	Pharmaceutical ingredients	Shareholder	36,800	36,800	99.99	99.99	99.99	99.99	160,787	160,787	160,787	160,787	-	-
									465,337	465,337	465,337	465,337	-	9,804
The local associated company														
TIPCO ASPHALT PUBLIC COMPANY LIMITED	Manufacturer of Asphalt	Shareholder	1,543,850	1,532,780	23.9584	24.2130	24.2130	24.2130	644,930	647,110	647,110	647,110	222,004	37,113
									1,110,267	1,112,447	1,112,447	1,112,447	222,004	46,917

The financial statements of associated company, named Tipco Asphalt PCL. as at December 31, 2015 and 2014 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	
	Dec 31, 2015	Dec 31, 2014
Investment in associated company	2,466,355,206	1,431,925,238
Percentage of total assets in consolidation	36.74	25.93
Equity in profit for the periods of associated company		
For the year ended December 31,	1,216,173,249	283,450,215
Percentage of total revenues in consolidation	17.87	4.62

The financial statements of associated company are as follows :

Unit : Thousand Baht

Consist of :	Consolidated Financial Statements	
	Dec 31, 2015	Dec 31, 2014
Total assets	16,869,302	15,145,118
Total liabilities	6,304,815	9,020,101
Total revenues	37,615,157	46,249,063
Profit for the period	5,196,273	1,157,109

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 37 to the financial statements.

14. INVESTMENT PROPERTY

Unit : Baht

Consist of :	Consolidated Financial Statements						Separate Financial Statements				
	31 Dec 2014	Increase (Decrease) in the period			31 Dec 2015		31 Dec 2014	Increase (Decrease) in the period			31 Dec 2015
		Purchases	Disposal	Transfer				Purchases	Disposal	Transfer	
Cost of assets											
Land cost	18,284,061	-	(11,014,500)	-	7,269,561	18,284,061	-	(11,014,500)	-	7,269,561	
Total	18,284,061	-	(11,014,500)	-	7,269,561	18,284,061	-	(11,014,500)	-	7,269,561	

Unit : Baht

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

15. PROPERTY, PLANT AND EQUIPMENT

Unit : Baht

Consist of :	Consolidated Financial Statements					Separate Financial Statements				
	Dec 31, 2014	Increase (Decrease) in the period			Dec 31, 2015	Dec 31, 2014	Increase (Decrease) in the period			Dec 31, 2015
		Purchases	Disposal	Transfer			Purchases	Disposal	Transfer	
Cost of assets										
Land-original cost	276,666,969	-	(2,010,250)	-	274,656,719	155,523,986	-	-	-	155,523,986
Land development	58,057,992	-	-	-	58,057,992	54,589,902	-	-	-	54,589,902
Building and complement	1,167,529,551	703,850	(367,730)	8,212,797	1,176,078,468	655,574,036	-	(367,731)	6,173,692	661,379,997
Machinery and equipment	2,954,980,231	2,186,390	(338,009,203)	66,391,763	2,685,549,181	1,513,649,770	-	(255,401,950)	692,590	1,258,940,410
Tools and equipment	312,745,079	10,521,961	(19,887,662)	19,741,879	323,121,257	132,556,747	3,662,765	(10,641,377)	9,932,959	135,511,094
Furniture and office equipment	85,627,929	2,822,706	(6,887,224)	2,582,990	84,146,401	49,676,309	451,185	(6,034,588)	1,224,543	45,317,449
Vehicles	45,781,679	105,500	(6,608,900)	-	39,278,279	30,250,386	-	(582,000)	-	29,668,386
Total	4,901,389,430	16,340,407	(373,770,969)	96,929,429	4,640,888,297	2,591,821,136	4,113,950	(273,027,646)	18,023,784	2,340,931,224
Accumulated depreciation										
Land development	33,193,027	3,994,139	-	-	37,187,166	32,397,178	3,756,600	-	-	36,153,778
Building and complement	539,086,175	54,651,159	(417,206)	-	593,320,128	395,397,427	30,249,106	(417,205)	-	425,229,328
Machinery and equipment	1,400,038,973	126,712,430	(270,619,756)	-	1,256,131,647	989,144,945	72,405,764	(208,385,351)	-	853,165,358
Tools and equipment	220,895,688	28,707,636	(13,427,605)	-	236,175,719	96,452,851	14,347,461	(9,507,263)	-	101,293,049
Furniture and office equipment	61,896,325	25,521,210	(21,163,412)	-	66,254,123	38,570,959	14,130,724	(16,163,663)	-	36,538,020
Vehicles	38,606,249	3,321,141	(6,494,349)	-	35,433,041	26,802,066	1,716,583	(585,997)	-	27,932,652
Total	2,293,716,437	242,907,715	(312,122,328)	-	2,224,501,824	1,578,765,426	136,606,238	(235,059,479)	-	1,480,312,185
Less Impairment of assets	2,607,672,993	-	22,049,429	(1,340,659)	2,416,386,473	1,013,055,710	-	1,845,435	(1,340,659)	860,619,039
	(264,564,769)	-			(243,855,999)	(52,716,804)	-			(52,212,028)
Assets in transit and in progress	2,343,108,224				2,172,530,474	960,338,906				808,407,011
Machinery in transit	75,504,340	134,015,112	(118,441)	(97,763,377)	111,637,634	2,311,486	27,839,422	-	(18,824,070)	11,326,838
	-	-	-	-	-	-	-	-	-	-
Total property, plant and equipment, net	2,418,612,564				2,284,168,108	962,650,392				819,733,849

