




TOGETHER,
STRONGER

TIPCO FOODS PUBLIC COMPANY LIMITED
ANNUAL REPORT 2020



TOGETHER, STRONGER

There will be those times we confront many obstacles
until we are worn out.

There will be those times when we are desperate for goals.
Nonetheless, as long as we have our own strengths, we will
get there.

Strength comes from struggle, learning, sharing, and a
strong intention.

We, TIPCO, will always stand by your side and encourage
you whenever you need.

We will always keep you healthy and strong for a better
quality of life as we express via our mission.

“Bring wellness to society”.

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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.

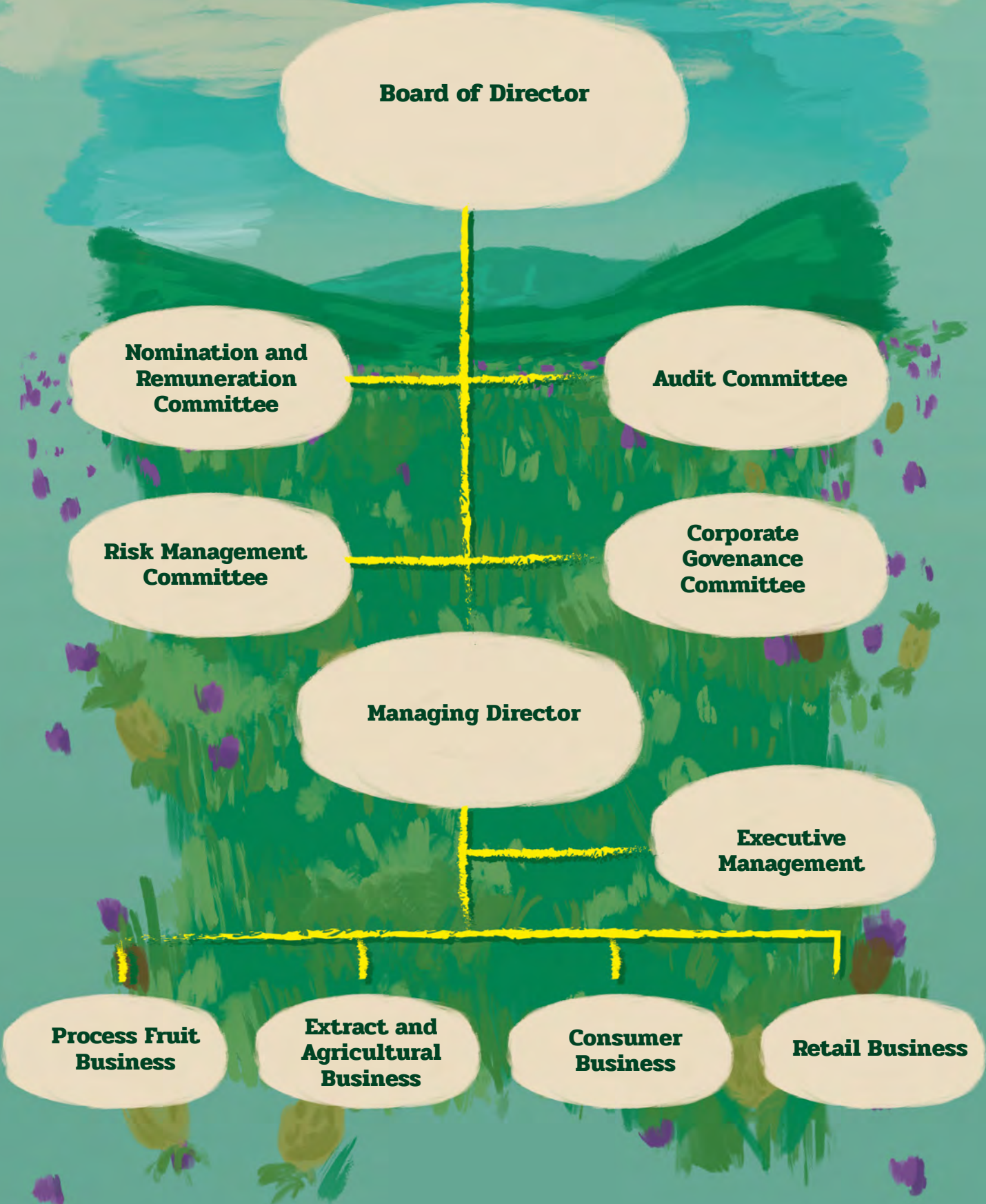




Core Value

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

Organization Chart



Ratio for Annual Report

As of / for the year ending 31 December	2020 (Consolidated)	2020 (Company)	2019 (Consolidated)	2019 (Company)	2018 (Consolidated)	2018 (Company)
Common Share (Per Share)						
Par value	1.00	1.00	1.00	1.00	1.00	1.00
Book value	8.74	4.53	8.10	4.23	8.65	4.47
Profit (Loss) per share	1.00	0.66	0.43	0.25	(0.06)	0.72
Financial Performance (Baht)						
Revenues from sale	2,500,123,559	255,066,768	3,561,064,263	353,565,577	4,248,050,424	379,175,078
Total Revenues	2,575,811,322	858,701,883	3,687,017,406	714,031,368	4,356,026,410	862,850,858
Gross Profit	435,736,037	81,413,835	382,486,783	108,682,651	853,472,354	98,163,539
Earning before interest and tax	536,211,355	351,238,734	262,629,329	162,690,434	77,399,384	388,624,918
Net Profit (Loss)	481,812,461	317,549,351	207,667,159	122,481,331	(30,876,745)	349,185,574
Financial Position (Baht)						
Current Assets	980,510,187	498,771,349	1,256,513,591	372,339,023	1,747,914,423	236,282,983
Total Assets	6,487,259,025	3,317,897,440	6,669,002,920	3,406,202,762	7,076,574,427	3,432,902,009
Current Liabilities	1,601,400,008	723,895,691	1,844,007,417	769,706,782	1,962,326,700	521,232,526
Total Liabilities	2,267,758,547	1,130,244,861	2,762,208,235	1,363,120,709	2,903,169,782	1,275,839,738
Issued and paid-up share capital	482,579,640	482,579,640	482,579,640	482,579,640	482,579,640	482,579,640
Shareholder's equity of the parent	4,219,500,478	2,187,652,579	3,906,794,685	2,043,082,053	4,173,404,645	2,157,062,271
Shareholder's equity	4,219,500,478	2,187,652,579	3,906,794,685	2,043,082,053	4,173,404,645	2,157,062,271
Financial Ratio						
Gross Profit margin (%)	17.4%	31.9%	10.7%	30.7%	20.1%	25.9%
EBIT margin (%)	20.8%	40.9%	7.1%	22.8%	1.8%	45.0%
Net Profit margin (%)	18.7%	37.0%	5.6%	17.2%	(0.7%)	40.5%
Dividend Payout ratio (%)	94.1%*	142.9%*	79.0%	134.0%	(390.7%)	34.7%
Return on Equity (%)	11.4%	14.5%	5.3%	6.0%	(0.7%)	16.2%
Return on Fixed assets (%)	8.7%	11.3%	3.8%	4.0%	(0.6%)	10.9%
Return on Total assets (%)	7.4%	9.6%	3.1%	3.6%	(0.4%)	10.2%
Time interest earned (Times)	10.5	10.9	3.8	3.8	1.4	12.9
Current ratio (Times)	0.6	0.7	0.7	0.5	0.9	0.5
Quick ratio (Times)	0.3	0.6	0.3	0.4	0.4	0.3
Debt - equity ratio (Times)	0.5	0.5	0.7	0.7	0.7	0.6

* Dividend payout ratio calculated from the dividend that paid from the operation in that year. Dividend payment in Year 2020 included 2nd interim dividend of year 2020 amount 0.19 Baht/share and the dividend from second half operation of year 2020 amount 0.50 Baht/share which subject to the Annual General Meeting No.1/2021

Message from the Chairman

To All Shareholders

In 2020, the economic impact of COVID-19 pandemic has been substantial and broad-based. The crisis unavoidably affected the Company's business operation and became a challenge for the Company throughout the year. The overall of business performance in each section is summarized as follows:

Processed Food Business: In the previous year, world demand for canned pineapple remained virtually unchanged. However, for domestic market, the quantity of pineapple which is a main raw material significantly decreased as a result of drought situation. Therefore, the price of raw material dramatically rose, meanwhile the selling price of products such as canned pineapple did not change accordingly. As a consequence, this allowed a decline in sales income when comparing to the previous year. The Company has implemented the measure to control prices and quantities volatility of raw materials by issuing long-term contract of raw material purchases. In addition, the economic downturn which affected purchasing power and consumption demand caused a drop in income from other processed fruits such as canned aloe vera and mix fruit bowl. In 2020, the Company has developed new products such as dehydrated pineapple core and low sugar dehydrated mango to serve consumer needs in overseas markets.

Consumer Business: In 2020, the domestic growth of juice market and mineral water market dramatically declined due to negative growth of domestic beverage consumption. The impact of COVID-19 pandemic which led to a lock down policy, a temporary closure of department stores which are main distribution channel, and more severe competition were considered as main causes. However, the Company was able to maintain the market leader position in both total fruit juice market segment as well as premium fruit juice segment.

Extract and Agricultural Business: In the previous year, the demand for extracts in supplementary food industry and medical industry increased. However, the drought has

caused raw material constraints on production, so the productivity did not meet the target. As a result, this allowed a decline in extract business income. For agricultural business, the income from Homsuwan Pineapple increased as a consequence of distribution channel expansion to wholesale market and home delivery service as well as new products development such as cheese cracker with Homsuwan pineapple honey jams and buns.

Retail Business: In years 2020, retail business has been critically affected by COVID-19 pandemic since many department stores were temporarily close (Lockdown). Some branches were close temporarily, meanwhile some branches were permanently shut down. Additionally, a change in lifestyle (New Normal) caused a number of visitors to decrease substantially. Under such circumstances, the Company has adapted to the changes by providing home delivery service and launching new products to serve customer needs.

In 2020, the Company has been certified by many international standard showing the quality of products and consumer trust in Tipco brand detailed as follows:

- **Tipco Biotech Company Limited** was certified Good Manufacturing Practice (CODEX GMP) by the National Food Institute Ministry of Industry (NFI),
- **Aura Natural Mineral Water Factory**, was certified Food Safety System Certification (FSSC) 22000 Version 5 (fully recognized), by the Board of the Global Food Safety Initiative.
- **Tipco Pineapple Company Limited** was certified Global Food Safety Initiative (GFSI) for food safety and quality standards, namely BRC Global Standard for Food Safety Issue 8 (Unannounced Audit) LevelA+ by TUV NORD (Thailand) Company Limited.
- **Tipco F&B Company Limited** was certified ISO22000 Version 2018 food safety and quality, which is conforming to Global High level structure standard by Global Food Safety Initiative committee.



The Company became a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and was certified by the CAC Council. The Company has conducted business based on the principles of good corporate governance, integrity, morality, honesty, transparency, social and environmental responsibility, and equitable treatment of all stakeholders. Sustainable business growth and duty responsibility are the core concept adopted by the Tipco Foods Group as per its policy "Tipco develops its business along with the environment and society."

On behalf of the Board of Directors, I would like to thank the shareholders, trading partners, and business alliances in all sectors for the support and the trust in the Company throughout all these years. Also, I would like to extend my appreciation to all executives and employees for their dedication and hard work among the economic challenges throughout 2020 year.



Laksana Supsakorn
Chairman of the Board of Directors



Board of Directors

Ms. Laksana Supsakorn

Chairman of the Board/
Authorized director

Age : 68 years

Starting date of Directorship : 2 April 2012

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 Accredited Program (DAP)

Shareholding in Company on December 31, 2020 :

41,461,267 shares (8.59%)

Family Relationship with Management :

Younger sister of Mrs. Anurat Tiamtan and
Mr. Sitarb Supsakorn and aunt of Mr. Kris Sertthin.

Holding a Position of Director in Listed Company at present :

Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present :

Tipco Pineapple Company Limited

Tipco F&B Company Limited

Tipco Retail Co., Ltd

Siam Container Terminal Company Limited

Vanichapark Company Limited

Thanomwongse Service Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Thai Slurry Seal Company Limited

Raycol Asphalt Company Limited

Related Experience :

2017 - Present Director, Tipco Retail Company Limited

2017 - Present Director, Tipco Pineapple Company Limited

2014 - Present Director, Tipco Tower Company Limited

2013 - Present Director, Tipco Asphalt Pcl.

2013 - Present Director, Tipco F&B Company Limited

ACM Pongsatorn Buasup

Vice Chairman/Independent Director

Age : 68 years

Starting date of Directorship : 11 November 2019

Education :

National Defense Collage

Air War College

Air Command and Staff College

Avionics Officer School USAF, Colorado, USA.

Royal Thai Air Force Academy Bachelor of Aeronautical Engineering

Seminars on Director Roles Responsibilities / Thai Institute of Directors :

2012 Director Accreditation Program (DAP)

2008 Director Certificate Program (DCP)

2008 Financial Statements for Directors

Shareholding in Company on December 31, 2020 : None

Family Relationship with Management : None

Holding a Position of Director in Listed Company at present :

None

Holding a Position of Director in Other Company at present :

None

Related Experience :

2004 - 2020 Adviser of National Metal and Materials
Technology Center

2012 - 2018 Chairman of the Board of Directors, Defense
Technology Institute, Ministry of Defense

2011 - 2014 Director and Audit Committee,
The Transport Co., Ltd

2009 - 2013 Consultant of Grupo Arger, a trading
company in Brazil

2008 - 2009 Director of Aeronautical Radio of Thailand Ltd.

2007 - 2009 Chief of Staff to Ministry of Defense

2004 - 2006 Director of Directorate of Armament, RTAF.



Board of Directors

Mr. Virat Phairatphiboon

Independent Director/
Chairman of the Audit Committee

Age : 72 years

Starting date of Directorship : 7 September 2007

Education :

Bachelor's Degree in Economics and Business Administration, Adams State College, Colorado, U.S.A.

Executive Development Program, Princeton University, USA

Certificate of Managing Multinational Finance, Graduate

Institute of Business Administration of Chulalongkorn University

Seminars on Director Roles Responsibilities / Thai Institute of

Directors :

2018 Tough Boardroom Situations - Independent Directors
Share Lessons Learned

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 on December 31, 2020 : None

Family Relationship with Management : None

Holding a Position of Director in Listed Company at present :

Bank of Ayudhya Public Company Limited

Holding a Position of Director in Other Company at present :

None

Related Experience :

2020 - Present Nomination and Remuneration Committee
Member

2018 - Present Chairman of the Risk and Compliance
Committee - Bank of Ayudhya Public
Company Limited

2007 - 2018 Nomination and Remuneration Committee
Member - Bank of Ayudhya Public Company
Limited

2000 President - CIMIC Finance and Securities
Public Company Limited

1999 - Present Audit Committee Member -
Bank of Ayudhya Public Company Limited

1998 - Present Independent Director - Bank of Ayudhya
Public Company Limited

Mr. Paisal Pongprayoon

Independent Director/Audit Committee/
Chairman of the Nomination and Remuneration Committee

Age : 70 years

Starting date of Directorship : 2 April 2012

Education :

Master's Degree in Engineering concentrated in Industrial
Engineering from Fairleigh Dickinson, USA

Bachelor's Degree in 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 on December 31, 2020 : None

Family Relationship with Management : None

Holding a Position of Director in Listed Company at present : None

Holding a Position of Director in Other Company at present : 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



Board of Directors

Mrs. Achara Pricha

**Independent Director/Audit committee/
Member of the Nomination and Remuneration committee**

Age : 64 years

Starting date of Directorship : 25 April 2014

Education :

Master in Business Management, Asian Institute of Management, The Philippines

Bachelor Degree of Mass Communications Arts. Major in Journalism, Chulalongkorn University

Diploma in French Language Division, Borpit Pimuk College

Seminars on Director Roles Responsibilities / Thai Institute of Directors :

2018 Tough Boardroom Situations – Independent Directors Share Lessons Learned

2018 Board Matters&Trends BMT 6/2018

2015 Advanced Audit Committee Program (AACP)

2014 Director Certificate Program

Shareholding in Company on December 31, 2020 : None

Family Relationship with Management : None

Holding a Position of Director in Listed Company at present : None

Holding a Position of Director in Other Company at present : Sarni Green Pack Co., Ltd.

Related Experience :

1995 – Present Director, Sarni Green Pack Co., Ltd.

2008 – 2012 Director, SSJ Pte., Ltd., Singapore.

2008 – 2011 Director, Shaldan (Thailand) Co., Ltd.

2010 – 2012 Assistant Vice President, Reno (Thailand) Co., Ltd.

2005 – 2010 Second Vice President, International Business Division, ICC International PCL.

1989 – 2005 Second Vice President, Cosmetic Direction ICC International PCL.

Mr. Chalit Limpanavech

Independent Director

Age : 68 years

Starting date of Directorship : 24 April 2008

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 :

Board Matters & Trends BMT 6/2018

Director Certificate Program (DCP)

Financial Statements for Directors

Audit Committee Program

Shareholding in Company on December 31, 2020 : None

Family Relationship with Management : None

Holding a Position of Director in Listed Company at present : None

Holding a Position of Director in Other Company at present : None

Related Experience :

2018 – Present Advisor to Marketing Association of Thailand
2011 – 2018 Vice President for Academic Affairs, Marketing Association of Thailand.

2011 – 2015 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)



Board of Directors

Mrs. Anurat Tiamtan

Director/Authorized director

Age : 72 years

Starting date of Directorship : 22 March 1976

Education :

M.Sc. (Biochemistry), The American University, Washington D.C., USA

B.Sc. (Chemistry), Kasetsart University

Courses on Directors Roles & Responsibilities / Thai Institute of Directors :

2001 Chairman Program 2000

2004 Director Certification Program (DCP)

Shareholding in Company on December 31, 2020 :

34,566,765 shares (7.16%)

Family Relationship with Management :

Elder sister of Mr. Sitilarb Supsakorn, Ms. Laksana Supsakorn and aunt of Mr. Kris Sertthin.

Holding a Position of Director in Listed Company at present :
None

Holding a Position of Director in Other Companies at present :

Tipco F&B Company Limited

Tipco Pineapple Company Limited

Tipco Biotech Company Limited

Tipco Retail Company Limited

Siam Container Terminal Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Related Experience :

2003 - 2013 Chairman of the Board, Tipco Foods Public Company Limited

2003 - 2013 Chairman of the Board, Tipco Asphalt Public Company Limited

Mr. Sitilarb Supsakorn

Director/Authorized director

Age : 69 years

Starting date of Directorship : 2 April 2012

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 on December 31, 2020 :

55,000,000 shares (11.40%)

Family Relationship with Management :

Younger brother of Mrs. Anurat Tiamtan, elder brother of Ms. Laksana Supsakorn and uncle of Mr. Kris Sertthin

Holding a Position of Director in Listed Company at present :

Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present :

Tipco F&B Company Limited

Tipco Biotech Company Limited

Tipco Retail Company Limited

Tipco Pineapple Company Limited

Siam Container Terminal Company Limited

Thanomwongse Service Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Thai Slurry Seal Company Limited

Thai Bitumen Company Limited

Raycol Asphalt Company Limited

Tipco Maritime Company Limited

Delta Shipping Company Limited

Alpha Maritime Company Limited

Bitumen Marine Company Limited

Related Experience :

2018 - Present Director, Tipco F&B Company Limited

2018 - Present Director, Tipco Biotech Company Limited

2018 - Present Director, Tipco Retail Company Limited

2017 - Present Director, Tipco Pineapple Company Limited

2014 - Present Director, Tipco Tower Company Limited



Board of Directors

Mr. Surachet Supsakorn

Director/Member of the Nomination and Remuneration Committee/Authorized director

Age : 60 years

Starting date of Directorship : 18 August 2003

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 on December 31, 2020 : none

Family Relationship with Management :

Cousin of Mrs. Anurat Tiamtan, Mr. Sitarb Subsakorn, Ms. Laksana Supsakorn and Mr. Kris Sertthin.

Holding a Position of Director in Listed Company at present :

United Paper Public Company Limited

Holding a Position of Director in Other Companies at present :

Ruamsapsin Company Limited

Tipco Tower Company Limited

Related Experience ::

2014 - Present Managing Director, Tipco Tower Company Limited

2012 - Present Director, Ruamsapsin Company Limited

2011 - 2019 Managing Director, Thanomwongse Service 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

Mr. Kris Sertthin

Director/Authorized director

Age : 37 years

Starting date of Directorship : 11 November 2019

Education :

Bachelor of Science in Business Administration with concentration in Finance and Economics, Babson College, Wellesley, MA, USA

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

Shareholding in Company on December 31, 2020 :

2,000,000 shares (0.41%)

Family Relationship with Management :

Grandson of Mrs. Anurat Tiamtan, Ms. Laksana Supsakorn

Mr. Sitarb Supsakorn and Mr. Surachet Supsakorn

Holding a Position of Director in Listed Company at present :

none

Holding a Position of Director in Other Companies at present :

Jitzda Company Limited

United Technology Services Company Limited

Rattanajit Company Limited

Related Experience :

2015 - Present Senior Manager Business Development, Tipco Asphalt Public Company Limited

2011 - 2015 Business Development, Tipco Group of Companies

2008 - 2011 Advisory Staff to the Finance Minister, Office of the Minister of Finance of Thailand

2005 - 2007 Investment Banking Department, Phatra Securities Public Company Limited (Formerly Merrill Lynch Thailand)



Chief Executive Officer and Company Secretary

Mr. Yongsit Rojsrikul

Chief Executive Officer/Authorized director

Age : 56 years

Starting date of Directorship : 13 January 2021

Education :

- MBA California State University Dominguez Hills, USA
- Bachelor of Engineering (Electrical), Chulalongkorn University
- National Defence Course, Class 61

Seminars on Director Roles Responsibilities / Thai Institute of Directors :

Chartered Director Program (2008)
Director Certification Program (2007)
Director Diploma Program (2007)

Shareholding in Company on December 31, 2020 : none

Family Relationship with Management : none

Holding a Position of Director in Listed Company at present : none

Holding a Position of Director in Other Company at present : none

Related Experience :

- 2018 – 2020 Chief Enterprise Business Officer of Advanced Info Service Pcl. (AIS) and Advanced Wireless Network Co, Ltd (AWN)
- 2012 – 2014 Governor Director and Secretary of the Board of the Mass Rapid Transit Authority of Thailand (MRTA)
- 1991 – 2011 Executive Vice President and Chief Commercial Officer of Thaicom Public Company Limited.