As at December 31, 2015 The cost of plant and equipment, which were depreciated in fully amount in Consolidated Financial Statements is in the amount of Baht 880 million (2014 : Baht 895 million)

Financial Statements is in the amount of Baht 1,539 million (2014 : Baht 1,538 million) and in Separate Financial

Unit : Baht

Consist of :	Consolidated Financial Statements					Separate Financial Statements				
	Dec 31, 2013	Increase (Decrease) in the period			Dec 31, 2014	Dec 31, 2013	Increase (Decrease) in the period			Dec 31, 2014
		Purchases	Disposal	Transfer			Purchases	Disposal	Transfer	
Cost of assets										
Land-original cost	275,716,969	-	-	950,000	276,666,969	154,573,986	-	-	950,000	155,523,986
Land development	58,057,992	-	-	-	58,057,992	54,589,902	-	-	-	54,589,902
Building and complement	1,140,379,069	285,000	(30,785,300)	57,650,782	1,167,529,551	617,928,803	205,500	-	37,439,733	655,574,036
Machinery and equipment	2,716,935,267	2,811,125	(17,361,802)	252,595,641	2,954,980,231	1,334,663,720	270,000	(8,267,358)	186,983,408	1,513,649,770
Tools and equipment	305,126,290	9,362,708	(18,464,065)	16,720,146	312,745,079	129,954,221	2,063,659	(4,572,855)	5,111,722	132,556,747
Furniture and office equipment	89,554,118	2,979,919	(11,394,999)	4,488,891	85,627,929	52,760,077	757,584	(4,874,668)	1,033,316	49,676,309
Vehicles	49,643,256	-	(4,124,194)	262,617	45,781,679	33,181,235	-	(2,930,849)	-	30,250,386
Total	4,635,412,961	15,438,752	(82,130,360)	332,668,077	4,901,389,430	2,377,651,944	3,296,743	(20,645,730)	231,518,179	2,591,821,136
Accumulated depreciation										
Land development	29,198,887	3,994,140	-	-	33,193,027	28,640,579	3,756,599	-	-	32,397,178
Building and complement	514,726,936	54,135,350	(29,776,111)	-	539,086,175	365,002,211	30,395,216	-	-	395,397,427
Machinery and equipment	1,279,103,259	136,823,139	(15,887,425)	-	1,400,038,973	919,681,337	77,620,314	(8,156,706)	-	989,144,945
Tools and equipment	198,936,055	37,411,575	(15,451,942)	-	220,895,688	86,092,534	13,855,974	(3,495,657)	-	96,452,851
Furniture and office equipment	63,740,497	9,005,612	(10,849,784)	-	61,896,325	38,689,561	4,452,936	(4,571,538)	-	38,570,959
Vehicles	39,148,240	3,524,344	(4,066,335)	-	38,606,249	27,836,133	1,836,496	(2,870,563)	-	26,802,066
Total	2,124,853,874	244,894,160	(76,031,597)	-	2,293,716,437	1,465,942,355	131,917,535	(19,094,464)	-	1,578,765,426
Less Impairment of assets	2,510,559,087				2,607,672,993	911,709,589				1,013,055,710
	(35,292,089)	(229,272,680)	-	-	(264,564,769)	(15,088,095)	(37,628,709)	-	-	(52,716,804)
Assets in transit and in progress	2,475,266,998				2,343,108,224	896,621,494				960,338,906
	119,171,004	157,531,478	-	(201,198,142)	75,504,340	51,361,518	45,635,669	-	(94,685,701)	2,311,486
Machinery in transit	29,059,228	126,852,927	-	(155,912,155)	-	27,022,738	117,061,643	-	(144,084,381)	-
Total property, plant and equipment, net	2,623,497,230				2,418,612,564	975,005,750				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 895 million (2013 : Baht 917 million)