Ms. Kullakarn Cheenpun

Company Secretary

Age : 54 years

Starting date of Directorship : 1 April 2017

Education :

Bachelor's Degree in Accounting from Ramkhamhaeng University
Seminars on Director Roles Responsibilities / Thai Institute of Directors:

Company Secretary Program (CSP) 68/2016
Board Reporting Program (BRP) 19/2016
Effective Minute Taking (EMT) 35/2016

Seminars / Thai Listed Companies Association :

Fundamentals of Law for Corporate Secretaries 12/2014

Shareholding in Company on December 31, 2020 : none

Family Relationship with Management : none

Holding a Position of Director in Listed Company at present : none

Holding a Position of Director in Other Company at present : none

Related Experience :

- 2017 – Present Company Secretary and Secretary of the Audit Committee,
Tipco Foods Public Company Limited
- 2014 – 2017 Assistant Company Secretary and Secretary of the Audit Committee,
Tipco Foods Public Company Limited
- 2009 – 2013 Unit Head of Corporate Public Relations,
Tipco Foods Public Company Limited
- 2000 – 2008 Budget Analyst and Secretary of the Audit Committee, Tipco Foods Public Company Limited
- 1992 – 1997 Accountant, Tipco Foods Public Company Limited

1. Mr. Yongsit Rojsrikul assumed the position of a Chief Executive Officer on 13 January 2021 to replace Mr. Leuchar Pisitthakarn, who acts as the Acting Managing Director
2. Mr. Leuchar Pisitthakarn assumed the position of Acting Managing Director on 1 January 2021 to replace Mr. Ekaphol Pongstabhon, Managing Director



Executive management of Tipco Food group

Mr. Leuchar Pisitthakarn

Chief Financial Officer

Age : 55 Years

Education :

Master of Business Administration, Rangsit University, Thailand

Bachelor of Science in Economics, University of Utah, USA

Seminars on Director Roles Responsibilities / Thai Institute of

Directors : none

Special Training :

American Management Association, California, USA

(Sr. Project Management)

Dale Carnegie - Management Team Building

Management Development Program - Module I &II

Business for Finance, Switzerland - Module I &II

Great Manager Program

Talent Management Program

Multi-Functional Team Building

People Product Management

Safety Office at Management Level

Strategic Financial Leadership Program

Shareholding in Company on December 31, 2020 : none

Family Relationship with Management : none

Holding a Position of Director in Listed Company at present : none

Holding a Position of Director in Other Companies at present :

Tipco Pineapple Company Limited

Tipco Tipco F&B Company Limited

Tipco Biotech Company Limited

Tipco Retail Company Limited

Related Experience :

2017 Director - The Premier Group of Companies

2016 Group Chief Financial Officer -

Pacific-AA Group(Singapore, Myanmar, and USA)

2014 - 2016 VP Finance International -

The Minor Food Group - Under the

"Minor International"

2013 - 2014 Group Chief Operating Officer/Group Chief

Financial Officer - Winvestment Holding Ltd.

2006 - 2013 Standard Chartered Bank

- Head of Performance Management,

Consumer Banking SEA & SG (Singapore)

- CFO for Mekong Region (Vietnam, Laos,

and Cambodia)

- Head of Business Finance, Consumer

Banking Thailand





Company Information

1. General Information

1.1 Company Information

Tipco Foods Public Company Limited (former name “Tipco Foods (Thailand) Public Company Limited”) operates the main business in the manufacture and distribution of ready-to-drink mineral water. Current paid-up capital is Baht 482.58 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok. 10400	
Public Company	No.010753500005	Home Page www.tipco.net
Tel	0-2273-6200	Fax. 0-2271-4304, 0-2271-1600
Factory	205/1 Moo 2, Tambon Pongyang, Maerim District, Chiangmai Province 50180.	
Factory	999 Moo 7, Tambon Phukham, Wichianburi District, Phetchabun Province 67180.	

1.2 Subsidiary and Associated Companies

Tipco Asphalt Public Company Limited

operates the business in manufacturing asphalt emulsion and distribution of petroleum products. Currently the Company holds 23.43 percent shares. Total paid-up capital is Baht 1,578.36 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400	
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Tipco Pineapple Company Limited

operates the main business in producing and exporting of canned pineapple, pineapple juice concentrate and canned mixed fruits. Currently the Company holds 100 percent shares. Total paid-up capital is Baht 700 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400.	
Factory	212 Moo 16, Tambon Aou Noi, Muang District, Prachuab Kirikan Province 77210.	

Tipco F&B Company Limited

operates the business in producing and distribution of ready- to-drink beverage products. Currently the Company holds 100 percent shares. Total paid-up capital is Baht 600 million.

Head Office 18/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district,
Phayathai District, Bangkok 10400.

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

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

Tipco Biotech Company Limited

operates the business of herbal extraction substance and agriculture business. Currently the Company holds 100 percent shares. Total paid-up capital is Baht 36.8 million.

Head Office 118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district,
Phayathai District, Bangkok 10400.

Factory 504 Tambon Prachuab Kirikan, Muang District,
Prachuab Kirikan Province 77210

Tipco Retail Company Limited

operates the retail business. Currently the Company holds 87.75 percent shares and 12.25 percent shares by Tipco F&B Co., Ltd. Total paid-up capital is Baht 200 million.

Head Office 118/1 TIPCO Tower, Rama 6 Road, Phayathai Sub-district,
Phayathai District, Bangkok. 10400

1.3 References

Company Registrar : Thailand Securities Depository Company Limited
93 The Stock Exchange of Thailand Building, 14 Fl.,
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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 482.58 million being paid-up, divided into 482.58 million ordinary shares, Baht 1 per share. The Company and its subsidiaries are principally engaged in the businesses of production and distribution of processed fruits, fresh fruits, fruit juice, vegetable juice, natural mineral water, ready-to-drink beverages, food and drink shops, herbal extracts, and agricultural products for domestic and overseas markets.

Business operation goals: The Company set common goals within its organization in the following aspects:

- **Product research and development**
This goal is to create and maintain expertise in research and development of high-quality healthcare products with focus on innovative and unique ideas and registration of patents under the corporate brand.
- **Selection of raw materials, packages, and business alliances**
This goal is to pursue excellence in terms of selecting raw materials, packages, and business alliances with technologies and innovations that are in alignment with business strategies of the organization.
- **Marketing**
This goal is to seek real and hidden needs of customers and gain a profound understanding of the processes of decision making and product and service consumption so that the organization can communicate outstanding features of different products to consumers with creative and cost-effective means in order to maintain the existing customer base and gain a new customer base on a continuous basis.

Significant changes and developments

1989:
The Company was listed on the Stock Exchange of Thailand.

1993:
The Company expanded its business to the ready-to-drink fruit juice market through Tipco F&B Company Limited.

2004:

The Company entered the retail business segment with the launching of Tipco's Squeeze Juice Bar shops offering smoothies.

2007:

The Company invested in Tipco Biotech Company Limited whose main assets included plantation areas, the Tissue Culture Lab for selecting and propagating plants, and a plant extract factory.

2009:

Tipco Biotech Company Limited started selling the Tipco Homsuwan pineapples developed by the Tissue Culture Lab.

2013:

Tipco Biotech Company Limited received the Good Manufacturing Practice (GMP) certificate from the National Food Institute (NFI).

2014:

The Company doubled its mineral water production capacity to the rate of approximately 120 million bottles per year.

2016:

The Company opened two new businesses:

1. August Organic Eatery. Its first branch is located at the Mercury Ville Tower.
2. Homsuwan Pina Pina. The shop is located at the Siam Paragon shopping mall.

2017:

Tipco Pineapple Company Limited was established to receive the transfer of the processed fruit production and distribution business from the Company through the partial business transfer approach. The Company holds 100% shares in Tipco Pineapple Company Limited.

2018:

The Company expanded new natural mineral water source called Phu Nam Yod at Phu Kham Subdistrict, Wichian Buri District, Phetchaboon. The natural mineral water has a production capacity of approximately 140 million bottles per year.

2019:

The company has expanded its retail business into a new brand “SQ Squeeze” with 6 branches that sell 100% Cold Pressed Juice.

2020:

- The company launched new innovative products “Atmospheric Water Generator” and signed a cooperation agreement with Watergen Company Limited (Israel) for being the only distributor in Thailand.
- The Company launched new products and expanded businesses as follows:
 - Tipco Shogun - 40% in 250-ml bottles.
 - Tipco 100% vegetable juice and fruit juice, less sugar in 200-ml carton.
 - Tipco Guava Juice and Tipco Mandarin Orange Juice 100% Jumbo Size in 225-ml carton.

International quality assurance standard certification**1994:**

The world’s first pineapple factory to be ISO 9002 certified by Germany’s RW TUV.

1995:

HACCP standard by SGS (Thailand) Limited.

2000:

ISO 9002 certified for its pineapple juice and pineapple concentrate products by SGF International E.V./IRMA of Germany.

2002:

HALAL standard by the Central Islam Committee of Thailand. Tipco was certified to meet KOSHER standard by Thai Kashurt Service Company Limited.

2002/2003:

BRC standards developed by UK retailers to assess food products exported to the UK, by SGS (Thailand) and EFAIA (SAI GLOBAL).

2003:

ISO 9001: 2000 by SGS (Thailand) Limited.

2004:

International Food Standard (IFS) developed by German and French retailers to assess food products exported to Europe.

2006:

ISO 22000 for its food safety management, making it Thailand's first food producer to be certified for meeting this standard.

2007:

Thailand's first company to undergo an integrated audit of 5 quality assurance systems, namely ISO 22000, ISO 9001, GMP, HACCP, and IFS (Single Food Audit Pack) and was certified by SGS (Thailand) Limited. Subsequently, SGS (Thailand) used Tipco as a model for integrated audits of other companies worldwide. In the same year, the Company was certified to comply with the GMA-SAFE AUDIT (USA) system for its food safety by Food Audit International (FAI).

2007/2008:

Certified for its organic aseptic aloe vera products (from plant cultivation to factory production) by the Department of Agriculture.

2008/2009:

Ifoam Organic Standards for its organic aseptic aloe vera products covering the processes from plant cultivation to factory production by the Office of Thai Organic Agriculture.

2009:

Food Safety and Food Security Audit Program of the United States of America by FAI (Thailand) with an "Excellent" rating.

2010:

ISO 9001: 2008 by SGS (Thailand) Limited.

2011:

Good Governance Award in the category of Environment; was certified to comply with the Thai Labour Standard (TLS8001-2010) (Initial Final Stage); and the Outstanding Enterprise Award in the category of Labor Relations and Welfare.

2012:

Expanded its scope of products to be certified. For example, its coconut water product passed the GMP/HACCP/BRC/IFS standards; its fruit in plastic cup products passed the GMP/HACCP/IFS standards; and its pineapple products passed the factory standards set by TESCO and YUM. Also, Tipco's fruit cocktail, pineapple concentrate and aloe vera products obtained permits to display Kosher's STAR K logo with the whole production process being certified.

2013:

Food safety standards set by the British Retail Consortium (BRC). Also, Tipco's plant extract factory was certified to meet the Good Manufacturing Practice (GMP) standards by the National Food Institute.

2014:

IFS standards for its canned coconut milk as well as 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 products and certified as an authorized economic operator (AEO).

2015:

Tipco F&B Company Limited passed the standards on workplace drug abuse prevention and solution in 2015 and the Best Workplace Award in the category of Safety, Occupational Health, and Workplace Environment at the outstanding level in Phra Nakhon Sri Ayutthaya Province. Furthermore, Tipco F&B Company Limited received a prestigious certificate for its workplace safety under the Safe Workplace Project in Honor of Her Royal Highness Princess Maha Chakri Sirindhorn.

2016:

Aura mineral water factory at Chaing Mai was certified to meet the HALAL, FSSC22000, GMP Codex, and HACCP Codex standards.

Tipco F&B Company Limited was certified to comply with the FSSC22000 standard by UKAS Management System.

2017:

Tipco F&B Company Limited was certified to obtain the Halal Assurance System status by Indonesia with the "A" grade.

2018:

Aura mineral water factory at Chiang Mai was certified Food Safety System Certification (FSSC) 22000 Version 4.1 developed by the Foundation for Food Safety Certification Representing a new approach to managing food safety risks in the food supply chain.

Tipco Pineapple Co., Ltd. was certified for safety and quality of food such as BRC (Unannounced audit) level A + by TUV SUD, IFS (Unannounced audit) Higher level by TUV SUD, Organic coconut product including Canned coconut water, Canned coconut milk and Organic pineapple juice concentrate.

2019:

Tipco F&B Company Limited was certified Status "A" Grade Halal Assurance System Status from Indonesia for second consecutive times. The additional certified products are Kiwi. and Grape Juice, Mixed Veggie and Mixed Fruit Juice, Tangerine Orange Juice, Coconut Juice, Mango and Mixed Fruit juice.

Tipco F&B Company Limited was certified as Thai Labor Standard (TLS 8001-2010) by the Ministry of Labor.

Natural mineral water production plant, Mae Rim District, Chiang Mai Province was certified by the Asia and Middle East Bottled Water Association (ABWA) to become a member of the Asia and Middle East International Bottled Water Association which is one of the International Council of Bottled Water Association (ICBWA) to certify the quality and safety standards of water sources and factories.

Natural mineral water production plant Phetchabun was certified Food Safety System Certification (FSSC) 22000 Version 4.1. The FSSC 22000 certification program is fully recognized by the Global Food Safety Initiative (GFSI) committee, an international group of retailers and has encouraged the GFSI standard to be accepted by retailers worldwide to increase the effectiveness of inspection costs and food safety assessments for food sellers / suppliers.

2020:

Tipco Biotech Company Limited was certified Good Manufacturing Practice (CODEX GMP) by the National Food Institute Ministry of Industry (NFI), an international recommendation related to the General Principles of Food Hygiene (Recommended International Code of Practice: General Principles of Food Hygiene CAC / RCP 1-1969, Rev.4-2003)

Aura Natural Mineral Water Factory, Chiang Mai Province and Phetchabun Province Food Safety System Certification (FSSC) 22000 Version 5, the FSSC 22000 certification program is fully recognized by the Board of the Global Food Safety Initiative (GFSI), an international group of retailers. The company has promoted the GFSI standard to be accepted by retailers around the world in order to increase the cost effectiveness of the audit as well as evaluated food safety for food sellers / suppliers.

Tipco Pineapple Company Limited was certified Global Food Safety Initiative (GFSI) for food safety and quality standards, namely BRC Global Standard for Food Safety Issue 8 (Unannounced Audit) Level A + by TUV NORD Company. IFS Food Version 6.1 (Unannounced Audit) High level

by Lloyd's Register, which has increased the scope of certification for dehydrated fruits, which was inspected by two standards. HACCP and GMP (Codex Alimentarius) by TUV NORD, Voluntary Control System (VCS) standard by SGF (SURE GLOBAL FAIR), an international standard on the safety and quality of fruit juice. It also has been certified to control the use of chemicals in pineapple cultivation under the FRUIT RISK ASSESSMENT PROGRAM FOR PESTICIDE (FRAPP), GMP standard according to the Notification of the Ministry of Public Health (No. 193) for chilled / frozen fruit juice products in Sealed container, (No. 342) for dehydrated fruit products and (No. 349) for food products in low-acid and fine-acid sealed containers by MS Certification, Kosher Standards and Halal certification mark for handling labor and social responsibility. The company continues to be certified to SMETA 4 Pillars Version 6.1 and BSCI standards.

Tipco F&B Company Limited was certified Food safety and quality are as follows: ISO22000 Version 2018, which is an Upgrade version that is more in line with the Global High level structure standard from the original 2005 version, FSSC22000 (Food Safety System Certification) Upgrade from Version 4.1 to Version 5.

2020 Awards

In 2020, the Company achieved several awards as a testimony to its success as follows:

- **Tipco Foods Public Company Limited** listed "Thailand Sustainability Investment (THSI)" in 2020 by the Stock Exchange of Thailand (SET) and the Money and Banking Magazine.
- **Tipco Pineapple Company Limited** received the National Excellence Award for Labor Relations and Welfare 2020 for the 10th consecutive year by the Ministry of Labor.
- **Tipco F&B Company Limited** received the Outstanding Business Model Award for Safety, Occupational health and work environment year 2020, 4th year gold level by the Ministry of Labor.
- **Tipco F&B Company Limited** has certified Thai Labor Standard (TLS 8001-2010) at basic level by the Department of Labor Protection and Welfare Ministry of Labor.
- **Tipco F&B Company Limited** received the Thailand Trust Mark by the Department of International Trade Promotion Ministry of Commerce.
- **Tipco Biotech Company Limited** received the Excellent Establishment on Labor Relations and Welfare Award for 1st year from the Ministry of Labor.

2020 Environmental Award

- **Tipco Biotech Company Limited** has been selected and received a plaque to show that it is an industrial establishment operating in accordance with the environmental governance criteria by the Ministry of Industry.
- **Tipco Biotech Company Limited** was selected and received a plaque to show that it has installed and used a parabolic solar drying system. The company has also been considered as an organization who contributed to the use of renewable energy as well as conserved energy and environment by the Ministry of Energy.
- **Tipco F&B Company Limited** has been certified for the Green Industry level 2 by the Ministry of Industry which assures that environmental impact reduction activities have been carried out successfully by the company according to the determination.

Nature of Business Operations

Structure of income generated by the sale of products or services to external parties in the past 3 years

(Unit: Million Baht)

Products/services	Operated by	% shareholding of the Company	2018		2019		2020	
			Income	%	Income	%	Income	%
Products of vegetable & fruit	Tipco Biotech Co., Ltd.	100						
	Tipco Pineapple Co., Ltd.	100	1,697	40%	1,418	40%	834	33%
Beverage	Tipco Foods Pcl.							
	Tipco Retail Co., Ltd	100						
	Tipco F&B Co., Ltd.	100	2,429	57%	2,107	59%	1,648	66%
Other			122	3%	36	1%	18	1%
Total			4,248	100%	3,561	100%	2,500	100%

Consumer Business

Nature of Products (Consumer Business)

The core products are as follows:

■ Ready-to-drink fruit juice and vegetable juice products

1. Tipco 100% fruit juice in 200-ml and 1-liter cartons
2. Tipco Squeeze – 100% pasteurized fruit juice and mixed vegetable and fruit juice in 300-ml and 1-liter cartons
3. Tipco Veggie - 100% mixed vegetable and fruit juice in 200-ml and 1-liter cartons
4. Tipco Superkid - 100% fruit juice/mixed vegetable and fruit juice for kids in 110-ml cartons
5. Tipco Super Fruit Essence – Pomegranate juice concentrate in 110-ml cartons
6. Tipco 100% vegetable juice and fruit juice, Less sugar in 200-ml carton.
7. Tipco Guava Juice and Tipco Mandarin Orange Juice 100% Jumbo Size in 225-ml carton.
8. Tipco Cool Fit - 40% mixed vegetable and fruit juice in 200-ml and 1-liter cartons
9. Tipco Profiber - 100% mixed vegetable and fruit juice plus high fiber in 1-liter cartons
10. Tipco Fruity Mix – 40% mixed vegetable and fruit juice in 225-ml cartons
11. Tipco Fruity Mix – 40% mixed vegetable and fruit juice in 750-ml cartons
12. Tipco 100% vegetable juice and fruit juice, Less sugar in 200-ml carton
13. Tipco Me - Berry mix and mixed apple juice and grape juice in 1-litre cartons
14. Tipco Me - Less sweet and low calories, contains a mixture of Stevia in 250-ml bottles
15. Tipco Shogun - 40% in 250-ml bottles.

■ Natural mineral water

Aura 100% natural mineral water containing 330 ml bottles, 500 ml and 1.5 liters. There are 2 sources of natural mineral water production as follows.

1. Natural mineral water source at Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province Which is a large cold spring source that occurs naturally with a production capacity of approximately 120 million bottles per year
2. Natural mineral water source at Phu Kham Subdistrict, Wichian Buri District, Phetchaboon Province which originated the natural mineral water called Phu Nam Yod, with a production capacity of approximately 140 million bottles per year.



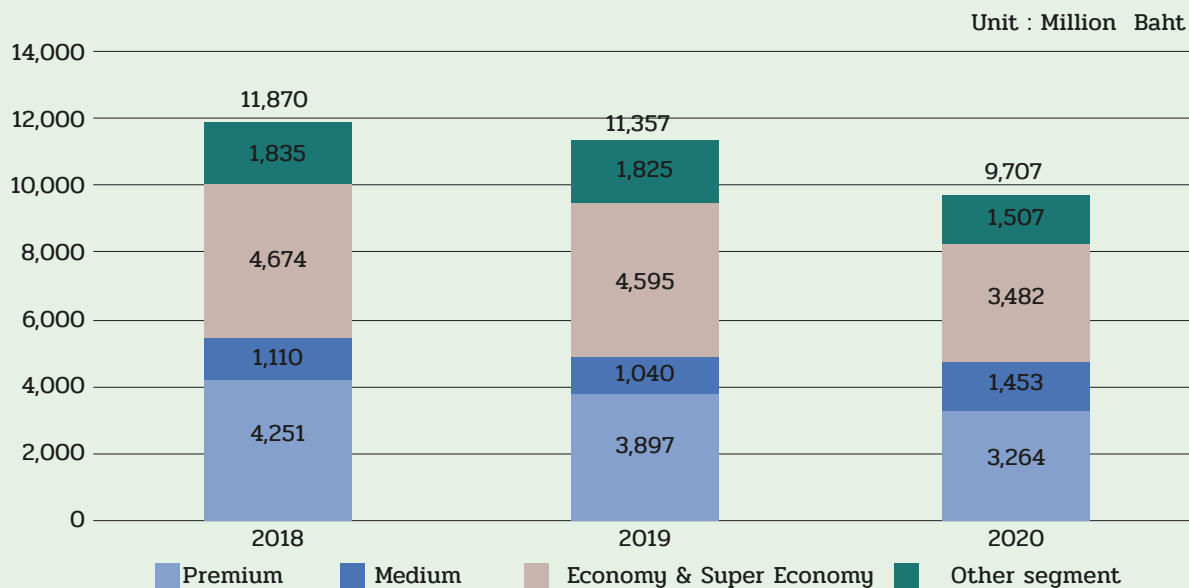
Marketing and Business Competition (Consumer Business)

Industry outlook and competition environment

■ The domestic ready-to-drink fruit juice and vegetable juice

In 2021, The domestic ready-to-drink fruit and vegetable juices should be stable compared to previous year due to the impact of the Coronavirus situation 2019 (Covid-19). The recovery in domestic purchasing power is expected to be low since consumers tend to wary of their spending. In addition, it is expected that consumers will reduce the consumption of beverages such as beverages containing high sugar. Therefore, the entrepreneurs must modify and develop new products to serve consumers demand in the fierce competition in the domestic ready-to-drink fruit and vegetable juice industry.

The overview of the domestic ready-to-drink fruit juice and vegetable juice market value in 2018-2020*



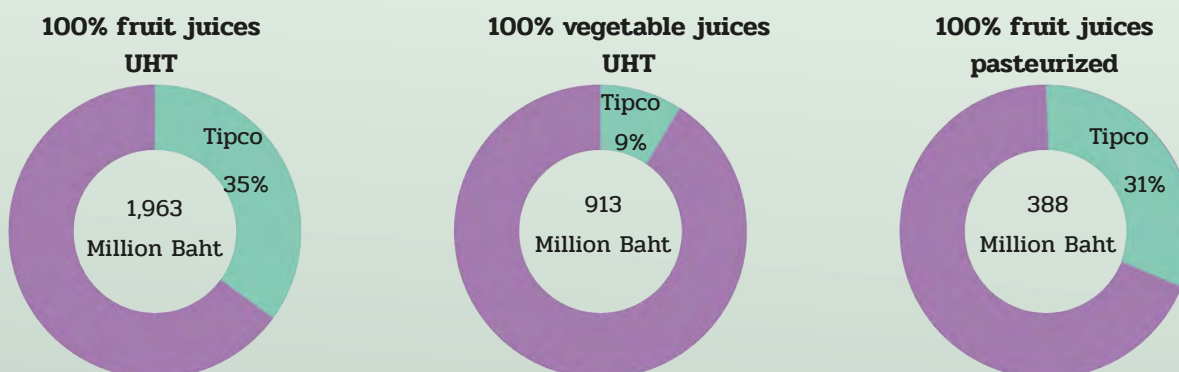
Reference: The Nielsen Company (Thailand) Limited

- * Premium: 100% fruit and vegetable juices, both UHT and pasteurized.
- Medium: 40% fruit and vegetable juices but not more than 90% UHT.
- Economy: 20% fruit and vegetable juices but not more than 30% UHT.
- Super Economy: Fruit and vegetable juices below 10% UHT.

The company's market share in 2018-2020

The company's market share	2018	2019	2020
Premium fruit and vegetable juices market	31%	31%	27%
Medium fruit and vegetable juices market	11%	11%	5%

In 2020, Market Share of premium fruit and vegetable juices market are as follows:



Reference: The Nielsen Company (Thailand) Limited

In 2020, the fruit and vegetable juice market in Thailand was Baht 9,707 million, decreased by 15% due to the impact of the coronavirus situation 2019 (Covid-19), causing the low recovery rate of domestic purchasing power. Presently, consumers tend to place more importance on reducing consumption of products which affect and have adverse health effects, especially drinks with high sugar ingredients. The government sector campaigning on the consumption of more healthy products have enacted law to increase sugar tax rate. Therefore, entrepreneurs unavoidably have to bear higher costs and expenses so the domestic beverage market has become more competitive. However, the company still remained the first position in the market of 100% ready-to-drink fruit and vegetable juices from maintaining quality and consumers' trust continuously. The Company expect that the fruit and vegetable juice market in 2020 should be stable. Additionally, the company continuously focus on research and development to introduce new quality products for consumers.

■ **Natural mineral water**

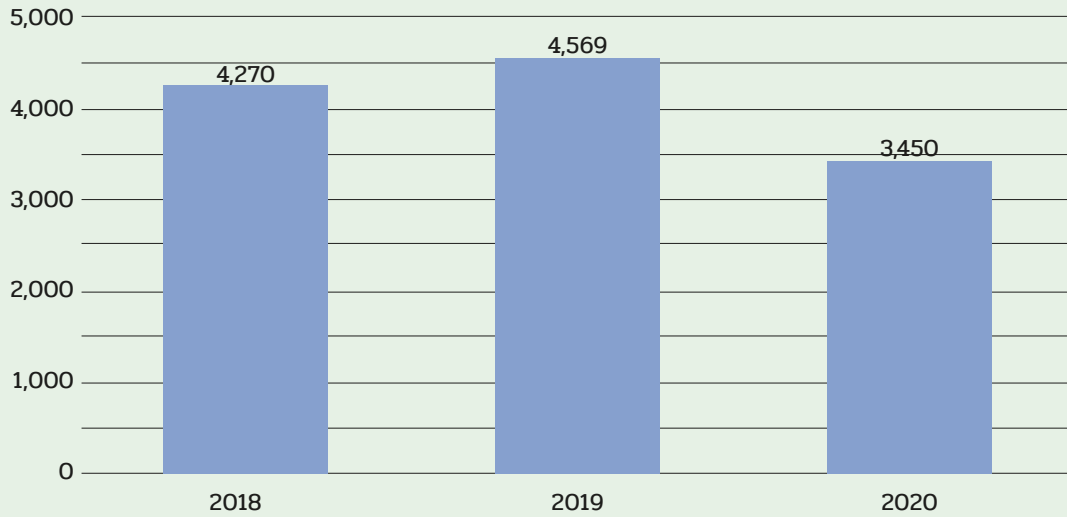
In 2020, the mineral water market was worth Baht 3,450 million, decreased by 24%. Aura natural mineral water ranked the fourth of the market, acquiring the market share of 17% mainly due to the coronavirus situation 2019 (Covid-19). There has been a change in consumer behavior since initially, it is more convenient to consume drinking water outside home, but when the government announced the Lockdown rules, people spend less time on staying out. This made consumers choose to consume filtered drinking water instead of bottled water. In addition, the current drinking water market is more competitive compared to the previous year. Because the selling price of mineral water is similar to that of mineral water containing vitamins, so the mineral water containing vitamins has become more popular alternative. In 2021 the mineral water market trend should be stable due to the change in consumption behavior and consumption of beverages containing vitamins, which increases the benefits and better for health.

Currently, the company are 2 sources of natural mineral water.

1. Natural mineral water sources Aura at Phu Nam Yod at Phukham sub-district, Wichian Buri district Phetchaboon province with a production capacity of approximately 140 million bottles per year.
2. Natural mineral water sources Aura at Pong Yaeng sub-district, Mae Rim district, Chiang Mai province run at full capacity at approximately 120 million bottles per year.

The Overview of Thailand’s mineral water market value in 2018-2020

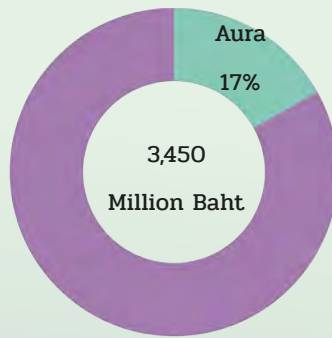
Unit : Million Baht



Reference: The Nielsen Company (Thailand) Limited

The company’s market share in 2020

Mineral Water



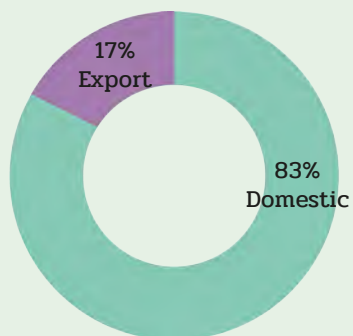
Reference: The Nielsen Company (Thailand) Limited

Competition strategies

1. Maintain product standards in terms of quality and production
2. Research, study, and develop new products that offer high benefits with innovative ideas to respond to the needs of consumers
3. Develop plans on raw material procurement for production through selection of high-quality raw materials and adopt a stock management system to ensure maximum nutritional benefits.
4. Distribute products through the expansion of distribution channels to be more wide-ranging to cater to consumers’ behaviors

Main markets for product distribution

Distribution channels



There are 2 main domestic distribution channels as follows:

- 1) Distributors which are the main channel of the Company.
- 2) The Company's sales booths and other special distribution channels.

The domestic sales channels accounted for 83% of total while export channels represented 17% of total sales.

Processed Fruit Business:

Nature of Products (Processed Fruit Business)

The core products are as follows:

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. Aloe vera in retort pouch
11. Coconut milk products and canned coconut water
12. Dehydrated Pineapple core and Mango

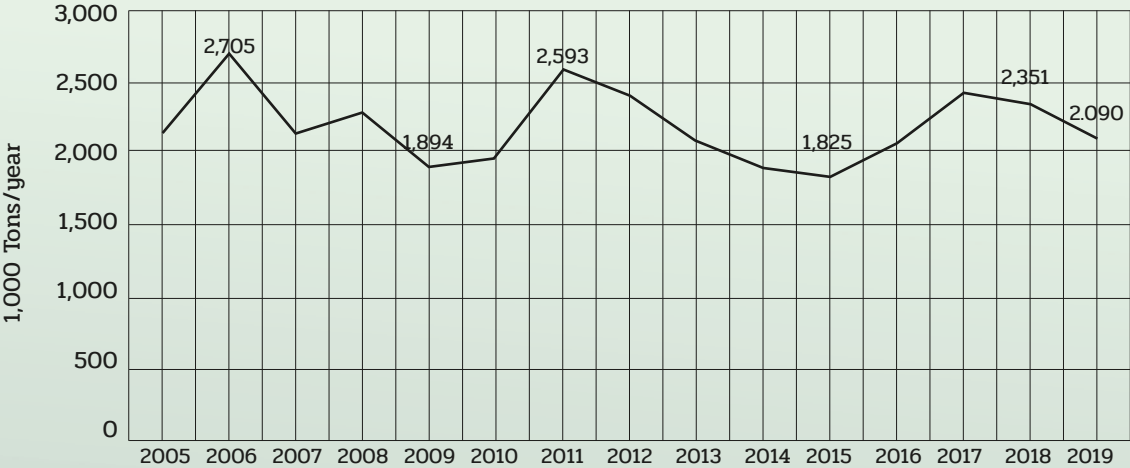
Marketing and Business Competition (Processed Fruit Business)

Industry outlooks and competition environment

■ Production and raw material outlooks

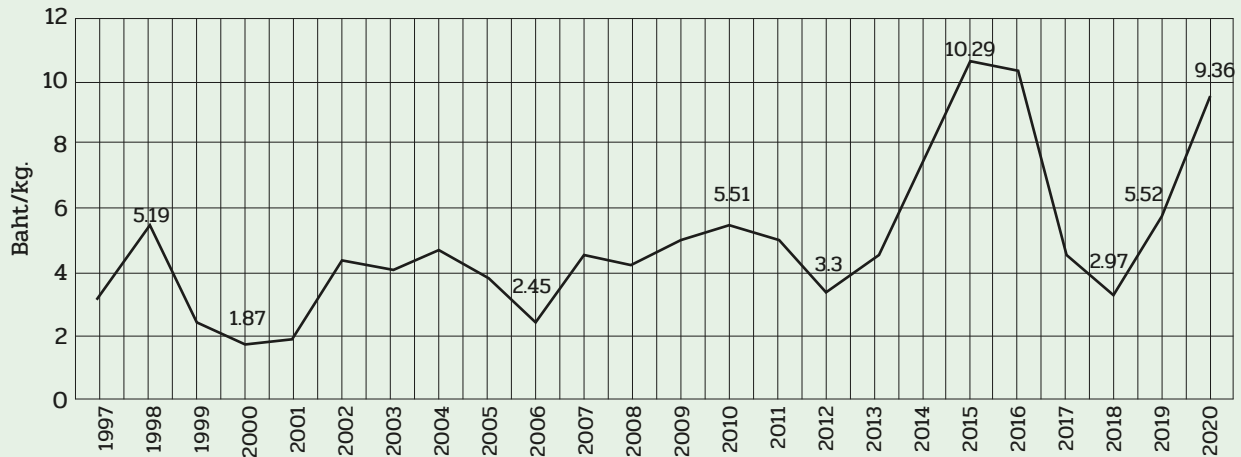
In the previous year, the amount of pineapples in Thailand has decreased dramatically. There was a shortage of pineapples due to drought and this caused an increase in raw material prices. In year 2021, the company expects the total pineapple production to increase compared to last year because the prices that farmers sell in 2020 were in good shape. This promoted an expansion of the original planting area as well as new planting areas for new farmers. However, in the future, pineapple price which reflects raw material cost is expected to decrease resulting in lower production costs. Such situation will affect pineapple industry and the competitiveness of manufacturers in Thailand comparing with other countries like Indonesia and the Philippines. This is a challenge for the company to control production costs more efficiently and increase the ability to compete with competitors in the future.

Pineapple production in the factory in the year 2005-2019.



Source: Office of Agricultural Economics 2005

Pineapple price to factory in 1997-2019



Source: Office of Agricultural Economics

Outlook in demand export market and price of product

As mentioned above in the year 2021, it is expected that the price of raw materials will decrease including Thai baht appreciation compared to the previous year, the company must adjust the price of the product to be higher than last year to keep up with the Thai baht appreciation. Increased selling price may affect the competitiveness compared with manufacturers from other countries. However, the demand for processed fruit in the world market remains stable since the global economy still has not recovered from the coronavirus situation 2019 (Covid-19).

Competition strategies

1. The raw material management under the "Contract Farming, Big Grower, Quality Grower" system. The system is to ensure specific volumes and continued flows of raw materials, lower transportation costs, and quality control.
2. The wide-ranging products that cater to customers' needs. The Company can produce canned pineapple products in different sizes of cans and different styles of cuttings and liquid contents. This helps serve the different needs of various markets in all regions.
3. The maintenance of product quality and standards. The Company has been certified to pass several standards by internationally acclaimed organizations. Its longstanding reputation is a guarantee of its product and service quality.

Main markets for products distribution

Geographically, the Company's main markets can be divided into the following 4 main regions:

1. America: This includes Canada, the United States of America, and Latin American countries. The United States is No.1 trading partner with the Company in terms of transaction value. The United States being the Company's most valuable trading partner. Which has a sales value of approximately 30% of the export volume of processed fruit business in the past, the company used to have a commercial advantage in the United States due to the US Department of Commerce's anti-dumping tax system on general companies but from the abolition of the dumping tax This makes the competition in the market more intense.
2. Europe: This includes European and Eastern European countries, the proportion of sales of the Company's products to those countries is reduced. That is approximately 17% of the export volume of the processed fruit business due to the company does not benefit from GSP and FTA tax use by exporters. These markets are the main markets for concentrated pineapple juice concentrate, which are mainly distributed to blending houses in European countries. Canned pineapples, this market segment is the most price sensitive.
3. Asia: This includes Australia and New Zealand. The customers in this group, particularly Japanese customers require products of high quality and have mutual trust in conducting business. In 2020, the company does not receive anti-dumping benefits, it is exported very little and mainly to Japan, Korea, and China markets.
4. Middle East: The Middle Eastern market accounts for approximately 30%. This market has high potential. Because of the high income per population pineapple. The Middle East is therefore a marketing target that many entrepreneurs are trying to expand into to replace the weaker marketing segment from Europe and Middle Eastern.



Retail Business

Nature of Products (Retail Business)

The Company's retail business can be divided into 3 different business categories:

1. "Squeeze Juice Bar by Tipco"



Brand	Squeeze Juice Bar by Tipco
Type of products	Smoothies and healthy drinks and foods. The Squeeze Juice Bar by Tipco shop is also the hub of distributing the products of the companies in the Tipco Foods Group, including Tipco fruit juice, Homsuwan pineapples, Aura mineral water, etc. In addition, the shop provides snack box catering services for events.
Number of branches	There are total of 28 Squeeze Juice Bar by Tipco shops. 17 Company's branches 11 franchise branches
Type of services	<ol style="list-style-type: none"> 1. Dine In 2. Take Away 3. Delivery 4. Catering



Brand	SQ Squeeze
Type of products	100% Cold Pressed Juice, Smoothies and healthy drinks and foods. The Squeeze Juice Bar by Tipco shop is also the hub of distributing the products of the companies in the Tipco Foods Group, including Tipco fruit juice, Homsuwan pineapples, Aura mineral water, etc. In addition, the shop provides snack box catering services for events.
Number of branches	5 Company's branches
Type of services	<ol style="list-style-type: none"> 1. Dine In 2. Take Away 3. Delivery 4. Catering

Marketing and Business Competition (Retail Business)

Industry outlook and competition

In 2021, the trend of healthy beverage sector is rapidly expanding, due to lifestyle modifications of consumers who prefer to consume healthy drinks. Especially in the Bangkok area and major districts in various regions. However, the current health drink business has become more competitive and a number of market players tend to create new experiences in consumption by extending the traditional beverage business to drink that has health benefits such as nourishing the brain, nourishing the skin, stimulating the digestive system including beverages made from natural ingredients which gives consumers a more diverse choice.

Competition strategies

1. Squeeze Juice Bar by Tipco mainly focus on developing new products throughout the year Including seasonal beverages. All of which will focus on healthy products from well selected natural ingredients including distribution channels expansion such as online delivery channels.
2. SQ Squeeze mainly focus on benefits of cold pressed methods and naturalness to maintain the freshness of the juice. In addition, new healthy drink menus will be developed throughout the year to create new experiences for consumers.

Extract and Agricultural Business

Nature of Products (Extract and Agricultural Business)

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

- **Extract Business:** The Company is the producer of extracts from natural substances that are used as ingredients for producing foods, beverages, cosmetics, dietary supplements, and medicines. The company's plant extract factory is equipped with the largest solvent in Thailand operating at the high level of efficiency and safety. The company provides a full range of services covering raw material procurement, de-hydration, grinding, and extract substance production. The Company also works with customers in developing extracting processes from laboratory experiments to industrial production. Currently, the products and services of Tipco Biotech Company Limited can be divided into the following 2 main categories:
 - Services according to customers' orders related to production of plant and herb extracts used as ingredients for foods, dietary supplements, cosmetics, and medicines (OEM)
 - Production and sales of plant and herbal extract substances used as ingredients for foods, dietary supplements, cosmetics, and medicines (Ingredients)
- **Agricultural Business:** The Company also conducts research and development of new plant varieties and cultivation. Thanks to its consistent research and development efforts, the company successfully developed the Tipco Homsuwan pineapples, its key products, with a unique taste and nutritional value. These pineapples are available at leading supermarkets, the Squeeze Juice Bar by Tipco branches.

Marketing and Business Competition (Extract and Agricultural Business)

Industry outlook and competition environment

- **Extract Business:** During the past several years, the growth rate of the healthcare and beauty products within the country was steadily high. This situation has yielded opportunities for Tipco Biotech Company Limited to expand its customer base and achieve sales growth from its products being main ingredients for domestic foods, beverages, dietary supplements, cosmetics, and medicines. In the meantime, the company strives to establish collaboration with foreign business alliances and trading partners who seek quality plant and herbal ingredients with lower costs.
- **Agricultural Business:** Currently, Thai people consume fresh pineapples of about 600,000 tons per year, most of which are the Pattavia (Sriracha pineapples) variety. As for the Tipco Homsuwan pineapples, their characteristics are different from those of others in terms of aroma, sweetness, tight and tender meat, smooth taste, and high vitamins. These unique and non-GMO features make the Tipco Homsuwan pineapples a popular choice among consumers. The prices of Tipco Homsuwan pineapples are relatively high as compared to those of others due to the need for high maintenance to ensure high quality. Because of the thin skins, extra caution is needed when harvesting and packaging these pineapples to avoid damage and a large number of workers are required. Nevertheless, Consumers find these pineapples easy to peel as they do not have to remove pineapple eyes. Thus, consumers can buy the whole fresh fruits back home and peel their skins by themselves. The company developed products from Tipco Homsuwan pineapples, including Homsuwan Pineapple Honey Jam, Cracker with Homsuwan Pineapple Honey Jam, Cheese Shake Biscuit with Homsuwan Pineapple Honey Jam, Homsuwan Pineapple Chewy Candy with Honey Jam, etc.