Financial Statements is in the amount of Baht 1,538 million (2013 : Baht 1,551 million) and in Separate Financial

16. INTANGIBLE ASSETS

Unit : Baht

Consist of :	Consolidated Financial Statements				
	Dec 31, 2014	Purchase	Decrease	Transfer	Dec 31, 2015
Cost price-intangible assets					
Computer software	26,528,416	14,546,695	(505,000)	(1,500,000)	39,070,111
Trademarks	26,051,203	-	-	-	26,051,203
Total	52,579,619	14,546,695	(505,000)	(1,500,000)	65,121,314
Accumulated amortization- intangible assets					
Computer software	13,259,900	5,954,489	(504,999)	-	18,709,390
Total	13,259,900	5,954,489	(504,999)	-	18,709,390
Total intangible assets	39,319,719				46,411,924

Unit : Baht

Consist of :	Separate Financial Statements				
	Dec 31, 2014	Purchase	Decrease	Transfer	Dec 31, 2015
Cost price-intangible assets					
Computer software	16,003,476	7,796,771	(505,000)	(1,500,000)	21,795,247
Trademarks	26,463,244	-	-	-	26,463,244
Total	42,466,720	7,796,771	(505,000)	(1,500,000)	48,258,491
Accumulated amortization- intangible assets					
Computer software	9,408,814	3,699,770	(504,999)	-	12,603,585
Total	9,408,814	3,699,770	(504,999)	-	12,603,585
Total intangible assets	33,057,906				35,654,906

17. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

As at December 31, 2015

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Amount	Interest rate at	Amount	Interest rate at
Bank overdrafts	288,281	MOR	58,736	MOR
Loans from financial institutions :				
- Promissory notes	1,320,000,000	MMR	620,000,000	MMR
Total	1,320,288,281		620,058,736	

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	-	MOR
Loans from financial institutions :				
- Promissory notes	1,465,000,000	MMR	990,000,000	MMR
Total	1,467,108,976		990,000,000	

18. TRADE AND OTHER PAYABLES

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Trade payables				
- Others	295,453,028	274,797,507	139,037,900	78,218,298
- Related parties	-	-	2,524,109	3,132,735
Total trade payables	295,453,028	274,797,507	141,562,099	81,351,033
Other payables				
- Other payables - others	86,064,449	371,928	5,241,309	7,414
- Other payables — related parties	10,097,706	2,968,785	5,548,448	1,097,614
- Accrued expenses	305,133,942	171,926,376	51,667,772	23,640,956
- Advance incomes	19,336,524	17,165,622	16,389,519	15,668,331
- Deposit received for goods	4,454,772	27,151,415	1,948,771	2,914,317
Total other payables	425,087,393	219,584,126	80,795,819	43,328,632
Total	720,540,421	494,381,633	222,357,918	124,679,665

19. LONG-TERM LIABILITIES

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Facility agreements (Note 19.1)	609,500,000	730,153,846	129,500,000	149,000,000
Lease contract liabilities (Note 19.2)	2,195,952	4,129,955	932,000	3,854,729
	611,695,952	734,283,801	130,432,000	152,854,729
Less Current portion of long-term loans	(92,950,000)	(179,153,846)	(12,950,000)	(78,000,000)
Current portion of lease contract liabilities	(1,563,976)	(3,197,955)	(932,000)	(2,922,729)
Net	517,181,976	551,932,000	116,550,000	71,932,000

19.1 Loan agreements

19.1.1 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.

On June 29, 2015, the Company has entered into a long-term borrowing agreement with a financial institution for a three-year and six-month loan facility in the amount of Baht 629.5 million, the interest rate referenced to THBFIX, in subject to refinancing its long-term loan of Baht 129.5 million and repayment short-term loans of Baht 500 million. The first repayment due after 9 month grace period end since the signing agreement date and the term of repayment will be quarterly, totally 20 installments. The 1st – 4th installment will be paid for principal at 2.5% of credit facility, each, the 5th – 8th installment will be paid for principal at rate of 3.75% of credit facility, each, the 9th – 19th installment will be paid for principal at rate 6.25% of credit facility, each, and the last installment for the remaining principal. The first repayment will be in March 2016 and the last installment will be in December 2020. Such loan is pledged by a land mortgage agreement, dated September 25, 2015 and buildings and some machines. The Company should maintain the significant financial ratios i.e. debt to equity ratio and fixed charge coverage ratio, etc.

19.1.2 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.

19.1.3 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 Lease contract liabilities

The Company and the subsidiary entered into the lease contracts with 2 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	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Defined benefit obligations as at the beginning of the period	39,778,761	39,028,025	23,358,762	31,503,833
Current service costs	6,459,833	6,109,316	3,868,814	3,790,790
Interest costs	2,340,046	2,075,471	1,639,487	1,494,123
Past service credit	11,512,820	-	11,512,820	-
Benefits paid by the plan	(3,409,074)	(17,242,327)	(3,254,793)	(17,242,507)
Actuarial (gains) losses	-	9,808,276	-	3,812,523
Defined benefit obligations as at the ending of the period	56,682,386	39,778,761	37,125,090	23,358,762

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Expenses recognized in profit or loss				
Current service cost	6,459,833	6,109,316	3,868,814	3,790,790
Interest cost	2,340,046	2,075,471	1,639,487	1,494,123
Total	8,799,879	8,184,787	5,508,301	5,284,913

Principal actuarial assumptions at the reporting date

Consist of :	% per annual	
	Consolidated and Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014
Discount rate (% per annual)	4.30	4.30
Future salary increase rate (% per annual)	3.00 — 5.00	3.00 — 5.00
Staff turnover rate (depending on age of employee)	0.00 — 50.00	0.00 — 17.00

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2008 (“TMO08”).

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	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
	The exchange forward contract — Sold (USD)	2,519,782	2,421,059	2,519,782
The exchange forward contract — Bought (USD)	819,638	430,371	-	-

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 payment

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 Financial Statements	
	Dec 31, 2015	Dec 31, 2014
Currency translation differences	6,109,519	(29,142,110)
Surplus on change in fair value of interest rate swap contract	-	(289,673)
Total	6,109,519	(29,431,783)

24. REVENUES FROM THE SALE OF GOODS AND THE RENDERING OF SERVICES

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Revenues from the sale of goods	5,337,909,489	5,507,795,418	2,263,286,974	2,110,128,520
Revenues from the rendering of services	-	-	3,556,984	3,171,956
Total	5,337,909,489	5,507,795,418	2,266,843,958	2,113,300,476

25. OTHER INCOMES

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Dividend income	-	-	222,003,996	46,917,164
Management fees income	-	-	12,678,872	12,333,095
Marketing support income	63,737,550	182,704,416	-	-
Sale of scraps income	5,858,951	5,707,051	2,309,039	2,725,930
Gain on sale of investments	7,671,250	4,770,430	10,313,750	4,770,430
Gain on exchange rate	19,681,403	14,916,775	12,856,951	9,678,320
Reversal of loss on expired goods	30,972,118	-	33,066,738	-
Gain on sales of fixed assets	70,819,842	-	48,386,545	-
Interest income	57,553	94,656	725,665	1,549,244
Others	53,700,819	42,345,723	23,539,546	19,552,352
Total	252,499,486	250,539,053	365,881,102	97,526,535