Competition strategies

1. The extract business shall place importance on efficient production to satisfy customers' needs. Focus shall also be placed on development of high value ingredients used in the production of the products of the Tipco Foods Group.
2. The agricultural business shall develop, maintain, and control the quality of the Homsuwan pineapples. The business shall also look for opportunities to expand domestic and international distribution channels to support the plan to continuously increase cultivation areas.

Explanation and Analysis of Financial Position and Operating Result

Operating Results for 2020

1. Consolidated statement of comprehensive income ended December 31, 2020

(Unit : Baht)

Statements of comprehensive income	Consolidated financial statements		Changes	
	2020	2019	Increase (Decrease)	%
Sales	2,500,123,559	3,561,064,263	(1,060,940,704)	(30%)
Other income	75,687,763	125,953,143	(50,265,380)	(40%)
Total revenues	2,575,811,322	3,687,017,406	(1,111,206,084)	(30%)
Total expenses	2,876,619,853	4,157,126,348	(1,280,506,495)	(31%)
Operating loss	(300,808,531)	(470,108,942)	169,300,411	36%
Share of profit from investment in associate	836,967,622	732,668,446	104,299,176	14%
Financial income	52,264	69,825	(17,561)	(25%)
Finance cost	(50,962,001)	(69,945,288)	(18,983,287)	(27%)
Profit before income tax expenses	485,249,354	192,684,041	292,565,313	152%
Income tax benefit (expenses)	(3,436,893)	14,983,118	(18,420,011)	(123%)
Profit for the year	481,812,461	207,667,159	274,145,302	132%

1.1 Sales

(Unit : Million Baht)

For one-year period	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial statements		Changes	
	2020	2019	Increase (Decrease)	%	2020	2019	Increase (Decrease)	%	2020	2019	Increase (Decrease)	%	2020	2019	Increase (Decrease)	%
Sales	834	1,418	(584)	(41%)	1,648	2,107	(459)	(22%)	18	36	(18)	(50%)	2,500	3,561	(1,061)	(30%)

In 2020, the Company and its subsidiaries reported Sales of Baht 2,500 million, decreased by 30% compared to the same period of last year. This was mainly due to Product of vegetable and fruit business, which saw a 41% drop in sales from the lower export volume from the lack of raw materials due to drought conditions and the demand for goods abroad decelerated from the coronavirus situation 2019 (COVID-19). Beverage business saw a 22% drop in sales revenue, related to a slowdown in domestic purchasing power affected by COVID-19.

1.2 Operating Expense

(Unit : Baht)

Expenses	Consolidated financial statements		Changes	
	2020	2019	Increase (Decrease)	%
Cost of sales	2,064,387,522	3,178,577,480	(1,114,189,958)	(35%)
Selling and distribution expenses	311,001,624	436,828,614	(125,826,990)	(29%)
Administrative expenses	477,038,964	541,720,254	(64,681,290)	(12%)
Loss from exchange rate	24,191,743	-	24,191,743	100%
Total expenses	2,876,619,853	4,157,126,348	(1,280,506,495)	(31%)

In 2020, the Company and its subsidiaries reported total Operating Expense of Baht 2,877 million decreased by 31% compared to the same period last year, mainly due to the following reasons:

- Cost of sales decreased by 35%, in line with decreasing in sales volume.
- Selling and distribution expenses decreased by 29% from adjusting sales and promotion expenses in accordance with market conditions.
- A decreasing in administrative expenses by 12% from controlling expenses in accordance with a decrease in Sales.
- Loss on exchange of Baht 24 million due to the Baht appreciation.

1.3 Share of profit from investment in associate

In 2020, the Company reported share of profit from investment in associate of Baht 837 million increased by 14% compare to the same period of last year.

In September 2020, the US State Department requested the associate to wind down crude oil procurement from Venezuela. In order to avoid a potential US sanction, the associate complied with the request and informed the US State Department in writing that the associate would cease purchasing crude oil from this source, effective by the end of November 2020. Currently, the associate already ceased its purchasing crude oil from this source.

The associate notified the Stock Exchange of Thailand of these facts on 11 September 2020, 15 September 2020 and 23 November 2020, together with the associate's plans to mitigate the risk arising from the disruption of its normal source of crude supply by considering plans to procure non-Venezuelan crude oil from other sources or to procure asphalt from other sources.

1.4 Finance cost

In 2020, the Company and its subsidiaries reported Finance cost of Baht 51 million decreased from the previous year by 27% compare to the same period of last year mainly due to a decrease in long-term loan.

2. Consolidated statement of financial position as at 31 December 2020

(Unit : Baht)

Statement of financial position	Consolidated financial statements		Changes	
	2020	2019	Increase (Decrease)	%
Assets				
Current assets	980,510,187	1,256,513,591	(276,003,404)	(22%)
Non-current assets	5,506,748,838	5,412,489,329	94,259,509	2%
Total assets	6,487,259,025	6,669,002,920	(181,743,895)	(3%)
Liabilities and shareholders' equity				
Liabilities				
Current liabilities	1,601,400,008	1,844,007,417	(242,607,409)	(13%)
Non-current liabilities	666,358,539	918,200,818	(251,842,279)	(27%)
Total liabilities	2,267,758,547	2,762,208,235	(494,449,688)	(18%)
Shareholders' equity				
Total shareholders' equity	4,219,500,478	3,906,794,685	312,705,793	8%
Total liabilities and shareholders' equity	6,487,259,025	6,669,002,920	(181,743,895)	(3%)

2.1 Asset

As of December 31, 2020, the Company and its subsidiaries had total assets of Baht 6,487 million, a decrease of 3% from the end of 2019. Current assets decreased by Baht 276 million or 22% mainly due to the decrease in Inventories and accounts receivable While non-current assets increased by Baht 94 million or 2% due to the increase in Investment in associate.

2.2 Liabilities

As of December 31, 2020, the Company and its subsidiaries had total liabilities of Baht 2,268 million, a decrease of 18% from the end of 2019, with the main changes from current liabilities decreased by Baht 243 million or 13% due to the decrease in trade and other payables and current portion of long-term loans from financial institutions. Non-current liabilities decreased by Baht 252 million or 27% due to a decrease in long-term loan.

2.3 Shareholders' equity

As of December 31, 2020, Total Shareholders' Equity of the Company and its subsidiaries was Baht 4,220 million increased by 8% from the end of 2019, mainly due to an increase in unappropriated retained earnings.

3. Consolidated cash flow statement for the 12-month period ended December 31, 2020

(Unit : Baht)

Cash flow statement	Consolidated financial statements 2020
Cash flows from operating activities	
Net cash flows from operating activities	120,913,565
Cash flows from investing activities	
Net cash flows from investing activities	429,124,525
Cash flows from financing activities	
Net cash flows used in financing activities	(535,829,992)
Net increase in cash and cash equivalents	14,208,098
Cash and cash equivalents at beginning of year	41,336,348
Cash and cash equivalents at end of year	55,544,446

As of December 31, 2020, the Company and subsidiaries had an increase in net cash and cash equivalents Baht 14 million, with the company and its subsidiaries had net cash flow from operating activities of Baht 121 million. Net cash flow from investing activities was Baht 429 million, mainly from dividend received from associate. Net cash flow used in financing activities of Baht 536 million from repayment of long-term loans from financial institutions and dividend paid.

4. Financial Ratio from consolidated financial statement for the ended December 31, 2020

Profitability ratios	Consolidated financial statements		Changes
	2020	2019	
Gross Profit Margin	174%	10.7%	7%
EBITDA Margin	35.6%	16.6%	19%
Net Profit Margin	18.7%	5.6%	13%
Return on shareholders' equity	11.4%	5.3%	6%

The Capacity to pay and liquidity ratios	2020	2019	Changes
Debt to equity ratio (Times)	0.54	0.71	(17%)
Liquidity ratio (Times)	0.61	0.68	(7%)

In 2020, the Company's Gross profit margin decreased from 10.7% to 17.4% from controlling Cost of sales in accordance with a decrease in Sales.

Consequence, EBITDA Margin increased from 16.6% to 35.6% from a decreasing in loss before I operating activities and profit from investment in associate has increased by 14% compare to the same period of last year.

Risk Management

Business operations unavoidably experiences the fluctuation of both internal and external environmental factors which poses both risks and opportunities to organization. As a consequence, risk management has become one of the important tools which prevent or reduce the adverse effects of risk as well as support organizational goals and objectives. In addition, the risk management is considered as one of the significant functions of good corporate governance which improves all operation process efficiency and transparency. This not only help in building business image but also creating value added to organization.

Corporate Risk Management Committee is composed of

1. Chief Executive Officer
2. Chief Financial Officer
3. Director of Accounting and Internal Control Department
4. Director of Human Resources Department
5. Director of Information Technology Department

All persons mentioned above are in charge of assessing all risks that impact on business operation of organization in both short-term and long-term as well as establishing organizational rules and regulations for controlling and mitigating all risks to appropriate or acceptable level in order to achieve business objectives as planned. The management may assign responsibilities to risk management subcommittee for creating sub plans in which corporate risk management committee will periodically monitor and report business performance to audit committee and the board of directors quarterly.

In the previous year (2020), Corporate Risk Management Committee has analyzed and assess organization’s risks in 5 aspects as follows;

1. **Strategic Risk (S):** is the risk arising from strategic plan determination or implementation which unsuccessfully achieving goal. This incurred from inappropriate internal or external factors such as organizational structures, competitive situations, resources, and business environment which all impacted on business goals detailed as follow;
 - 1.1 Business deceleration from the impact of COVID-19 pandemic.
 - 1.2 Main business failed to meet the growth target.
 - 1.3 Incapability to adapt new strategic change.

2. Operation Risk (O): is the risk derived from unappropriated operational processes which are incompatible with contemporary world situation. As a result, the company has to mitigate the risk since

2.1 Juice market did not grow as planned due to decreasing market share stealing by unorganized market players and substitute beverage products.

2.2 Readiness of successor in important positions; some positions require a number of experiences meanwhile personnel development did not serve at the right time.

3. Financial Risk (F): is the risk related with financial management. In the previous year, world experienced massive impacts of COVID-19 pandemic which led to the Great Lockdown in many countries including Thailand. This changed people's daily lives and caused an economic disruption and global simultaneous shocks. Consumers' purchasing power and their income dramatically decreased and caused in business damages. As a consequence, the profit for the year did not meet target as projected and resulted in inadequate liquidity.

4. Compliance Risk (C): is the risk exposure to legal penalties when the company fails to act in accordance with laws and regulations such as Personal Data Protection Act 2019, which requires the company to appropriately and sufficiently manage personal data under a particular standard. The purpose is to prevent all risks which might be incurred and effect on confidentiality, integrity, and availability of personal data, resulting in negative impacts on personal or organization level.

5. Information System Risk (I): is the risk derived from the system of business management; Enterprise Resources Planning (ERP) which is being used at present. Some parts of the system are obsoleted and unable to support new business in the future. This requires a change in the system, but ERP system changing needs a high investment and also take some time for operation. In order to mitigate risk and negative impacts, decision making has to be well planned.

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	2020	2019	2018	2017	2016
Net profit/share	0.66	0.25	0.72	0.98	0.79
Dividend/share	0.94	0.34	0.25	0.75	0.39
Dividend/profit (%)	142%	134%	35%	77%	49%

Corporate Social Responsibility

The company has conducted another separate Report on Sustainability Development in accordance with the framework of Global Reporting Initiative (GRI) for economic, social, and environmental sustainability presentation.

The Company conducts its business by taking responsibility for all groups of its stakeholders. As a part of the community, the Company is committed to ensuring environmental and social responsibility by acting as a good citizen and living with others in society with pride and dignity. The Company instills such concept into its employees at all levels, comprising directors, high-level executives, managers, supervisors, employees, and other stakeholders. In addition, the Company developed the Corporate Social Responsibility (CSR) policy and principles for use as guidelines by its stakeholders to ensure their consistent and strict compliance there with under all circumstances. It can be said that conducting business and performing duties with a focus on environmental and social responsibility has become the core concept of all stakeholders of the Tipco Foods Group as per its policy: **“Tipco develops its business along with the environment and society.”**

To ensure effective management and operations with respect to environmental and social responsibility and compliance with the CSR policy, the Company appointed CSR working groups attached to its respective factories and headquarters. Each working group’s representatives consist of a CSR executive, a group head, members, and a secretary. Roles and responsibilities of each working group are as follows:

1. Present environmental and social contribution activities to seek support for government agencies and communities in areas of responsibility
2. Coordinate and undertake environmental and social contribution activities according to approved budgets
3. Supervise, monitor, and present activities to ensure that each factory’s environmental management meets applicable regulations, laws, and standards
4. Act as a center for communicating news and information regarding environmental and social contribution activities through local media
5. Prepare an annual activity plan and propose a budget for implementing environmental and social contribution projects
6. Conduct other activities related to the promotion of environmental and social image of Tipco as assigned.

Each CSR working group shall conduct meetings to develop environmental and social contribution activity plans; follow up on the progress; and report the results of the activities to the management team for acknowledgement on a regular basis. Environmental and social contribution activities can be divided into the following 3 categories:

1. Social

- Provide scholarships for community schools
- Provide scholarships for the children of farmers supplying raw materials
- Conduct community relations visits along with nearby communities and government agencies
- Provide funds according to Tipco's fiscal year budgets to support communities and society

2. Environmental

- Support domestic forestry ecosystem conservation and creation activities

3. Religious

- Promote morals, ethics and social contribution by raising employees' awareness of volunteerism, merit making, moral and ethical conduct, and integrity.

According to the Company's policy, the employees must perform duties based on the principles of integrity, transparency, and fairness, with no conflicts of interest against the Company and its stakeholders; and maintain confidentiality of business transactions with the stakeholders. As such, the Company has stipulated channels for filing complaints or reporting fraud cases as follows:

- Allow the public to provide leads or complaints of illegal or unethical acts as per the address and telephone number posted in the Company's website
- Visit the community to seek opinions
- Hold forums with local administrative organizations, community leaders, and the community
- Adopt a complaint handling system by verifying information and reporting results to the Board of Directors.

According to the results of the “Community Satisfaction Level (CSL)” survey continuously conducted by the Company, in 2020 the Company obtained an average score of 4.45 (out of the total score of 5) which was higher than 4.39 in the previous year. The Prachuap Khiri Khan factory obtained a score of 4.62 which was lower than 4.63 in the previous year. The Chiang Mai factory obtained a score of 4.24 which was lower than 4.30 in the previous year. The Wang Noi factory obtained a score of 4.51 which was higher than 4.46 in the prior year. The Company assigned relevant functional units to implement recommendations made by the communities for improvement and correction. To promote awareness of the stakeholders’ rights and ensure relevant implementation actions, the Company has defined its business framework, vision and core values as follows:

Mission: “To bring wellness to society”

Vision: “A company that drives and leads the market, and adds value to its stakeholders” (Its stakeholders consist of employees, consumers, trading partners, business alliances, and members of society.)

The Company’s 5 core values were determined according to the acronym of “TIPCO” as follows:

- T:** Teamwork
- I:** Innovation
- P:** Passion
- C:** Commitment
- O:** Openness

The Company continues to focus on the alignment between its corporate vision and core values to drive sustainable growth. The corporate core values reflect the Company’s strong commitment towards its internal and external customers across all functional units. All of the Company’s functional units shall have a service mind and offer quality products that meet consumer needs and service users. Such strong commitment helps foster a culture of good corporate governance.

In 2020, the Company obtained the average score of 99.2% according to the Customer Satisfaction Index survey or a very good rating.

The Company also conducted the Supplier Satisfaction Survey and obtained an average score of 4.90 (out of 5.00) which was higher than 4.89 in the previous year. The Company made improvements based on the received feedback through assigning action owners and target completion dates as well as conducting evaluation on a regular basis. This was to ensure that the Company complied with the principles of good corporate governance principles and equitable treatment of its stakeholders. (Remark: Ratings of 1-5 are defined as follows: 5 – Very Good, 4 – Good, 3 – Fair, 1 and 2 – Need Improvement.)

In 2020, the Company conducted a number of social and environmental contribution activities in various aspects as follows:

Social Aspect

- Donated mineral water to Pong Yaeng Subdistrict Administrative Organization for Thailand 4.0, Local Education Support Project Activity.
- Donated mineral water to Botanical Garden Organization in Mae Ram Subdistrict, Mae Rim District, Chiang Mai Province in occasion of Botanic Trail Run 2020 Season 1 @ Love Trail, Botanical Garden Organization
- Donated mineral water to Baan Pong Yaeng Community and Ban Pong Krai Community in Mae Rim District, Chiang Mai Province on occasion of 2020 District Sports Day Activity.
- Donated mineral water to Maharaj Nakhon Chiang Mai Hospital and Nakhon Ping Hospital for medical staffs working during Covid-19 pandemic in Chiang Mai Province.
- Donated mineral water to Phu Nam Yod Subdistrict Administrative Organization on the occasion of National Children’s Day 2020.
- Donated mineral water Vichian Buri Red Cross District Branch in occasion of King Naresuan Worship Ritual 2020.
- Granted ‘Pun Rak Pun Hug’ teddy bears to Phetchaboon Hospital and Vichian Buri in project of “Pun Rak Pun Hug with TIPCO”.
- Donated mineral water to the Islamic Committee of Phetchaboon, Wang Chomphu Subdistrict, Muang Petchaboon District, Phetchaboon Province in occasion of Wang Chomphu Mosque Restoration Campaign.
- Donated mineral water to Phetchabun Provincial Public Health Office in “Run for Love” Activity.
- Installed Water Gen M Machine in Phu Nam Yod Subdistrict Administrative Organization for drought relief for people who live in a neighborhood.
- Created “Your Old Calendars for Braille Code Media” Activity, donation campaign for old, disused calendars to deliver to Foundation for the Blind under the Patronage of H.M. the King.

- Donated rice and dried foods to Provincial Industry Office for survival kit preparation for people who experienced hardship from COVID-19 pandemic in Prachuap Khiri Khan Province.
- Donated mineral water to Mae Rim Provincial Police Station, Chiang Mai Province and Provincial Administrative Organization for survival kit preparation, food, and drinking for people who experienced hardship from COVID-19 Pandemic.
- Donated mineral water to Phu Kham Subdistrict Administrative Organization for “Pantry of Sharing for Impoverished Persons” Campaign.
- Donated Tipco fruit juice to elderly persons in M.3 and M.7 Sanubtub Community, cooperated with Sanubtub Subdistrict Administrative Organization, Wang Noi District, Pranakhon Sri Ayutthaya Province, totaling 70 households on occasion of National Day of Older Persons 2020.
- Organized “COVID-19, The Fight Is In Us” Tipco Blood Donation Activity at Wang Noi Factory, Pranakhon Sri Ayutthaya. This had been delivered to Regional Blood Center 2, Lopburi.
- Donated Tipco fruit juice to Regional Blood Center 2, Lopburi, which has been affected by COVID-19 pandemic. The donation was for internal service organization support.
- Donated Tipco fruit juice to people who had been affected by COVID-19 pandemic, cooperated with Vice Governor, District Chef, Provincial Monk Dean, Office of Social Development and Human Security, Pranakhon Sri Ayutthaya, in occasion of Community Visit Program, including consumer goods for disabled, older persons, bed-bound patients, impoverished persons in Sanubtub Community, M.1-M.7, Sanubtub Subdistrict, Wang Noi District, Pranakhon Sri Ayutthaya Province.
- Donated Tipco fruit juice and food expenses as a part of food and drinking provision for staffs and volunteers in “H.M. Road Development Volunteer Activity” in H.M. King’s Birthday Celebration.
- Granted resistance bands to Phu Kham Subdistrict Administrative Organization and Phu Nam Yod Subdistrict Administrative Organization.
- Donated Tipco fruit juice and snacks for morning break to children in the foster home at Rangsit Child Foster Care Service Center, Department of Children and Youth, Ministry of Social Development and Human Security, Thunyaburi District, Pathumthani Province, on the occasion of Founder Commemoration Day 2020 (Mr. Prasit Subsakhon)
- Organized “Resistance Band for Lives” activity in order to promote healthy lifestyle. The bands were delivered to Public Health Officers and Community Volunteers in Sanubtub Community, M.1-M.7, Sanubtub Subdistrict, Wang Noi District, Pranakhon Sri Ayutthaya Province at Sanubtub Health Promoting Hospital, on the occasion of Founder Commemoration Day 2020 (Mr. Prasit Subsakhon).

Environmental Aspect

- Donated mineral water to communities and Tung Rao Royal Project Development Center in Firebreak Maintenance Activity.
- Donated mineral water to Volunteer Center of Civil Defense Department, M.2 Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province for disaster prevention and mitigation (forest fire prevention management)
- Donated mineral water to forest fire fighters in Mae Wang District
- Donated Tipco fruit juice to Sanubtub Subdistrict Administrative Organization, Wang Noi District, Ayutthaya Province in occasion of "Homegrown Vegetables for Food Sustainability", the community transformation through the temple, at Wat Chuchitthammaram.
- Donated mineral water to Nong Hoi Royal Project Development Center in the occasion of Reforestation Project in Honor of HM the King 2020 at route to Mon Long mountain summit, M.7 Mae Ram Subdistrict, Mae Rim District, Chiang Mai Province.
- Donated mineral water to Ban Buak Toey Community in Reforestation Activity 2020 at Baan Buak Toey Village, M.8 Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province.
- Donated mineral water to Ban Buak Jun Community in Reforestation Activity 2020 at Baan Buak Jun Village, M.7 Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province.
- Granted garden trees to Prachuap Khiri Khan Provincial Marine Department for improvement of accessible toilets landscape.