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 :

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Employee expenses	611,999,943	599,991,351	330,268,845	305,112,031
Depreciation	230,249,062	244,681,216	119,925,864	131,917,535
Amortization	5,388,625	5,176,011	3,699,770	3,439,291
Finance costs	59,018,771	83,415,143	34,980,595	50,891,328
Cost of production and service (Excluded cost of employees and depreciation)	2,687,625,886	2,641,676,364	1,799,674,132	1,356,113,899

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.

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated November 10, 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after January 1, 2015.

On January 22, 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after January 1, 2016.

The Company and subsidiary companies has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at December 31, 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

income tax expenses for the year ended December 31, 2015 and 2014 are as follow :

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Current income tax :	3,362,490	11,706,578	-	-
Current income tax expenses				
Deferred tax :				
Temporary difference and reversal of temporary differences	8,442,709	(80,484,316)	5,974,750	(43,917,619)
Income tax expense reported in the statement of comprehensive income	11,805,200	(68,777,738)	5,974,750	(43,917,619)

Reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2015 and 2014 are as follow :

Unit : Baht

	Consolidated Financial Statements			
	2015		2014	
	Rate (%)		Rate (%)	
Accounting profit before income tax		1,190,741,554		(15,050,065)
Income tax at applicable tax rate	20	238,148,311	20	-
Tax effect :				
Disallowed expenses for net profit calculation		5,875,433		49,651,624
Exemption of income/Deductible expenses		(240,661,253)		(10,436,312)
Privileges according to the Investment Promotion		-		(27,508,734)
Current income tax		3,362,491		11,706,578
Deferred tax:				
Temporary difference and reversal of temporary differences		8,442,709		(80,484,316)
Income tax expenses	0.99	11,805,200	-	(68,777,738)

Unit : Baht

	Separate Financial Statements			
	2015		2014	
	Rate (%)		Rate (%)	
Accounting profit (loss) before tax		188,941,785		(176,930,341)
Income tax at applicable tax rate	20	37,788,357	20	-
Tax effect:				
Disallowed expenses for net profit calculation		3,963,895		9,389,331
Exemption of income/Deductible expenses		(41,775,686)		(17,123,118)
Current income tax		-		-
Deferred tax:				
Relating to origination and reversal of temporary differences		5,974,750		(43,917,619)
Income tax expenses	3	5,974,750	-	(43,917,619)

The components of deferred tax assets and deferred tax liabilities as at December 31, 2015 and 2014 are as follow :

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for doubtful accounts	10,877,240	10,827,241	1,309,741	1,309,740
Allowance for loss on decline in value of inventories	264,474	152,521	264,474	152,521
Allowance for obsolete goods	5,697,646	12,475,466	5,687,544	12,300,790
Allowance for asset impairment	44,053,598	48,783,556	6,207,502	8,160,821
Employee benefit obligations	10,646,553	7,396,973	7,425,018	4,671,752
Difference depreciation for tax purpose	1,347,739	1,456,212	1,347,739	1,456,212
Liabilities under finance lease contracts	1,059,560	1,142,273	1,059,559	1,142,273
Loss exchange rate forward (MTM)	-	31,289	-	31,289
Deficit brought forward	34,336,332	34,336,332	34,336,332	34,336,332
Others	-	546,256	-	486,950
Total	108,283,142	117,148,119	57,637,909	64,048,680

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Deferred tax liabilities				
Assets under finance lease contracts	425,116	705,663	425,116	705,663
Amortization of Trademark	1,160,000	870,000	1,160,000	870,000
Deficit brought forward	13,754	-	-	-
Total	1,598,870	1,575,663	1,585,116	1,575,663
Deferred tax assets, net	106,684,272	115,572,456	56,052,793	62,473,017

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 Prachaukhirikhan 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 :

Revenues Report for a Promoted Business

Unit : Baht

Consist of :	Consolidated Financial Statements					
	Dec 31, 2015			Dec 31, 2014		
	Exemption from company income tax	Non - Promoted Business	Total	Exemption from company income tax	Non - Promoted Business	Total
Sales - Domestic	2,117,585,052	1,018,717,311	3,136,302,363	2,644,038,866	863,211,855	3,507,250,721
Sales - Export	437,387,405	1,764,219,721	2,201,607,126	390,022,303	1,610,522,394	2,000,544,697
	2,554,972,457	2,782,937,032	5,337,909,489	3,034,061,169	2,473,734,249	5,507,795,418

Unit : Baht

Consist of :	Separate Financial Statements					
	Dec 31, 2015			Dec 31, 2014		
	Exemption from company income tax	Non - Promoted Business	Total	Exemption from company income tax	Non - Promoted Business	Total
Sales - Domestic	3,787,008	510,914,485	514,701,493	20,452,682	487,561,751	508,014,433
Sales - Export	34,176,095	1,717,966,370	1,752,142,465	45,786,575	1,559,499,468	1,605,286,043
	37,963,103	2,228,880,855	2,266,843,958	66,239,257	2,047,061,219	2,113,300,476

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’ 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

Unit : Baht

	Consolidated Financial Statements For the year ended December 31, 2015				
	Segment			Eliminated	Total
	Products of vegetable & fruit	Beverages	Others		
Revenues from sales of goods	1,905,505,281	3,684,521,098	149,660,125	(401,777,015)	5,337,909,489
Cost of the sales	1,819,323,181	2,069,766,012	149,679,484	(402,848,557)	3,635,920,120
Gross profit	86,182,100	1,614,755,086	(19,359)	1,071,542	1,701,989,369
Other incomes					252,499,486
Profit before expenses					1,954,488,855
Selling expenses					(1,430,457,736)
Administrative expenses					(489,103,384)
Impairment of assets					(1,340,659)
Profit before Share of profit from investments in associated company					33,587,076
Share of profit from investments in associated company					1,216,173,249
Profit before finance costs and income tax					1,249,760,325
Finance costs					(59,018,771)
Income tax expenses					(11,805,200)
Profit after tax					1,178,936,354
Non-controlling interests					(9,531,645)
Profit for the period					1,188,467,999
Fixed assets	523,736,884	1,709,313,624			2,233,050,508

Business segment information

Unit : Baht

	Consolidated Financial Statements For the year ended December 31, 2014				
	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		5,507,795,418
Cost of the sales	1,821,953,986	2,165,855,938	92,316,918		3,735,893,879
Gross profit	66,436,848	1,679,978,086	24,924,685		1,771,901,539
Other incomes					250,539,053
Profit before expenses					2,022,440,592
Selling expenses					(1,490,144,806)
Administrative expenses					(518,108,243)
Impairment of assets					(229,272,680)
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

Geographic segment information

Unit : Baht

	For the year ended December 31, 2015			
	Sales-export	Sales-Domestic	Eliminated	Total
Revenues from the sale of goods and the rendering of services	2,201,607,126	3,538,079,378	(401,777,015)	5,337,909,489
Segment operating profit	953,031,040	747,886,787	1,071,542	1,701,989,369

Unit : Baht

	For the year ended December 31, 2014			
	Sales-export	Sales-Domestic	Eliminated	Total
Revenues from the sale of goods and the rendering of services	2,000,544,697	3,850,921,764	(343,671,043)	5,507,795,418
Segment operating profit	118,750,370	1,653,713,089	(561,920)	1,771,901,539

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 :

Unit : Million Baht

	Consolidated financial statements As at December 31, 2015				
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	Within 1 year	Over 1 — 5 year			
Financial Assets					
Cash and cash equivalents	-	-	2	74	76
Current investments	4	-	-	-	4
Trade and other receivables	-	-	-	875	875
Restricted deposit at bank	1	-	-	-	1
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	1,320	-	-	-	1,320
Trade and other payables	-	-	-	721	721
Long — term loans from banks	-	-	609	-	609
Long — term machinery payable	-	-	-	-	-
Financial lease payable	1.5	0.6	-	-	2.1