Educational Aspect

- Donated Tipco fruit juice to schools and related educational departments totaling 13 places in occasion of National Children's Day 2020
- Donated mineral water to Wat Pong Yang Chalermprakiat School, M.2 Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province in Buddhism's robe-offering ceremony, for School Canteen Improvement Project
- Donated mineral water to Ban Pong Yaeng School in M.1 Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province on the occasion of Team Building Sports Day.
- Donated mineral water to Mae Rim 2 Network of Education Development Center, Ban Buak Jun, Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province for scout camp activities.
- Donated mineral water to Ban Phu Yod School in occasion of National Children's Day 2020
- Cooperated with Ruamchit Normkiao Foundation (for Children and Youth) under Her Majesty's Royal Patronage in order to grant financial provision for education.
- Donated Tipco fruit juice and mineral water for the Bangkok School for the Blind and Foundation for the Blind in Thailand under the Royal patronage of H.M. the Queen in favor of utilization of school's activities.

- Granted scholarships to children of the employees of the Tipco Foods Group.
- Granted cloth face masks (200 pieces), liquid chlorine (20 liters), rubbing alcohol (5 liters) to Ban Bueng School in Equipment Donation Activity, for preventing from COVID-19 pandemic.
- Tipco Foods Group donated funds to Bangkok School for the Blind on the occasion of Founder Commemoration Day 2020 (Mr. Prasit Subsakhon).
- Donated rice to Ban Bueng School for Lunch Program.
- Granted financial provision for kindergarten teachers in Ban Bueng School, under Financial Provision Project Activity.

Arts, Cultural, and Religious Aspect

- Donated mineral water to Pong Yaeng Nok community, M.2 Pong Yaeng Subdistrict, Mae Rim District, Chiang Mai Province in the occasion of ritual and worship the Buddha's hands, at Pha Tha Cave.
- Donated Tipco Fruit Juice to Wat Sahakhon Thammanimitr, Sanubtub Subdistrict, Wang Noi District, Pranakhon Sri Ayutthaya Province, as the impact of COVID-19 pandemic.
- Donated Buddhist Lent candles to Wat Khan Kradai in occasion of the Buddhist Lent Candle Offering activity.
- Donated Aura mineral water, Buddhist Lent candles, and requisites to Wat Yang Sam Ton in the occasion of the Buddhist Lent Candle Offering activity.
- Donated Tipco Fruit Juice for co-hosting in Navakha Buddhist Ordination Mediation Training Session at Wat Sahakhon Thammanimitr, Sanubtub Subdistrict, Wang Noi District, Pranakhon Sri Ayutthaya Province.
- Donated mineral water to the Islamic Committee of Phetchaboon, Wang Chomphu Subdistrict, Muang Petchaboon District, Phetchaboon Province in occasion of Wang Chomphu Mosque Restoration Campaign.

Also, the Tipco Foods Group provided support and assistance through other activities of the public and private sectors such as community visits; volunteering employees to join in various activities with organizations, government agencies, schools, and temples; etc.

Environmental Management

The Company takes it seriously when it comes to social and environmental duties and responsibilities by acting as a good citizen and living with others in society without causing any harm to the overall benefit of society and the nation. The Company has been revising its production standards and work processes to prevent the creation of pollution and ensure sustainable uses of natural resources. The Company does not support its stakeholders in destroying natural resources and the environment.

Recognizing the importance of environmental conservation and natural resource management, the Company has established the environmental policy as a guideline for its operations and communication as follows:

1. The Company is committed to undertaking operations in compliance with environmental laws and other requirements relating to environmental management.
2. The Company is committed to the mitigation of key environmental impacts and the conservation of natural resources.
3. The Company is committed to following up and evaluating environmental performance to ensure that established management plans are met. The Company is also committed to improving such environmental performance on a continuous basis.
4. The Company is committed to raising environmental awareness among its employees, service providers and contractors, and ensuring communication to the general public.

Environmental Guidelines

1. Control, supervise, and prevent against any pollution caused by any activities, products, or services. Identify sources of pollution and measure, record, and report results of pollution. Stipulate measures to prevent against pollution and waste. Disclose information relating to pollution to the public and undertake any activities to prepare for and prevent against any accidents from chemical substances or any pollution from operations.
2. Supervise and control sustainable uses of resources; identify sources of uses of energies, water and other resources; and take measures for efficient uses of resources.
3. Undertake direct and indirect measures on an ongoing basis to mitigate any impact from climate change in relation to the Company's operations.
4. Protect and restore natural habitats in respect of all activities, products or services by indicating impacts and providing appropriate measures to mitigate or eliminate such impacts. Take actions to restore and maintain the ecosystem to promote the conservation and sustainable uses of natural resources.

The Chiang Mai Factory

1. Responsible for all costs incurring from eliminating weeds for Ban Pong Krai on 6 January 2020 which is the last activity of the Sustainable Environmental Conservation activities through implementing the AURA PES Forest Restoration Project No. 3 in the area between the Ban Pong Krai Community and the factory. Under such project, plants were grownth in a 10-rai plot of land. The community had taken a responsibility for the growing plants and maintenance them for 2 years (March 2018 – March 2020).
2. The machines producing mineral water have been developed into new innovation which does not require the use of water when cleaning bottles. Thus, there was no any waste of water from the bottle cleaning process. This resulted in a considerable reduction in the water used and a reduction in the amount of wastewater.
3. Encouraged people to reuse of plastic bags for other purposes by encouraging the employees to donate the used food bags (after being cleaned and dried out) for making recycled road block tiles under the Green Road project of Asst. Prof. Dr. Wechsawan Lakas.
4. Implemented the “No Wet Waste” project. All residues of food, vegetables and fruits from meals were buried in the prepared dug soil holes with lid covers to prevent any flies from laying eggs. Once the food residues almost filled up the holes, the holes were covered up with soils. Worms and micro-organisms would decompose those food residues to enrich the soils.
5. Abandon the use of plastic bags, bringing all type of plastic bags is not allowed in factory area.

The Phetchaboon Factory

1. Used the mineral water production machines which were under the same system as that of the Chiang Mai factory. Thus, there was no loss of water from the bottle cleaning process. This resulted in a reduction in the water used and a reduction in the amount of wastewater to be treated.
2. Used LED light bulbs as part of its lighting system, saving more energy than general light bulbs.

3. Implemented the "No Wet Waste" project. All residues of food, vegetables and fruits from meals were buried in the prepared dug soil holes with lid covers to prevent any flies from laying eggs. Once the food residues almost filled up the holes, the holes were covered up with soils. Worms and micro-organisms would decompose those food residues to enrich the soils.
4. Abandon the use of plastic bags, bringing all type of plastic bags is not allowed in factory area.

The Prachuap Khiri Khan Factory

1. Set out electricity and heat reduction measures and provided maintenance services for key energy saving devices every year (a continued measure).
2. Reduced the amount of air leak from the compressed air system by 20% and the energy charges by 586,172 Kwh/annum (with a reduction in the carbon dioxide release amount by 328,843 KgCO₂/annum) (a continued measure).
3. Replaced the ammonia-based chiller with the R-404a chiller which was eco-friendly and not damaging the ozone layer (a continued measure).
4. Reduced the use of charcoal by 16% by using high quality charcoal materials that gave high heat energy. The amount of carbon dioxide release was reduced by 7,741,250 kg-CO₂/annum or 1% compared to 2019.
5. Reused the wastewater from the RO system through the installation of the Reuse RO system to reduce the use of water in the pineapple cleaning process. This resulted in a reduction in the use of water of 30,000 Q/annum (a continued measure).
6. Conducted air quality checks twice per year. In 2020, the factory checked air quality in the general atmosphere, in the charcoal fired steam boiler, and in the furnace oil fired steam boiler. The results were as follows:
 - The first air quality check was done from 17-20 June 2020 and the result was "Met Standard Criteria."
 - The second air quality check was done from 1-4 December 2020 and the result was "Met Standard Criteria."
7. Conducted the "Condensate Recovery" at the boiler for refilling purposes. This helped the factory achieve heat energy savings of Baht 209,960 for the entire year.
8. Reused water from cooling towers for refilling purpose. Under the new practice, the factory no longer had to use only new water for refilling purposes while under the traditional practice, the factory had to dispose of the used water.

The Phranakhon Sri Ayutthaya Factory

1. Reduced the use of energy from the compressed air system through installing a new high-performance air compressor. This helped achieve electricity savings of 96,723.68 KW.h/annum and saving maintenance costs of 1,746,130 Baht. In addition, this allowed a reduction in the carbon dioxide release amount of 56,302.85 kgCO₂/annum.
2. Reduced the use of energy from air conditioning system by conduct a study of the whole factory's systems. This was for replacing the low-efficiency air conditioners with high ones. This helped achieve electricity savings of 12,302.38 KW.h/annum as well as a reduction in the carbon dioxide release amount of 7,161.22 kgCO₂/annum.
3. Reduced the use of energy in the lighting systems in the offices and along the walkways by changing the light bulbs from "T5" to "LED". This helped achieve energy savings of 29,829.76 KW.h/annum and a reduction in the carbon dioxide release amount of 17,363.90 kgCO₂/annum.
4. Changed water type in Cooling Tower Process by changing from water softener system into RO Step 2. The permeate water that is collected from the first stage in RO has higher quality than water from softening process. In addition, the cost is low comparatively so this saved water usage for 2,223.46 m³.
5. Launched an energy-saving campaign by turning off air conditioner during lunch break and before time off work 30 minutes.
6. Improved wastewater treatment area's landscape by growing trees around the factory area.
7. Green industry level 2 qualified.

Environment Training and Education

1. Held Training and Development program on topic of "Skill and Capabilities for a Sustainable and Circular Economy" during 29th September – 2nd October 2020. The session was held by Northern Science Park, Chiang Mai Province.
2. On 9 October 2020, the company was invited by Raks Thai Foundation to the Payment for Ecosystem Service Forum for sharing experiences and organization planning according to the PES Guideline.

Disclosure of Prevention against Corruption

The Board of Directors supported the Company to participate in the declaration of its intent to comply with the principles of the Anti-Corruption Collective Action in Thailand in 2010 together with the Thai Institute of Directors Association (IOD), the Board of Trade of Thailand, the Thai Listed Companies Association (Thai LCA), the Thai Bankers' Association (TBA), and the Office of the National Anti-Corruption Commission (ONACC). The Company was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in October 2016 and renewed its status on 5 August 2019. The period of each status renewal is 3 years from the date of the certification resolution.

The details are as follows:

1. It is the Company's policy to combat all forms of corruption by developing a written guidance and posting it in the Company's website. Such guidance was approved by the Board of Directors.
2. The Board of Directors stipulated the anti-corruption policy by declaring its intent to join the CAC. The Company subsequently ratified and acknowledged the agreements as per its intent to join the CAC in order to counter all forms of corruption
3. The Board of Directors approved the anti-corruption measures in writing as shown in the Company's website, which shall be strictly adhered to by all employees to promote transparency and fairness in doing business according to the good corporate governance and anti-corruption policies.
4. In 2015, the Company established a working group comprising representatives from all relevant departments in order to request certification as a member of the CAC. The Company was certified to be a member of the CAC.

Anti-Corruption Policy

Directors, executives, and employees at all levels of the Tipco Foods Group and its related parties shall strictly refrain from committing all forms of corruption in all cases either directly or indirectly. The Tipco Foods Group shall have in place measures to audit and review the compliance with the anti-corruption policy on a regular basis to keep up with changing business environments, regulations, rules, and laws. Any violations or actions to support corruption shall be subject to disciplinary actions according to the Company's regulations.

Furthermore, the Company took the following actions to prevent any involvement in fraud and corruption:

1. The Company communicated to the directors, executives and employees that all work processes must be conducted strictly within the scope of laws. Any mistakes in the work processes due to negligence or complacency shall be subject to punishment by authorities without any exception.
2. The Company put in place a channel for people to file leads or tips in the event of witnessing any violation or fraud or corruption. The Company also had protection measures for those who reported the incidents. Details of the policies and actions relating to the prevention against any involvement in the corruption were disclosed in the Company's website under the section of Corporate Governance.
3. The Company established the anti-corruption working group responsible for stipulating anti-corruption policies and measures to ensure alignment and compliance with the requirements of anti-corruption measures of the CAC; preparing guidelines and action plans to promote collaboration in preventing and combating internal corruption; reviewing anti-corruption policies and measures; monitoring and evaluating the performance as compared to the policies; and independently performing audits as per the anti-corruption measures on a consistent basis as well as in the cases of complaints regarding any inconsistencies with the anti-corruption policies and measures.
4. The Company shall not allow its management team and employees at all levels to commit any form of corruption or bribery. Also, it is prohibited to further assign others to give or receive money or other incentives on one's behalf in order to exchange for business advantages, privileges or other kinds of monetary benefits. It is prohibited to give bribes either directly or indirectly to government officials or politicians in order to persuade such persons to make decisions that benefit the Company or are considered a violation of ethics and laws.
5. The Company shall not allow its management team and employees at all levels to receive any money, objects, entertainment or other benefits from the customers, sellers of products or services, or contractors; or to receive any gifts on festive occasions with the values exceeding customary limits of the Company's stakeholders such as sellers of products and services and customers; if such receiving may cause others to understand that

the receiver favors or has a special business relationship with the giver and this could lead to unfair treatment towards other sellers of products or services or customers. However, such receiving or giving may be allowed if the receiving or giving is conducted in a transparent manner or in a public place or can be disclosed. In this case, such transaction shall be reported to the relevant supervisor. In the case of receiving any gift or award with the excessive value, it shall be submitted to the Human Resource Department to be included as part of a central pool of assets.

6. The Company facilitated trainings to raise awareness among its executives, employees and representatives about corruption and combating corruption while educating them about social responsibility.
7. The Company provided channels for submitting complaints, leads, reports of violations or breaches of the Company's anti-corruption policy through the website: www.tipco.net ("Filing of Anti-Corruption Leads"); an email: anti-corruption@tipco.net; a mail to: Managing Director or Corporate Secretary or Supervisor; or an opinion box directly to the Managing Director, for further fact checks with disclosure or non-disclosure of the filing person.
8. The management team and employees at all levels including other stakeholders must strictly comply with the Company's anti-corruption policy. An emphasis shall be placed on the respect for property rights and the promotion of relevant parties' respect for properties and local wisdom and non-purchases of products or services from or non-partnership with organizations that violate human rights.

Disclosure of the Anti-Corruption Policy

To ensure that all people within the organization are aware of the anti-corruption policy, the Company has taken the following actions:

1. Posting the anti-corruption policy at the public relations boards at the premises of all companies in the Tipco Foods Group
2. Disseminating the anti-corruption policy via the Company's communication channels, including its emails, website, annual registration statement (56-1 form), annual report (56-2 form), and leaflets
3. Facilitating trainings in its anti-corruption policy to new employees and incorporating the matter in the employees' manual
4. Reviewing the anti-corruption policy on an annual basis

Whistleblowing or Complaint-Filing Channels

Persons who witnessed any fraudulent or corrupt practices or who were affected by their refusal to conduct corrupt practices may report leads or file complaints with or without their names disclosed. In this regard, they shall identify facts or evidences which clearly indicate that there is a reasonable ground to believe that corrupt practices were conducted or they were affected by their refusal to conduct corrupt practices. Reporting leads or filing complaints shall be made via one of the following channels:

1. Email: anti-corruption@tipco.net
 2. Website: www.tipco.net (Topic: Reporting fraudulent or corrupt practices)
 3. Telephone numbers: Chief Executive Officer 02-273-6888, Chairman of the Board of Directors 02-273-6400, or Call Center 095-205-1864
 4. Mailing to: Chairman of the Board of Directors/Chief Executive Offer, Mailing Address: Tipco Foods Public Company Limited 118/1 Rama 6 Road, Phayathai Subdistrict, Phayathai District, Bangkok 10400
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1. For important or emergency cases that may affect corporate image or are related to high-level executives or directors; reports shall be directly submitted to the Chairman of the Audit Committee at E-mail: viratpt@hotmail.com.
 2. The Company shall examine the complaints based on reliable facts. However, the whistleblowers or complainants shall be aware that the complaints without their names disclosed could affect the efficiency of Company's fact-finding operations.

Protection of Whistleblowers and Those Refusing to Conduct Corrupt Practices

The Company set a mechanism to provide protection for persons who cooperate with the Company in fighting against corruption, including whistleblowers, those providing information, and those refusing to conduct corrupt practices. This is to ensure that such persons will not face any trouble or suffer any damage from such actions.

1. The unit receiving the complaint shall consider preliminary information or find supporting information. If it is deemed appropriate to conduct a fact-finding, the top executive of the unit receiving the case shall grant endorsement before submitting the case to the relevant unit for further actions according to the procedures.
2. The Company shall provide protection for those cooperating with the Company in providing leads or refusing to conduct corrupt practices so that they are free from trouble, threats, or unfair practices as a result of such cooperation.

3. The Company shall not demote, punish or incur a negative impact on the employees or executives who refused to conduct corrupt practices although such action might cause losses of business opportunities to the Company.
4. In the case where the whistleblowers/complainants find that they may not be safe or may suffer from any damage, they can request the Company's protection as appropriate.
5. To protect the rights of the persons filing complaints or giving information in good faith, the Company shall keep information of such persons as confidential. Only those responsible for conducting a fact-finding are allowed to access such information. Disclosure of such information to irrelevant persons shall be considered as a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures.
6. If it is found that an employee or executive unfairly treats or causes damage to another person because such person provides leads/files a complaint or refuses to conduct a corrupt practice; that employee or executive shall be regarded as committing a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures.

Punishment

Any person intentionally or negligently violating this regulation or exhibiting a misconduct through any form of persecution, threatening, disciplinary action, or discrimination against those providing leads/filing complaints or those involved in the implementation of this regulation shall be deemed as committing a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures. Such person shall also be liable for any damage incurred to the Company and those affected by said action. Details of the anti-corruption policy and relevant activities are disclosed in the Company's website under the topic of "Good Corporate Governance".

Responsibility for Stakeholders

The Tipco Foods Group has developed a set of desirable behaviors for its management team and included such information in the Company's Code of Conduct (as shown in the Company's website). All stakeholders, including shareholders, employees, customers or consumers, trading partners and/or creditors, competitors, environment, and communities, shall be treated with the highest standard of morals and integrity.



Report of the Corporate Governance Committee

The Board of Directors, in its capacity as the Corporate Governance Committee, is committed to ensuring that the Company's operations comply with the good corporate governance guidelines stipulated by the Stock Exchange of Thailand as well as the international standards and the Securities and Exchange Commission's 2017 Corporate Governance Code for Listed Companies.

The Company encourages its employees at all levels to perform duties according to the good corporate governance principles with the aim of assuring its shareholders, investors, customers, and other stakeholders that it has adopted the efficient, transparent, auditable and fair management mechanism for increased value and corporate sustainable growth. This is in accordance with its vision of "To achieve ongoing growth and competitiveness and to gain trust from the customers in both the domestic and global markets".

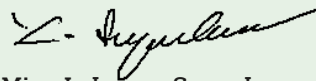
The Company has provided trainings on the manual on good corporate governance and business ethics as a concrete way to communicate its relevant policies to its management and employees at all levels. The Company has also encouraged its employees to realize the importance of good corporate governance and their responsibilities and to comply with the organization's code of conduct so as to consistently cultivate the good corporate governance culture within the workplace. Every year, the employees are required to complete the "Actions Leading to Conflicts or Overlapping of Interest" survey form.

With its strong commitment to complying with the principles of good corporate governance, the Company won the Top Corporate Governance Report Award from the Stock Exchange of Thailand for five years (2003-2006 and 2010). In 2019, the Company was officially certified as a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) and the National Corporate Governance Committee assigned the Company the good corporate governance score of 91%, or a "Excellent" rating, which was above the average score of 83% assigned to its peer SET-listed companies. In addition, the Company's 2020 shareholders' meeting received the score of 100 points, or an "Excellent" rating, by the Thai Investors Association.

From 2010-2015, the Company won the CSR-DIW Continuous Award from the Department of Industrial Works, Ministry of Industry, for sixth consecutive years, as an entrepreneur who implemented corporate social responsibility activities in a continuous and sustainable manner and was ready for the adoption of the ISO 26000 international standard towards sustainable development. The Company also prepared the corporate social responsibility report according to the standards of the Management System Certification Institute (Thailand). This reflects the Company's continuous commitment to implementing its corporate social responsibility

initiatives. As for human resources management, the Company focused on developing its employees' capabilities as well as creating and promoting a positive work environment. Thanks to its ongoing systematic human resources development efforts, Tipco Foods Public Company Limited (the Company) has been granted the Outstanding Enterprise Award for Labor Relations and Welfare by the Department of Labor Protection and Welfare for 10 consecutive years. Also, the Company won the National Outstanding Enterprise Award for Workplace Safety, Health, and Environment from the Department of Labor Protection and Welfare.

The aim of the abovementioned activities is for the Company to achieve sustainable growth and to live happily in society and environment in accordance with our ultimate goal of upholding the good corporate governance philosophy in our operations.