Unit : Million Baht

	Consolidated financial statements As at December 31, 2014				
	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

Unit : Million Baht

	Separate financial statements As at December 31, 2015				
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total
	Within 1 year	Over 1 — 5 year			
Financial Assets					
Cash and cash equivalents	-	-	0.6	38.50	39.10
Trade and other receivables	-	-	-	260	260
Short-term loans to related parties	-	-	-	-	-
Financial liabilities					
Bank overdrafts and short-term loans from financial institutions	620	-	-	-	620
Trade and other payables	-	-	-	222	222
Long — term loans from banks	-	-	-	129.50	129.50
Financial lease payable	1	-	-	-	1

Unit : Million Baht

	Separate financial statements As at December 31, 2014				
	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

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, 2015 are as follows :

Foreign currency	Contractual exchange rate			
	Bought contracts	Sold contracts	Bought	Sold
			(Baht per 1 foreign currency unit)	
US Dollar	819,638	2,519,782	34.235-36.2525	35.475-36.2775

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, 2015 are as follow :

Foreign currency	Financial assets	Financial liabilities	Average exchange rate as at December 31, 2015
			(Baht per 1 foreign currency unit)
US Dollar	6,780,979	999,600	36.04
AUD	-	68,796	26.24
Yen	-	81,592	39.39

Foreign exchange contracts of the Company and its subsidiary outstanding at December 31, 2014 are as follow :

Foreign currency	Bought contracts	Sold contracts	Contractual exchange rate	
			Bought	Sold
			(Baht per 1 foreign currency unit)	
US Dollar	430,371	2,421,059	33.0475-33.3550	32.3400-33.1550

Option contract of the Company and its subsidiary outstanding at December 31, 2014 are as follow :

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

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. FAIR VALUE MEASUREMENT

34.1 Fair Value has been defined in different levels of inputs as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices.)

Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The financial assets and liabilities that are measured at fair value at December 31, 2015 are as follow :

Unit : Baht

	Consolidated financial Statements			
	Level 1	Level 2	Level 3	Total
Asset				
Derivatives				
Forward exchange rate contracts	-	68,769	-	68,769

Unit : Baht

	Separate financial Statements			
	Level 1	Level 2	Level 3	Total
Liabilities				
Derivatives				
Forward exchange rate contracts	-	-	-	-

In this accounting period, there are no transfers within the fair value level.

34.2 Valuation method of fair values for Level 2 inputs

Level 2 - trading and hedging derivatives comprise forward foreign exchange contracts. That has been fair valued using the discount cash flow technics base on the calculation of the commercial bank. The input data of their fair valuation are mostly extracted from observable data such as spot exchange rate future exchange rate and yield curves etc.

35. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on February 19, 2016, the Board of Directors approved the appropriation dividend of Baht 0.25 per share, amounted to Baht 120.64 million for the 2015 operating result. The dividend will be approved at the annual general meeting of shareholders.

36. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements as follows :

Unit : Baht

	Consolidated Financial Statements			Separate Financial Statements		
	Before Reclassification	Reclassi- fication	After Reclassification	Before Reclassification	Reclassi- fication	After Reclassification
Statement of comprehensive income for the year ended December 31, 2014						
Cost of sales of goods and services	(3,825,352,997)	89,459,118	(3,735,893,879)			
Other incomes	339,998,171	(89,459,118)	250,539,053	152,046,131	(54,519,596)	97,526,535
Selling expenses				(129,600,420)	54,519,596	(75,080,824)

37. COMMITMENTS

Unit : Baht

Consist of :	Consolidated Financial Statements		Separate Financial Statements	
	2015	2014	2015	2014
Letter of guarantee	30,046,072	21,450,578	11,720,832	11,720,832

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved and authorized for issue by Board of Directors on February 19, 2016 by the authorized directors.

บริษัท ทิปโก้ฟู้ดส์ จำกัด (มหาชน)

เลขที่ 118/1 อาคารทิปโก้ ถนนพระราม 6

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