Miss Laksana Supsakorn

Chairman of the Corporate Governance Committee

Corporate Governance

The Company adopted the Stock Exchange of Thailand’s 2012 Principles of Good Corporate Governance for Listed Companies and the Securities and Exchange Commission’s 2017 Corporate Governance Code for Listed Companies as guidelines for developing the Good Corporate Governance and Business Ethics Policy for the Tipco Foods Group subject to an annual review. The Company set out the good corporate governance guidelines to promote a culture of good governance among employees at all levels. This was to assure its shareholders, investors, customers, and other stakeholders that it has adopted the efficient, transparent, auditable, and fair management system for increased value and corporate sustainable growth. This was in accordance with its vision of “To achieve ongoing growth and competitiveness and to gain trust from customers in both domestic and global markets”.

The Company provided trainings in the manual on good corporate governance and business ethics at all business premises of the Tipco Foods Group so as to ensure that the employees clearly understand and strictly comply with the good corporate governance principles and business ethics as aforesaid. This was to consistently cultivate the good corporate governance culture within the organization as a foundation for sustainable growth and increased value for all stakeholders.

According to the 2020 annual corporate governance assessment conducted by the National Corporate Governance Committee, the Company received a total score of 91%, or an “Excellent” rating which was higher than the previous year which was 89%. In addition, company was ranked in the Top Quartile in group of Market Capitalization of THB 3,000-9,999 Million. Details of Tipco’s scores are as follows:

	2020	2019
Rights of Shareholders	99%	99%
Equitable Treatment of Shareholders	96%	96%
Rights of Stakeholders	91%	88%
Information Disclosure and Transparency	95%	90%
Board of Directors’ Responsibility	86%	84%

1. Corporate Governance Policy

To achieve the Company's objectives, develop a sense of responsibility for work results, build a culture of transparency and integrity, sustain long-term business competitiveness, and increase the stakeholders' confidence; the Board of Directors implemented the policy on compliance with the principles of good corporate governance as follows:

1. It shall be ensured that the Board of Directors perform duties according to their stipulated role and responsibilities in an efficient manner.
2. There shall be efficient risk management and internal control systems.
3. Policies shall be provided for and strategies/business plans shall be reviewed with the management team.
4. There shall be supervision to ensure no conflicts of interest.
5. Shareholders and stakeholders shall be treated equally and fairly.
6. Operations shall be undertaken with transparency, integrity, and auditability.
7. Adequate information shall be disclosed to the stakeholders, especially in terms of operating results and financial statements.
8. The Company's code of conduct shall be provided and complied with by all directors, executives, and employees.
9. Environmental and social activities shall be conducted in a concrete manner and the management team shall implement and communicate the policy on the said matters to the employees for their understanding and compliance.

The Company reviewed its corporate vision, targets, strategies, and immediate or urgent action plans to ensure alignment with the current and future business environments. The new vision statement focuses on creating value added for all groups of stakeholders including employees, consumers, trading partners, business alliances, and society. To ensure that targets are achieved according to this vision, the Company focuses on managing 4 areas, namely finance, customer, internal process, and learning and growth. The goals of all internal entities including those of individual employees, departments, divisions, and business groups, were linked together

to help drive achievement of the overall goal and vision of the organization. Furthermore, the Company defined a number of policies including the policy on quality assurance to ensure customer satisfaction through a number of factors such as personnel, work processes, safety, environment, and society. This is aimed to create and foster exemplary work practices for society and the nation. The Board of Directors also established the Corporate Governance Committee consisting of all directors. The said committee developed the Good Corporate Governance and Business Ethics Policy as disclosed in the Company's annual report and website. To drive development of concrete and clear good corporate governance practices, the Company raised awareness about the good corporate governance principles among its employees to ensure their understanding and compliance therewith.

In 2020, the Corporate Governance Committee approved the adoption of the SET's 2012 Principles of Good Corporate Governance for Listed Companies and the SEC's 2017 Corporate Governance Code for Listed Companies. The corporate governance practices are described as follows:

Rights of Shareholders

At the 2020 Annual General Meeting of Shareholders, there were 11 directors presented, including the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. The Company set out the meeting procedures according to relevant laws, including meeting invitation, document submission, and meeting agenda notification. Also, adequate information was provided to the shareholders for their consideration in a timely manner prior to the meeting. Absentee shareholders were allowed to assign independent directors to act as proxies to attend and exercise their votes at the meeting (Please refer to 'Equitable Treatment of Shareholders' for more information). In 2020, the Company adopted the barcode registration system at the Annual General Meeting of Shareholders to identify the number of participating shareholders and voting results on each agenda item faster. Regarding voting, the Chairman informed the shareholders of the voting procedure by using paper ballots provided prior to the meeting. The vote counting process was witnessed by representatives being independent directors and external auditor namely EY Office Limited. The meeting was videotaped to ensure transparency and auditability. Furthermore, all shareholders were given an equal opportunity to query and express opinions during COVID-19 pandemic period. The Company allowed all shareholders to

send questions via email to the company secretary's email. All questions which have been answered including the minutes of the shareholders' meeting were disclosed in the Company's website. As for the rights of minority shareholders, the Company allowed time for its minor shareholders to propose agenda items and nominate candidates for directors in advance through the Company's website prior to the shareholders' meeting. The Company's 2020 Annual General Meeting of Shareholders obtained a total score of 100 out of a 100-point scale, or an 'Excellent' rating, compared to an average score of 93.70 of all listed companies.

Equitable Treatment of Shareholders

Recognizing its shareholders' equal rights to receiving accurate and adequate information in a timely manner, the Company submitted a meeting invitation letter, supporting documents for all meeting agenda items, a list of identity documents required for attending the meeting, proxy forms, and details of proxy assignment procedures, to its shareholders 14 days prior to the meeting date.

Since the Annual General Meeting of Shareholders No. 1/2006, the Company allowed its shareholders to access information at the earliest opportunity by sharing meeting agenda supporting documents in advance in its website before submitting such documents. In 2009, the Company started the practice of sharing meeting information in its website 30 days prior to the meeting date. Moreover, the Company determined meeting time and venue to facilitate convenience for its shareholders. On the meeting date, the registration service started 2 hours before the meeting and the shareholders were allowed to independently raise their opinions and questions. Voting on each agenda item was undertaken according to chronological order. No new agenda item was added without a prior notice being given to the shareholders. The shareholders were informed of the voting procedure before voting. Each agenda item was open for clarification and discussion before voting. All shareholders were allowed to vote equally, except for those with conflicts of interest. Since 2008, the Company has shared its objectives and criteria that its minor shareholders are allowed to propose agenda items and names of candidates for directors via the Company's website. In 2020, the Company held one annual general meeting of shareholders. For each meeting agenda item, relevant details, rationale, potential impacts, and opinions of the Board of Directors were provided to shareholders for their better understanding, analysis and decision making, and examination. The Company also allowed its shareholders not only to assign others as their proxies to attend the meeting and vote, but also to assign independent directors

as their proxies to vote on their behalf. The Board of Directors realized the importance of shareholders' meetings and all directors intended to attend all meetings unless in necessary cases. The Company's high-level executives attended shareholders' meetings on a regular and consistent basis. The meeting minutes represented all significant details, including participating directors, clarifications provided by the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Managing Director, and other relevant directors.

The meeting minutes also contained questions and opinions raised by shareholders; voting and counting processes; numbers of approval votes, disapproval votes, and abstention votes; and other relevant information. The meeting minutes were submitted to the Stock Exchange of Thailand within 14 days from the meeting date. The Company posted the meeting minutes via its website to allow its shareholders to check the accuracy of all resolutions and matters discussed or clarified at the meeting as well as to provide additional suggestions regarding matters to be added or corrected before submitting them to the next shareholders' meeting for adoption.

Voting ballots, documents, and other evidence were systematically stored and could be examined and referred to. The Company shared the shareholders' meeting resolutions through the Stock Exchange of Thailand's news channel within the next day after the meeting. The said resolutions contained voting results in terms of approval votes, disapproval votes, abstention votes, and voided ballots, so that the absentee shareholders could learn of the meeting results soonest.

With respect to profit allocation, the Company adopted a mechanism to ensure that its shareholders would receive their returns in a comprehensive manner. Such mechanism included a clear shareholding structure without cross-shareholding. The Company and its related company, Tipco Asphalt Public Company Limited, shared the same shareholders through investments in ordinary shares at the rate of 23.43 percent. Related party transactions were approved by the Audit Committee before submission to the Board of Directors for approval. Any directors with conflicts of interest would refrain from voting for such transactions. The Audit Committee had authority to oversee and prevent conflicts of interest and implemented the measure on prevention against misuse of insider information for personal gains. Since 2004, the Company's directors and executives, instead of individual reporting, have been required to disclose their shareholding in the Company at every Board of Directors' meeting.

Roles of Stakeholders

By recognizing the importance of the rights of both internal and external stakeholders, the Company established the “Code of Conduct” covering anti-corruption measures, responsible political involvement, equal and fair treatment of stakeholders, social and environmental responsibility, compliance with labor laws, and respect for employees’ rights. Also, the Company stipulated desirable practices for the main 3 groups of people involved in the Company’s operations and beneficial interest, including directors, executives and employees, and major shareholders. In particular, the desirable practices of the management team included the details of how the management team should treat 7 groups of stakeholders, namely shareholders, employees, customers/consumers, trading partners and/or creditors, competitors, and environment, as well as their roles in community engagement and development. The aforesaid code of conduct and desirable practices were based on the philosophy of quality and integrity. In addition, the Company focused on the process of good corporate governance to prevent its major shareholders from influencing decisions made by its management team based on the principles of integrity and professionalism.

Realizing its role as a member of the community, Tipco stipulated the policy on doing business with social and environmental responsibility. To promote such policy, responsible employees and relevant activities were determined. Examples of environmental and community support activities included the adopting schools which located nearby the factories or other appropriated schools as well as granting scholarships, providing educational equipment, or conducting other forms of development for schools via other means. The Company donated funds or products to support various activities held by government agencies, schools, temples, other organizations, and nearby communities. The Company also made efforts to prevent any possible impacts of its factories’ environments on surrounding communities.

Conflicts of Interest

To prevent conflicts of interest, the Company implemented the code of conduct and defined desirable practices for various stakeholders groups, especially its major shareholders, with a focus on preventing any adverse impacts of its major shareholders on other stakeholder groups. The Board of Directors is always informed of any transaction that might cause conflicts of interest

and any related party transaction; and carefully reviews the suitability of such transaction (Please refer to the “Elimination of Conflicts of Interest” under the “Equitable Treatment of Shareholders”). The Company complied with the regulations of the Stock Exchange of Thailand and amended its articles of association to protect the interests of its minority shareholders. The amendments were duly approved by the 2003 Annual General Meeting of Shareholders, details as follows:

“Item 48, Section 8, the Company’s Articles of Association: In the case where the Company or its subsidiaries agree to enter into a related party transaction, or a transaction related to acquisition or disposal of the Company’s or its subsidiaries’ assets according to the definition stated in the Stock Exchange of Thailand’s Notification Re: Undertaking of Related Party Transactions of Listed Companies; or acquisition or disposal of listed companies’ assets as the case may be; the Company shall comply with relevant regulations and methods stated in the said notification.”

To prevent any potential conflicts of interest, the Company’s employees are required to sign the agreement regarding actions leading to conflicts of interest. The agreement specifies disciplinary procedures and punishments, including employment termination in the event of an intentional violation or breach of the agreement. Also, to prevent any misuse of internal information for personal gains, the Company’s directors and executives are required to disclose their shareholding in the Company at every quarterly Board of Directors’ meeting and report any changes in their shareholding to the Secretary to the Board of Directors upon learning of such changes.

Related party transactions, according to the criteria of the Stock Exchange of Thailand, must be reviewed by the Audit Committee before submission to the Board of Directors for approval. Directors having conflicts of interest shall abstain from voting. A related party transaction of high value must be approved by the shareholders’ meeting and posted in a newspaper. The value of a related party transaction shall be marked to market and compared with the market prices determined by at least another 3 companies.

Business Ethics

Business ethics are set out in the form of Tipco Foods Group’s Code of Conduct for use as guidelines and desirable practices. Business ethics are based on good corporate governance, commitment to excellence, and corporate social responsibility. Examples of business ethics include

fighting against corruption, responsible political involvement, equal and fair treatment of stakeholders, social and environmental responsibility, and compliance with labor laws and respect for employees' rights. The business ethics also include desirable practices for stakeholders being directors, executives, employees, and major shareholders; as well as recommendations on problem solutions. These business ethics have been communicated to all directors and employees on an ongoing basis. Relevant parties are required to sign a form of acknowledgement of and comply with such business ethics every year. Also, the management team shall be responsible for ensuring that all employees strictly comply with relevant requirements. Any employee violating the Company's code of conduct will be subject to disciplinary actions according to the Company's procedures.

Information Disclosure and Transparency

The Company pays attention to disclosure of information as it could affect decisions made by investors and other stakeholders. It is necessary to control and specify measures on disclosure of financial and non-financial information to comply with laws. The disclosed information shall be comprehensive, adequate, reliable, transparent, and in a timely manner; and shall be available in both English and Thai versions. The information shall be disclosed via www.setlink.set.or.th of the Stock Exchange of Thailand and the Company's website.

The Company shall strictly adhere to laws, rules, and regulations stipulated by the Office of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and government agencies. The Company shall also follow up on any regulatory updates on a regular basis to ensure that the laws, rules and regulations being implemented are correct and to assure the shareholders that the business is undertaken with transparency, accuracy, and integrity.

The Board of Directors adheres to the guideline on disclosure of relevant information of the Company to ensure systematic information disclosure and to prevent any potential damage from presenting incorrect information as well as to assure shareholders, investors, the public or other stakeholders that the Company's information disclosure is correct, clear, compliant with laws, fair according to the information disclosure policy.

The Company stipulated a policy regarding the reporting of beneficial interests of the Company's directors and executives. The policy requires that the directors and executives report

the beneficial interests of themselves and related persons within the specified time frame. The corporate secretary shall sign and submit the reports to the Chairman of the Board of Directors and the Audit Committee within 7 days from the date of receiving such reports. This is in accordance with the Company's Notification Re: Criteria for the reporting of beneficial interests of directors and executives No. 001/2552 dated 29 June 2009.

Non-Infringement of Intellectual Property Rights

The Company set out a policy and a guideline regarding non-infringement of intellectual property rights and copyrights as part of the Company's Code of Conduct as follows: Respect for property rights shall be ensured through supporting concerned parties to respect property rights and local wisdom and not to buy products or services from or partner with organizations violating human rights.

Board of Directors' Responsibilities

The Board of Directors shall annually review its good corporate governance policy in order to achieve the Company's objectives, develop a sense of responsibility for work results, build a culture of transparency and integrity, sustain long-term business competitiveness, increase stakeholders' confidence, and stay current with the current business environment. The Company stipulated its Board of Directors' desirable practices according to the good corporate governance principles as follows:

- Oversee the Company's committees and subcommittees to ensure that they efficiently perform duties according to assigned roles and responsibilities
- Provide systematic and efficient control and risk management systems
- Set policies and review strategies/business plans with the management team
- Ensure no conflicts of interest
- Treat shareholders and stakeholders equally and fairly
- Conduct work with transparency, integrity, and auditability
- Disclose adequate information to stakeholders, especially operating results and financial statements
- Provide a manual on good corporate governance and a code of conduct of the Company to be complied with by directors, management team members, and employees.
- Conduct environmental and social activities in a concrete manner.

To ensure that employees at all levels correctly understand and comply with the good corporate governance policy and the code of conduct, such topics are included in the orientation program for new employees and refresher courses to be conducted at least once per year. Such good corporate governance system enables the Company to drive a sense of good corporate governance and consistent practices among its employees at all levels.

2. Board of Directors and Committees

Structure and Scope of Authority and Duties of the Board of Directors and the Committees

The number of directors shall be determined by the shareholders' meeting but shall not be less than 5 persons. The Board of Directors shall also include at least 3 independent directors who are non-executives, not relevant to regular managerial functions, and not major shareholders of the Company. At least one half of the directors shall have residence in the Kingdom of Thailand. The directors shall elect one of them as the Chairman of the Board of Directors. The directors shall be entitled to compensation payments for their performance of duties, including salaries, meeting attendance fees, and bonuses.

The authorized signatory directors of the Company are Miss Laksana Supsakorn, Mrs. Anurat Tiamtan, Mr. Sitilarb Supsakorn, Mr. Surachet Supsakorn, Mr. Kris Sertthin, and Mr. Yongsit Rojsriikul. Any two of these six persons can co-sign and affix the Company's seal.

The Board of Directors consists of highly qualified and capable individuals. The directors have consistently participated in self-development programs organized by the Thai Institute of Directors Association (IOD). The Board of Directors participates in the formulation of the corporate visions and missions to ensure alignment of operational goals among executives and employees. In 2020, the Board of Directors considered, revised, and approved the visions, strategies, goals, business plans, and budgets; and reviewed the key policies to ensure appropriateness and alignment with the business operations under the principles of good corporate governance, such as the Corporate Governance Policy. At every quarter meeting of the Board of Directors, the implementation of the corporate strategies was monitored and the management's performance was followed up. It is required that the management's performance and the operating results of the Company be reported according to the business plans and budgets specified in an efficient and effective manner. The Board of Directors and the management shall take responsibility, according to their duties, for the shareholders. There is segregation of duties between the Board of Directors and

the management. Internal control and risk management were reviewed and evaluated to mitigate risks to be at acceptable levels and to meet legal frameworks, corporate objectives, the Articles of Association, and the resolutions of the shareholders' meetings. Business interests are protected based on the principles of good corporate governance. Four committees were established, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. Members of the said committees have qualifications and duties and responsibilities according to the requirements of the Stock Exchange of Thailand. Roles, duties and responsibilities between the committees and the management and between the committees and the major shareholders were 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 submitting 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 remuneration of high-level executives.
11. Arrange to have internal controls and audits, financial control systems, compliance supervision, and risk control and management.
12. Ensure preparation of financial reports and general information important to shareholders in a complete, correct and adequate manner. Also, confirm verification and certification of such reports.
13. Establish policies relating to anti-corruption and supervise and ensure that the system to support the anti-corruption measures is efficient in order for the management to be aware of and place importance on fighting against corruption and forming a culture of anti-corruption within the organization.

Approval Authority of the Board of Directors

The Board of Directors has authority to approve various corporate matters according to the scope of duties specified by laws, the Company's Articles of Association, the Board of Directors' duties, and the shareholders' meetings' resolutions. Its approval authority also covers determination and review of visions, missions, operational strategies, annual business plans, risk management policies and annual budgets; setting of performance targets and follow-up and evaluation of actual performance as compared to specified plans; oversight of capital expenditures and related-party transactions; mergers and acquisitions; business split-up; and joint investments.

Authority and Duties of the Managing Director

1. Manage and direct the Company's operations according to the policies and authority determined by the Board of Directors.
2. Establish short-term and long-term business goals, annual business plans, expenditure budgets, and long-term strategic plans for submission to the Board of Directors for approval.
3. Manage operations through the management team in order to achieve goals stipulated in business plans; 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 positions 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. Review the Company's financial reports to ensure that the reports are correct according to accounting standards and relevant laws and that the disclosed information is adequate, complete, and reliable.
2. Conduct reviews to ensure that the Company complies with securities and exchange laws, requirements of the Stock Exchange of Thailand, or laws relating to the Company's business.

3. Perform reviews and provide advice to ensure that the Company's internal control, risk management, and internal audit systems are appropriate and effective according to international standards. The reviews shall be jointly conducted with external and internal auditors. The operations shall also be audited and reviewed to ensure correctness and compliance with the operating regulations and laws. This is to ensure that there is an appropriate and adequate control over potential corruption risks.
4. Consider the independent status of the internal audit function. Also, endorse appointments, transfers, and terminations of internal audit heads or heads of other functions relating to internal audits; or endorse hiring of internal auditors from outsourced agencies. Additionally, endorse annual audit plans and audit fees.
5. Work with the management in considering, selecting, proposing an appointment or cancelling the hiring of the Company's external auditor as well as considering appropriateness of audit fees before proposing the matters to the Board of Directors for endorsement and to the Annual General Meeting of Shareholders for approval. The selection criteria shall include the auditor's independence, past performance, and experience.
6. Consider and ensure that related party transactions are in compliance with laws and requirements of the Stock Exchange of Thailand, reasonable, and beneficial to the Company.
7. Prepare the Audit Committee's report which shall be disclosed in the Company's annual report. The Audit Committee's report shall be signed by the Chairman of the Audit Committee and contain opinions on matters as required by the Stock Exchange of Thailand.
8. Seek consultation or opinions or suggestions from outside consultants or experts as deemed appropriate by the Audit Committee
9. Review the Charter of the Board of Directors as necessary and appropriate once per year.
10. Supervise the Company to ensure that there is a process for handling complaints from employees and outsiders
11. Perform other tasks as assigned by the Board of Directors.

Authority and Duties of the Nomination and Remuneration Committee

1. Select and nominate persons qualified for being directors according to the Company's operating procedures on selection and nomination of directors. The committee shall also consider the performance, qualifications and appropriateness of the directors leaving office and qualified for re-election. 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, the Managing Director, and high-level executives of the Company, as assigned by the Board of Directors.
3. Provide opinions regarding remuneration rates of the Chairman of the Board of Directors and directors according to the regulation on consideration of remuneration to the Board of Directors for approval and to the shareholders' meeting for endorsement.
4. Provide recommendations regarding successors of the Chairman of the Executive Committee and the Managing Director to the Board of Directors. 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 for high-level executives, executives, and key positions. 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 to motivate high-level executives to develop and promote their capabilities and subordinates' performance as well as to dedicate their efforts to business development and duty performance in the long and short terms.
 - 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 capacity.

Authority and Duties of the Corporate Governance Committee

1. Determine the good corporate governance policy according to requirements of the Stock Exchange of Thailand.
2. Review the good corporate governance policy and assess the 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. Determine action plans to mitigate risks towards business operations.
3. Monitor and report risk management results to the Audit Committee and the Board of Directors for acknowledgement.

List of Audit Committee members with knowledge and experience in financial statement review

Mr. Virat Phairatphiboon, Chairman of the Audit Committee, possesses knowledge, expertise, and experience sufficient for him to perform the duty of reviewing creditability of the financial statements (Please see his profile on Page 13)

List of directors with financial knowledge

Miss Laksana Supsakorn, Mr. Kris Serthhin, Mr. Yongsit Rojsrikul, and Mr. Virat Phairatphiboon (Please see their profiles on Pages 12-18)

3. Nomination and Appointment of Directors and Top Executive

The procedures for consideration, nomination, and appointment of directors, independent directors, and the managing director:

1. The Board of Directors determines qualifications of directors, independent directors, and the managing director.
2. The Nomination and Remuneration Committee screens and selects persons with qualifications as specified by the Board of Directors and propose them to the Board of Directors for consideration.

3. The Board of Directors considers and selects candidates for directors and proposes them to the shareholders' meeting for consideration and appointment.
4. The Board of Directors considers and appoints a person appropriate to be the managing director.

Qualifications of independent directors

1. Meet required qualifications of directors.
2. Perform duties and express opinions independently using their own discretion. Uphold integrity and placing corporate benefits as priority rather than only interests of major or retail shareholders or oneself.
3. Possess qualifications as required by the Stock Exchange of Thailand and meet best practices as follows:
 - 3.1 Hold no more than 0.75% of the total shares with voting rights in the Company or its parent company, subsidiary companies, associated companies, major shareholders or persons with controlling authority. The shares held by related parties of the independent directors shall also be counted.
 - 3.2 Never be or used to be a director involved in the management, a worker, an employee, an advisor with regular salaries, or a person with controlling authority of the Company or its parent company, subsidiary companies, associated companies, subsidiary companies at similar successive levels, major shareholders or persons with controlling authority. An exception applies to the case where the person has been in absence of such nature for at least 2 years before the date of appointment as an independent director. Such prohibited characteristics exclude the case of an independent director used to be a government official or an advisor to a government agency being a major shareholder or a person with controlling authority of the Company.
 - 3.3 Have no relationships through bloods or legal registration as a father, mother, spouse, brother or sister, and a child of another director, an executive, a major shareholder, a person with controlling authority, or a person nominated to be a director, an executive or a person with a controlling authority of the Company or its subsidiaries.

3.4 Never have or used to have a business relationship with the Company or its parent company, subsidiary companies, associated companies, major shareholders, or a person with controlling authority of the Company in a manner which may hinder an ability to make an independent decision. Also, hold no position of a significant shareholder or a shareholder with controlling authority of a person having a business relationship with the Company or its parent company, subsidiary companies, associated companies, major shareholders, or a person with controlling authority of the Company. An exception applies to the case where the person has been in absence of such nature for at least 2 years before the date of appointment as an independent director.

The above business relationship shall refer to a trading transaction undertaken on an arm's length basis for the purpose of doing business, renting or letting immovable properties; a transaction relating to an asset or a service; or the provision or receipt of financial assistance through borrowing or lending, guaranteeing or using assets as collateral for liabilities; or other transaction of similar nature, resulting in the Company or its counterparty having liabilities to be paid to another party. Such transaction shall be worth of at least 3% of the net tangible assets of the Company or at least Baht 20 million, whichever is lower. Such liabilities shall be calculated using the method for calculating related-party transactions as per the Notification of the Capital Market Supervisory Board Re: Criteria for Undertaking Related-Party Transactions *mutatis mutandis*. Also, the liabilities that occurred within 1 year before the date of entering into the business relationship with the same person shall be included in the calculation.

3.5 Never be or used to be an auditor of the Company or its parent company, subsidiary companies, associated companies, major shareholders or a person with controlling authority of the Company; and hold no position of a significant shareholder, a person with controlling authority, or a partner of the audit firm being the auditor of the Company or its parent company, subsidiary companies, associated companies, major shareholders or a person with controlling authority of the Company. An exception applies to the case where the person has been in absence of such nature for at least 2 years.

- 3.6 Never be or used to be a provider of any professional services including legal or financial consultation services with a service income of more than Baht 2 million per annum from the Company or its parent company, subsidiary companies, associated companies, major shareholders or a person with controlling authority of the Company; and hold or have been holding no position of a significant shareholder, a person with controlling authority or a partner of that professional service provider, now or for at least 2 years before the date of appointment as an independent director.
- 3.7 Hold no position of a director appointed to represent a director of the Company or its major shareholders or shareholders being related parties of the major shareholders.
- 3.8 Have no business operations of the same nature and in significant competition with the business of the Company or its subsidiary companies; or have no position of a significant partner in a partnership; or have no position of a director involved in the management or a worker or an employee providing consultation with regular salaries or a person holding more than 1% of the total shares with voting rights in another company operating business of the same nature and in significant competition with the business of the Company or its subsidiary companies.
- 3.9 Have no other characteristics that lead to an inability to independently provide opinions relating to the Company's operations.

Qualifications of directors

1. Have a clean record.
2. Have a vision and demonstrate a broad business perspective.
3. Exhibit good interpersonal skills, morals, and appropriate personalities.
4. Possess effective communications skills.
5. Demonstrate business acumen and systematic decision making.
6. Possess good knowledge and understanding of finance, commerce or industry with experience in business management.
7. Have experience as director of a company or state enterprise.

Qualifications of the Managing Director

1. Uphold integrity and have a clean record.
2. Hold no position as a major shareholder. Be a professional and modern manager.
3. Possess skills and experience in various areas, including international business.
4. Exhibit strong leadership skills with broad visions, good interpersonal skills, effective communication skills, and appropriate personalities.
5. Be able to leverage differences and capabilities of employees to achieve business goals and conform to the corporate culture.
6. Demonstrate skills in marketing, finance, and personnel management.
7. Be able to lead, supervise and manage operations of the entire organization
8. Effectively identify business opportunities and solve problems.

Criteria for consideration and selection of directors

1. Candidates must meet required qualification criteria of directors.
2. The Board of Directors shall consist of experts in different fields that are beneficial to the determination of directions and controls of the Company's operations.

Procedures and criteria for election of directors at shareholders' meetings

1. At the shareholders' meeting, the election of each director shall be voted separately.
2. To vote for each director, each shareholder shall have the number of votes equal to the number of shares held whereas one share shall have one vote.
3. The election of each director requires approval by a majority of the votes cast by the shareholders present at the meeting and 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.
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 votes of 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 the Company's shareholders

Checks and balances through non-executive directors

The Board of Directors consists of 11 directors with different fields of knowledge and experiences beneficial to the Company as follows:

- 1 executive director representing 9%
- 10 non-executive directors representing 91%
- 5 independent directors representing 46%

More than one-third of the directors are independent directors and more than half of the directors are non-executive directors.

The number of directors representing shareholders with control authority (significant shareholders) is fair, compared to that representing other shareholders.

The Board of Directors shall be responsible for complying with laws, the Company’s objectives and articles of association, and shareholders’ meeting resolutions with integrity and good corporate governance. The term of office of directors is specified in the Company’s articles of association, according to which one-third of the directors shall retire by rotation at every annual general meeting of shareholders (Please refer to the Company’s Articles of Association regarding the Board of Directors). Since 2003, individual directors have conducted self-assessments along with the performance assessment of the entire Board of Directors. Each director has shown interests in self-development to enhance knowledge, skills, and standards of practice to ensure effective management and supervision. (Please refer to the “Board of Directors/Committees Evaluation” section.)

Aggregation or Segregation of Duties

The Chairman of the Board of Directors and 4 directors, totaling 5 persons, shall represent the major shareholders.

The managing director is a professional executive and has no connection or relation with the major shareholders. More than one-third of the directors are independent directors and more than half of the directors are non-executive directors. This leads to proper checks and balances on management. In addition, there is clear segregation of duties between formulating the good corporate governance policy and managing routine operations. The Board of Directors appointed the Nomination and Remuneration Committee to consider, select, and nominate candidates for the managing director or directors based on requirements of the Board of Directors as well as

consider remunerations of directors and management team members. To ensure that the mechanism of following up, auditing, and ensuring checks and balances on management is correct and transparent, the internal audit function shall independently determine the scope of audit and directly present audit reports to the Audit Committee consisting of 3 independent directors. (Please refer to the "Scope of Authority and Duties of the Audit Committee.")

Remuneration Determination Process and Suitability

The Company established the policy on directors' remunerations in a clear and transparent manner. Directors' remunerations were commensurate with industry standards and approved by the shareholders' meeting. Directors serving as members of the Audit Committee received additional remuneration according to a wider scope of responsibility. The remunerations of the managing director and employees were based on individual performance and considered by the Nomination and Remuneration Committee. To ensure transparency and clarity in determination of remunerations of the managing director and high-level executives, the shareholders considered the policy and principles on remunerations of the managing director and high-level executives at the Annual General Meeting of Shareholders No. 1/2006 held on 28 April 2006.

Each year, the Nomination and Remuneration Committee shall review appropriateness the remuneration of the directors/committee members by comparison with industry peers of the same size. The remuneration shall be proposed to the Board of Directors for approval according to the following requirements

1. Directors' remuneration shall be consistent with or related to the corporate performance.
2. Directors' remuneration for their monthly performance shall be commensurate with their full-time duties. The remuneration shall not be based on the duties performed at meetings.
3. Directors' remuneration based on the operating results. If the Company posts a net profit; the entire Board of Directors shall receive an additional payment of up to 1 time of the total remuneration paid to the Board of Directors for the entire year.

Non-executive directors shall receive remuneration for their monthly performance and remuneration based on the operating results. If the Company posts a net profit, an additional remuneration of up to 1 time of the total remuneration paid for the whole year shall be paid. They shall receive no other benefits.

Succession Plans

The Nomination and Remuneration Committee shall be responsible for providing opinions on successors of high-level executives, executives and other key positions to the Board of Directors. The succession plans for high-level executives, executives and other key positions were prepared with the list of the persons meeting the criteria for consideration. The list was regularly reviewed by the managing director. The steps of selecting successors in the organization are as follows:

1. Identify successors of key positions according to the organization chart.
2. Prepare and use the "360 Degree Feedback" tool for evaluating the competency of talents in the talent pool as a supporting means of screening.
3. Report the "360 Degree Feedback" results and develop criteria for grouping talents for employees.

Board of Directors' Meetings

The Company requires that a Board of Directors' meeting shall be held at least once per every 3 months to consider financial statements, policy establishment, and monitoring of operating results. The directors must always attend the meetings. For a special Board of Director's meeting, there must be at least one half of the total number of directors present to form a meeting quorum.

In case of the Chairman of the Board of Directors is absent or cannot perform respective duties, the Vice-Chairman of the Board of Directors shall act as the chairman of the meeting. If there is no Vice-Chairman of the Board of Directors or he/she cannot perform respective duties, the directors present at the meeting shall select one of them as the chairman of the meeting. The final decision at the meeting shall be based on a majority vote.

One director shall have one vote. A director with beneficial interests on any specific matter shall have no right to vote on such matter. If the votes are tied, the chairman of the meeting shall cast a final vote.

A meeting invitation letter together with the meeting agenda and supporting documents shall be submitted to the Board of Directors for their information at least 7 days before the meeting.

The Company prepares meeting schedules for the Board of Directors and all other committees in advance on an annual basis before the start of the meetings in the following year. Schedules for special meetings are not prepared.

In 2020, there were a total of 7 Board of Directors' meetings and one non-executive directors' meeting to allow the attendees to give opinions or discuss issues of their interest.

4. Supervision of subsidiary and associated companies

Supervision of operations of the Company and its subsidiaries is based on the same written operating guidelines of the Tipco Foods Group. Management of business operations of the subsidiary and associated companies is as follows:

1. The Board of Directors considers and appoints the Company's representatives to be directors of the subsidiary and associated companies according to investment proportions.
2. The subsidiary companies shall report, on a quarterly basis, the operating results and internal controls to the Audit Committee for further submission to the Board of Directors.
3. Activities shall be jointly held by the subsidiary and associated companies to ensure that they are aware of aligned action plans.
4. The budgets for the entire Tipco Foods Group shall be combined before submission to the Board of Directors 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 the Tipco Foods Group are allowed whereas the work duration shall be counted on a continuous basis.

5. Supervision of internal information use

The Company developed the policy on prevention against internal information use as part of its Code of Conduct as per Item 3.1 Management's Treatment of Shareholders. According to the policy, the management and employees are not allowed to use internal information for personal gain or for trading of securities. Emails about to raise policy awareness have been sent to employees, executives, and directors on a quarterly basis, especially during the one-month period prior to the disclosure of the financial statements to the general public. Details of the said policy are as follows:

- 3.1.8. It is prohibited to seek benefit for oneself or related persons by directly or indirectly using non-public information of the organization.
- 3.1.9. It is prohibited to use financial information of the Company for person gains during the one-period before the disclosure thereof to the public.

3.1.10. Purchases or sales of the Company's securities during the one-month period before the disclosure of the financial statements to the public shall be avoided.

3.1.11. It is required to report any shareholding in the Company as well as any changes thereto to the Company's Secretary according to Section 59 and punishment clauses according to Section 275 of the Securities and Exchange Act B.E. 2535.

- It is prohibited to disclose confidential information to external parties, especially competitors.
- It is prohibited to take any actions in a manner which may cause conflicts of interest with the Company.

It is required that the first top 4 executives, the Board of Directors, and the Executive Committee report their trading of the Company's securities to the SEC Office in strict compliance with the specified regulations. Also, the Board of Directors is asked to refrain from trading securities after the end of each Board of Directors' meeting and prior to the submission of information to the SET or the SEC Office. Nonetheless, from 2004 onwards, it is required that all purchases and sales of the Company's securities be reported through the Company's Secretary, not through individuals' own reports. Moreover, directors and high-level executives are required to report their shareholding in the Company on a quarterly basis to reflect the shareholding movements.

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 auditors' qualifications and performance as well as audit fees before presenting the information to the Board of Directors for consideration of appointment of the Company's auditor on an annual basis. Then, the Board of Directors shall propose the aforesaid matters to the shareholders' meeting for approval. The proposed list of auditors for consideration and appointment of the Company's auditor shall be based on the approved list of auditors of the Office of the Securities and Exchange Commission.

In 2020, the auditor's remuneration consisted of:

1. Audit fee

The Company and its subsidiaries paid a total audit fee of Baht 4,120,000 details as follows:

The Company's separate and consolidated financial statements: Baht 1,220,000.

The financial statements of the 5 subsidiaries: Baht 2,770,000.

2. Non-audit fee

Other service fees paid by the Company and its subsidiaries: Baht 170,189.50

7. Compliance with the good corporate governance principles – other matters

Risk management : Risk management has been reviewed every 3 months. In addition, the Company has adopted an early warning system and conducted regular reviews to identify the severity of risks and if they are increasing or decreasing as well as the effectiveness of the mitigation/preventive measures. The time frame or frequency of the reviews depends on the nature of transactions. Such practice has been implemented since 2014. Clearer warning signs have been defined. Color codes have been used to indicate the severity levels. For example, red color means a high severity level. Besides identifying severity levels, the Company evaluates risk possibilities and impacts. To foster awareness of employees at all levels about risk management; functional meetings are held on a daily basis; department meetings and management meetings are held on a monthly basis; and the Risk Management Committee's meetings are held on a 3-month basis. Furthermore, the Audit Committee assigns the Internal Control Audit Department to examine the practicality of risk management and track the progress of rectification of each issue on a quarterly basis. The Audit Committee then reports the issues to be improved to the Board of Directors.

Corporate Secretary: The Board of Directors requires that a corporate secretary shall be a person who has relevant skills, knowledge and capabilities as well as truly understands laws, rules, regulations, and practices of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission. The current corporate secretary already attended the training in corporate secretarial practices in 2016. Her duties and responsibilities in the capacity of corporate secretary are prescribed by laws. She shall directly report to the Chairman of the Board of Directors and the managing director. Her profile is as shown in the section of profiles of directors and executives.

Disclosure of shareholders' meeting agenda information: Disclosure of shareholders' meeting agenda information 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 the shareholders' meeting. This practice was first adopted at the Annual General Meeting of Shareholders No. 1/2008 held on 24 April 2008.

Nomination of candidates for independent directors by minority shareholders: Since 2006, the Company has provided minority 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 minority shareholders of the Company may nominate qualified candidates for independent directors to replace those retiring by rotation according to the Company's selection process and in a timely manner. From 2008 onwards, nomination has been directly made through the Company's website.

Channels of communication between stakeholders and the Board of Directors: Stakeholders having concerns regarding accuracy of financial reports, internal control weaknesses, or violations of laws or business ethics may reach out to the Board of Directors by contacting the Executive Committee through the following channels:

- Website: www.tipco.net (Topic: Reporting leads and corrupt practices)
- Email: anti-corruption@tipco.net
- Telephone numbers: 02-273-6888 (Chief Executive Officer), 02-273-6400 (Chairman of the Board of Directors), or Call Center at 095-205-1864
- Mailing to: Chairman of the Board of Directors/Chief Executive Officer, Mailing Address: Tipco Foods Public Company Limited 118/1 Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400
- For issues relating to high-level executives or directors, please directly reach out to the Chairman of the Audit Committee at email address: viratpt@hotmail.com

Formulation of a clear environmental and social responsibility policy: The policy was established in 2006.

Inclusion of reports on the opinions of respective committees in the Company's annual reports: From 2005 onwards, such practice has been adopted.

Chairman of the Board of Directors: The Chairman of the Board of Directors shall not be a chairman or a member of a respective committee, starting from 2003. The Chairman of the Board of Directors shall not be the Chairman of the Executive Committee, starting from 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 shall ensure that the operating results are reported to the Board of Directors on a monthly basis. Such reporting practice was adopted in 2007 and adjusted in 2009.

The principles and the policy regarding remuneration of the managing director and high-level executives: The Nomination and Remuneration Committee prepared and submitted the principles and the policy regarding remunerations to the Board of Directors for consideration before further submission to the Annual General Meetings of Shareholders No. 1/2006 for approval. The Nomination and Remuneration Committee considered and adjusted remunerations of employees at all levels in line with the Company's business operations and industry peers of similar size.

Managing Director Succession Plan: 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 executive development activities on an annual basis, starting from 2005 onwards.

Board of Directors' Meetings: In 2020, there was self-assessment of compliance with the good corporate governance principles based on the 99-topic questionnaire developed by the Corporate Governance Center, the Stock Exchange of Thailand in May 2013. This questionnaire was filled out by the Board of Directors before its meeting. The directors exchanged views and opinions regarding the performance and the meeting concluded that the following items were not yet implemented or fully implemented:

- **The Chairman of the Board of Directors being an independent director:** This practice has not yet been implemented since the major shareholders are not ready and no independent director has expressed their interest to assume the position.

- **Clear determination of director's office term:** The maximum office term of each director has not yet been determined due to concerns about lack of qualified candidates. Although currently the IOD has a list of chartered directors; only a handful of people met the criteria. The retirement age is however determined at 75 years.

- **Clear determination of committee member's office term:** The maximum office term has not yet been determined due to the same reason as the director's office term.

The Board of Directors' stipulation of the policy on Tipco's directors serving as directors in other companies based appropriately on the business nature or circumstance: According to the policy, each director of Tipco may serve as a director for up to 3 listed companies. However, there is no requirement regarding serving as a director for a non-listed company.

The application of the CG Code according to the Company's business context: The Board of Directors understands the role, duties, benefits and practices relating to the CG Code and its contribution to the business sustainability. The Board of Directors' Meeting No. 6/2020 considered and reviewed the implementation of the CG Code according to the business environment. The review of the code shall be conducted on annual basis. For the practices that could not be or have not yet been implemented, the reasons were already recorded as part of the Board of Directors' resolution.

Directors' Participation in Board of Directors' and Committees' Meetings

List of Directors (No. of Attended Meetings/No. of Meetings)	Audit Committee's Meetings	Nomination and Remuneration Committee's Meetings	Board of Directors' Meetings	Shareholders' Meetings
Miss Laksana Supsakorn			7/7	1/1
Mrs. Anurat Tiamtan			7/7	1/1
Mr. Virat Phairatphiboon	4/4		7/7	1/1
Mr. Surachet Supsakorn		2/2	7/7	1/1
Mr. Kris Sertthin			7/7	1/1
Mr. Chalit Limpanavech			7/7	1/1
Mr. Sitilarb Supsakorn			7/7	1/1
Mr. Paisal Pongprayoon	4/4	2/2	7/7	1/1
Mrs. Achara Pricha	4/4	2/2	7/7	1/1
ACM. Pongsatorn Buasup			7/7	1/1
Mr. Ekaphol Pongstabhon***			7/7	1/1

*** Resigned from the Director and Managing Director position, effective from 1 January 2021

Board of Directors/Committees Evaluation

According to the good corporate governance principles for listed companies, self-assessment of boards of directors and committees shall be conducted at least once per year to highlight achievements and issues for improvement. Self-assessment shall be conducted for boards of directors and individual directors.

Self-assessment of boards of directors and individual directors: Self-assessment forms for boards of directors have been developed and distributed by the Stock Exchange of Thailand (SET) and can be divided as follows:

1. Self-assessment form for the board of directors
2. Self-assessment form for an individual director

Self-assessment process:

1. A company's board of directors conducts self-assessment through a form developed by the SET.
2. The corporate secretary reports self-assessment results of all directors.
3. The corporate secretary reports self-assessment results to the board of directors for enhanced operational efficiency.

The self-assessment forms for the board of directors and an individual director contain 6 topics:

1. Structure and qualifications of the board of directors and an individual director
2. Role, duties, and responsibilities of the board of directors and an individual director
3. Meetings of the board of directors and an individual director
4. Performance of duties in the capacity of the board of directors
5. Relationships with the management team
6. Self-development of the directors and executives as a team

Board of Directors Evaluation

The Board of Directors assesses its role and efficiency of duty performance by discussing and reviewing past meeting agenda items and key achievements in various aspects such as past year's operating results as compared to business plans, risk management efficiency, strategy determination, business plan approval, major investment considerations, etc. The unimplemented areas include the Chairman of the Board of Directors being an independent director; independent directors representing more than half of the Board of Directors.

The evaluation of the Chairman of the Board of Directors was conducted through the directors' discussion. The directors commended that the Chairman of the Board of Directors appropriately performed duties, created a positive meeting environment, remained impartial, and allowed all directors to freely express opinions without time limits. The directors felt that they were valued as they were able to fully perform their duties.

No significant issues for improvement were found from the evaluation of the Board of Directors.

The Board of Directors viewed that they efficiently performed duties and clearly understood their role and duties as well as Tipco's nature of business and situation. Each director devoted one's time and efforts for the success of the Board of Directors.

Self-assessment of respective committees: Self-assessment shall be conducted for respective committees including the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee once per year. Self-assessment forms for respective committees can be divided as follows:

1. Self-assessment forms for committees
2. Self-assessment forms for individual committee members

Self-assessment process

1. The respective committee conducts self-assessment.
2. The corporate secretary reports self-assessment results of the respective committee for enhanced operational efficiency.
3. The corporate secretary reports self-assessment results of the respective committee to the board of directors.

Self-assessment forms for committees and individual committee members contain 6 topics:

1. Structure and qualifications of the respective committee
2. Role, duties, and responsibilities of the respective committee
3. Meetings of the respective committee
4. Performance of duties as a committee member
5. Relationships with the management team
6. Self-development of a committee member and a management team member

Audit Committee Evaluation

Based on the self-assessment of the Audit Committee, it was found that the committee performed duties as assigned and conducted meetings every quarter together with the external and internal auditors to consider whether adequate controls were in place. The Audit Committee also held special meetings with the external auditor, apart from regular meetings, and reported the results to the Board of Directors for acknowledgement and further rectification actions.

The Board of Directors viewed that the Audit Committee performed duties in a comprehensive and efficient manner and provided comments and recommendations that were beneficial to

the Company's management. The Audit Committee also advised the management team to exercise caution in various matters and to revise action plans to avoid any potential damage. The Audit Committee achieved a very satisfactory performance.

Nomination and Remuneration Committee Evaluation

The Nomination and Remuneration Committee conducted self-assessment by considering and comparing the objectives, authority, duties and responsibilities and deemed that the Committee fully performed their duties.

The managing director conducted self-assessment and was assessed by the Nomination and Remuneration Committee and the Chairman of the Board of Directors. The assessment was based on consideration of corporate performance, business performance scorecard, SMART goals, target achievements, budgets, action plans, etc.

The Board of Directors deemed that the Nomination and Remuneration Committee fully performed its duties and provided useful recommendations for the Company, for example, human resources management and salary structure.

Chairman of the Board of Directors Evaluation

The independent directors viewed that the Chairman of the Board of Directors properly performed duties in a comprehensive and effective manner and provided opportunities for all directors to freely express their opinions through a positive environment without any interference. Thus, the directors were able to freely express opinions. They felt that they were valued because of their performance of duties as directors.

Orientation for new directors

Tipco requires that all new directors shall attend an orientation session so as to learn about business policies, shareholding structure, capital structure, information system, and regulation and laws concerned. In addition, each new director will receive a manual for directors and other information. The managing director will give a summary of the Company's policies and relevant information as well as the latest operating results.

Development and trainings for the directors, executives, and corporate secretary

Participant	Position	Course	Date
Mrs. Achara Pricha	<ul style="list-style-type: none"> Independent Director Audit Committee Member Nomination and Remneration Committee Member 	<ul style="list-style-type: none"> Director Forum Board's Role in Strategy for Business Sustainability 	24/9/2020
Mr. Virat Phairatphiboon	<ul style="list-style-type: none"> Independent Director Chairman of the Audit Committee 	<ul style="list-style-type: none"> ESG and Sustainable Banking Development, including response to the COVID-19 situation in 2020 	
Mr. Leuchar Pisitthakarn	<ul style="list-style-type: none"> Chief Financial Officer 	<ul style="list-style-type: none"> TLCA CFO CPD 1/2020 -Update on IFRS 9 and other new standards TLCA CFO CPD - Transfer pricing 2/2020 TLCA CFO CPD - Related party transaction and impairment issues TLCA CFO CPD - Capital structure and funding strategy 4/2020 	19/2/2020 1/7/2020 23/7/2020 14/8/2020
Miss Kullakarn Cheenpun	<ul style="list-style-type: none"> Corporate Secretary 	<ul style="list-style-type: none"> Personal Data Protection Act (PDPA) Preparation for Capital Market Entrepreneurs Electronic Annual General Meeting (E-AGM) Management Discussion and Analysis (MD&A) Enhancing Good Corporate Governance based on CGR Scorecard Appointment, Transfer, and Termination of Director, Independent Director, and Audit Committee Company Secretary Forum Virtual Board Meeting &the Evolving Role of Corporate Secretary 	18/5/2020 22/5/2020 26/5/2020 30/7/2020 11/9/2020 17/9/2020 14/12/2020

Investor Relations

The Board of Directors attaches importance to accurate, transparent, and timely disclosure of financial reports and generation information. The Company appointed Mr. Pongtorn Kanchana-akradet as Corporate Planning Manager responsible for investor relations and coordination. For corporate information, investors may call 02-273-6200 (ext.4940) or visit the Company's website: www.tipco.net or contact the email address: Investors@tipco.net. Investors can also access the corporate information published in the "Investor Relations" section in the Company's website.

Investor Relations Activities

As a result of the COVID-19 pandemic during 2020, the Company has established preventive measures by assigning to Corporate Planning Department and Investor Relation Department for responsibility of communication and publication of general and financial information to analysts, fund managers, investors, and related persons. Methods of sharing all important information have been changed into these communication channels as follows:

- Conference Call Meeting with analysts and fund managers at national and international levels for 4 times (Company Visit), such as analysts from CGS-CIMB Securities Thailand (CGS CIMB).
- Inquiries about corporate information via telephone from general investors (10 times).
- Presentation of financial and general information on a quarterly basis under the "Investor Relations" section in the Company's website.
- Communication and presentation of financial and general information to analysts via email (4 times).

Shareholding Structure

List of major shareholders listed in the share register of shareholders as of 31 December 2020 are summarized below:

No.	Name	No. of Shares	%
1	Supsakorn Group	185,549,894	38.45
2	Tiamtan Group	35,131,865	7.28
3	Sertthin Group	22,299,846	4.62
4	Mr. Apirum Panyapol	18,328,700	3.80
5	Dhupchinda Group	16,943,074	3.51
6	THAI NVDR Co., LTD	11,286,322	2.34
7	Mr. Thaweechat Jurangkul	9,526,700	1.97
8	Mr. Anurat Mathanasanvut	5,550,000	1.15
9	Mr. Niti Vanitjirattikan	4,630,400	0.96
10	Mr. Somkiat Limsong	3,385,135	0.70
	Top Ten Shareholders	312,631,936	64.78
11	Other Shareholders	169,947,704	35.22
	Total	482,579,640	100.00

The Company does not hold cross-shareholding and not have any pyramid shareholding in the Company's group.

Report on the Shareholding of Directors

No.	Name	Position	As of December 31, 2019		As of December 31, 2020	
			% of Shareholding	% of indirect Shareholding	% of Shareholding	% of indirect Shareholding
1	Ms. Laksana Supsakorn	Chairman	8.59	8.59	8.59	8.59
2	Mrs. Anurat Tiamtan	Director	7.16	7.16	7.16	7.16
3	Mr. Sitilarb Subsakorn	Director	11.40	11.40	11.40	11.40
4	Mr. Kris Sertthin	Director	0.41	0.41	0.41	0.41
5	Mr. Surachet Supsakorn	Director	-	-	-	-
6	Mr. Virat Phairatphiboon	Director	-	-	-	-
7	Mr. Chalit Limpanavech	Independent Director	-	-	-	-

No.	Name	Position	As of December 31, 2019		As of December 31, 2020	
			% of Shareholding	% of indirect Shareholding	% of Shareholding	% of indirect Shareholding
8	Mr. Paisal Pongprayoon	Independent Director	-	-	-	-
9	Mrs. Achara Pricha	Independent Director	-	-	-	-
10	ACM Pongsatorn Buasup	Independent Director	-	-	-	-
11	Mr. Yongsit Rojsrikul	Chief Executive Officer	-	-	-	-

Report on the Shareholding of Executives

No.	Name	Position	As of December 31, 2019		As of December 31, 2020	
			% of Shareholding	% of indirect Shareholding	% of Shareholding	% of indirect Shareholding
1	Mr. Leuchar Pisitthakarn	Chief Financial Officer	-	-	-	-
2	Mrs. Pornanong Yoocha	Director - Corporate Accounting & Internal Control	-	-	-	-
3	Mrs. Saranya Borisuitsawat	Director - Financial Management	-	-	-	-
4	Mr. Pongtorn Kanchana-akradet	Department Manager - Corporate Planning	-	-	-	-

Relationship between the major shareholder's business groups

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.7, and with no contractual obligations between the Board of Directors with stake-holding interest owning to their status as Directors or shareholders are:

1. Ms. Laksana Supsakorn
2. Mrs. Anurat Tiamtan
3. Mr. Surachet Supsakorn
4. Mr. Sitilarb Supsakorn
5. Mr. Kris Serththin

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 Mr. Sitilarb Supsakorn Director	1 share held by Ms. Laksana Supsakorn 1 share held by Mr. Sitilarb Supsakorn
Tipco Asphalt PCL.	Producer and distributor of asphalt and distributor of fuel products	Ms. Laksana Supsakorn Director Mr. Sitilarb Supsakorn Director	23.43% 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 Mr. Sitilarb Supsakorn Director	16.67% held by Ms. Laksana Supsakorn 16.67% held by Mrs. Anurat Tiamtan 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 Mr. Sitilarb Supsakorn Director Mr. Surachet Supsakorn Director	20.00% held by Miss Laksana Supsakorn 20.00% held by Mrs. Anurat Tiamtan 20.00% held by Mr. Sitilarb Supsakorn -None-
Tipco Tower Co., Ltd.	Rental office, Contractor and civil works of all types.	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Mr. Sitilarb Supsakorn Director Mr. Surachet Supsakorn Director	20.00% held by Miss Laksana Supsakorn 10.20% held by Mrs. Anurat Tiamtan 20.00% held by Mr. Sitilarb Supsakorn -None-
Thai Slurry Seal Co., Ltd.	Asphalt road and construction services	Ms. Laksana Supsakorn Director Mr. Sitilarb Supsakorn Director -	12.00% held by Miss Laksana Supsakorn 12.00% held by Mr. Sitilarb Supsakorn 1.35% held by Mrs. Anurat Tiamtan
Marreting consultants Co., Ltd.	Vehicle parking service and rent a car park building	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Mr. Sitilarb Supsakorn Director	20.00% held by Miss Laksana Supsakorn 20.00% held by Mrs. Anurat Tiamtan 20.00% held by Mr. Sitilarb Supsakorn
Rattanajit Co., Ltd.	Property rental	Mr. Kris Sertthin director	50.00% held by Mr. Kris Sertthin

Management Structure

Board of Directors

1. Ms. Laksana Supsakorn	Chairman
2. ACM. Pongsatorn Buasup	Vice Chairman /Independent Director
3. Mrs. Anurat Tiamtan	Director
4. Mr. Kris Sertthin	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. Yongsit Rojsrikul	Chief Executive Officer (Appointed on January 13, 2021)
12. Ms. Kullakarn Cheenpun	Secretary

Audit Committee

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

Nomination and Remuneration Committee

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

Corporate Governance Committee

All members of the Board of Directors serve as members of the Corporate Governance Committee.

Risk Management Committee

1. Chief Executive Officer	Chairman
2. Chief Financial Officer	Member
3. Director - Human Resources	Member
4. Department Manager - Information Technology	Member
5. Director - Corporate Accounting & Internal Control	Member and Secretary

Member's Name	Position	Committees' Meetings	
		Number of meetings	Number of attended meetings
Ms. Laksana Supsakorn	Chairman of the Board of Directors	7	7
ACM. Pongsatorn Buasup	Vice Chairman/Independent Director	7	7
Mrs. Anurat Tiamtan	Director	7	7
Mr. Surachet Supsakorn	Director	7	7
	Member of the Nomination and Remuneration Committee	2	2
Mr. Kris Sertthin	Director	7	7
Mr. Sitilarb Supsakorn	Director	7	7
Mr. Virat Phairatphiboon	Independent Director	7	7
	Chairman of the Audit Committee	4	4
Mr. Paisal Pongprayoon	Independent Director	7	7
	Member of the Audit Committee	4	4
	Chairman of the Nomination and Remuneration Committee	2	2
Mrs. Achara Pricha	Independent Director	7	7
	Member of the Audit Committee	4	4
	Member of the Nomination and Remuneration Committee	2	2
Mr. Chalit Limpanavech	Independent Director	7	7
Mr. Yongsit Rojsrikul ***	Chief Executive Officer	-	-

- *** 1. On January 13, 2021, Mr. Yongsit Rojsrikul assumed the position of a Chief Executive Officer to replace Mr. Leuchar Pisitthakarn, who acts as the Acting Managing Director.
2. On January 1, 2021, Mr. Leuchar Pisitthakarn assumed the position of Acting Managing Director to replace Mr. Ekaphol Pongstabhon, Managing Director.

Executives of the Tipco Foods Group

1. Mr. Yongsit Rojsrikul Chief Executive Officer (Appointed on January 13, 2021)
2. Mr. Leuchar Pisitthakarn Chief Financial Officer

Corporate Secretary

The Board of Directors resolved to appoint Ms. Kullakarn Cheenpun as the Company's Corporate Secretary starting from 1 April 2017. The Company has appointed the person with appropriate qualifications and experience for the position. The requisite qualifications and capabilities as well as duties and responsibilities of the position are as follows:

Qualifications

- Bachelor's degree (in accounting or law)
- Knowledge about laws and requirements related to the Company and the SEC
- Good interpersonal and communication skills
- Previous experience related to this position
- Knowledge of good corporate governance

Duties and responsibilities

- Oversee operations related to meetings of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, and the shareholders
- Prepare and retain minutes of the Board of Directors' meetings
- Oversee the disclosure of information and reporting in accordance with relevant laws and regulations and the principle of good corporate governance
- 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, follow up on results, and submit reports to the Board of Directors
- Communicate and provide information concerning the Company's businesses to the directors
- Arrange orientation sessions for new directors and support continuous development of directors
- Coordinate matters with external consultants such as legal consultants

Remuneration of Directors and Executives

The Company defined a clear and transparent policy on directors' remuneration. Its remuneration rates were comparable to those of other companies in the same industry and average market rates; and were approved by the shareholders. Directors also working as the Audit Committee's members received additional remuneration according to their enhanced scope of responsibilities. The Company's Managing Director and employees were paid based on individual performance. The remuneration rates were reviewed by the Nomination and Remuneration Committee. To ensure transparency and clarity in the determination of remuneration rates of the Company's Managing Director and high-level executives, the shareholders considered the policy and the principles on the remuneration of the Company's Managing Director and high-level executives at the Annual General Meeting of Shareholders No. 1/2006 held on 28 April 2006 as follows:

1. The remuneration of the Managing Director and high-level executives including salary, welfare and benefits shall be based on the job value of each position.
2. The remuneration shall be based on consideration of:
 - 2.1 The Company's ability to pay
 - 2.2 Competitiveness in the labor market, and
 - 2.3 Pay for performance
3. The Board of Directors shall approve remuneration-related budgets each year based on consideration of the Company's financial position, operating results and business projection.

Principles

1. The Board of Directors shall consider the remuneration rates of the Managing Directors and high-level executives which have been considered by the Nomination and Remuneration Committee according to the criteria stipulated in the policy.
2. The Managing Director shall consider the remuneration rates of subordinates based on their performance according to the line of command within the budget limit approved by the Board of Directors.
3. The performance appraisal process shall be based on clear and concrete targets to ensure fair consideration of compensation and adjustments of wages, salaries, welfare schemes, and other benefits for all employees.

Board of Directors' Remuneration

The Board of Directors' remuneration is divided into monthly payments to the directors and payments based on operating results. If the Company posts a net profit, an additional remuneration of up to 1 time of the total remuneration for the Board of Directors for the entire year shall be made. This remuneration shall be at the discretion of the Board of Directors. The Company shall pay no other benefits to the directors. The remuneration for the Board of Directors and other committees shall be proposed to a shareholders' meeting for approval each year. The shareholders' meeting for 2020 held on 3 April 2020 resolved to approve the remuneration at the same rate as that of 2019. The Board of Directors considered paying an additional remuneration of up to 1 time of the total remuneration for the Board of Directors for the entire year.

Position	Monthly Remuneration	Remuneration from Operating Results	Other Benefits
Chairman of the Board of Directors	Baht 50,000/month	Baht 600,000/annum	-
Member of the Board of Directors	Baht 40,000/month	Baht 480,000/annum	-
Chairman of the Audit Committee	Baht 70,000, four times per annum	-	-
Member of the Audit Committee	Baht 50,000, four times per annum	-	-
Chairman of the Nomination and Remuneration Committee	Baht 60,000/annum	-	-
Member of the Nomination and Remuneration Committee	Baht 40,000/annum	-	-

In 2020, the Company paid the directors' and executive remuneration as follows: (Note: Directors did not receive any remuneration from Tipco's subsidiary companies.)

1. Monetary Remuneration (per annum)

Monetary remuneration consisted of meeting allowance which was paid according to the number of attended meetings as follows:

Name	Position	Remuneration (Baht)			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
Ms. Laksana Supsakorn	Chairman	1,200,000			1,200,000
ACM. Pongsatorn Buasup	Vice Chairman /Independent Director	546,667			546,667
Mrs. Anurat Tiamtan	Director	960,000			960,000
Ms. Roumsin Supsakorn **	Director	288,000			288,000
Mr. Somchit Sertthin **	Director	413,333			413,333
Mr. Sitilarb Supsakorn	Director	960,000			960,000
Mr. Kris Sertthin	Director	546,667			546,667
Mr. Surachet Supsakorn	- Director - Member of the Nomination and Remuneration Committee	960,000		40,000	1,000,000
Mr. Virat Phairatphiboon	- Independent Director - Chairman of the Audit Committee	960,000	280,000		1,240,000
Mr. Chalit Limpanavech	Independent Director	960,000			960,000
Mr. Paisal Pongprayoon	- Independent Director - Chairman of the Nomination and Remuneration Committee - Member of the Audit Committee	960,000	200,000	60,000	1,220,000
Mrs. Achara Pricha	- Independent Director - Member of the Nomination and Remuneration Committee - Member of the Audit Committee	960,000	200,000	40,000	1,200,000
Mr. Ekaphol Pongstabhon ***	Managing Director	960,000			960,000

** Receive compensation from the performance of the year 2019

*** The resignation of Director and Managing Director will be effective from January 1, 2021 onwards.

Executive Remuneration

In 2020, 2 executives received remuneration in the forms of salaries and bonuses totaling Baht 19,326,789.67.

2. Other Remuneration

Other remuneration of directors and committee members

- None -

Other remuneration of executives

The Company established the provident fund for executives by paying contributions to the fund at the rate of 5% of the salary. In 2020, the employer's contributions to the provident fund for 2 executives totaled Baht 713,461.50. In addition, 1 executive director/executive was provided with a company car and 1 executive was provided with car and transport allowances totaling Baht 734,400.00.

Personnel

Employees' Remuneration Policy

The Company has the policy of paying wages or salaries that are commensurate with the duties and responsibilities of the employees, taking into consideration the Company's ability to pay and the labour market conditions.

Payments of employees' remuneration are commensurate with the Company's operating results (short-term and long-term). Regarding short-term remuneration, the Company's profitability of a particular year shall be taken into consideration and key performance indicators (KPIs) shall be used to assign performance ratings based on job values. As regards long-term remuneration, it is the Company's policy to take care of its employees continuously on a long-term basis. In this regard, the provident fund was set up and the member employees shall pay monthly contributions to the fund at the rates of 5-15% of the wages. The Company shall also pay monthly contributions to the fund at the rate of 5% of the wages according to the length of service of each employee.

About welfare management, the Company stipulated the clear policy and procedures on managing employees' welfare, which were disclosed in the human resources management regulations and the disciplines and guidelines on human resources management of the Company. Welfare schemes were created with a focus on all groups of employees appropriately and fairly.

Various welfare schemes were subjected to regular reviews to ensure alignment with changing circumstances and to cover all aspects including operational benefits such as per diem, travel expense, accommodation expense, uniform, etc. The Company placed its employees' health as one of its priorities. The annual budget for the physical check-up program was Baht 1,073,939. In 2020, the Company paid medical treatment expenses (through health insurance) and influenza vaccination expenses totaling Baht 2,166,012 and other welfare schemes to support the well-being or other matters of the employees such as provident fund contributions, accident insurance policies, loans, compensation payments, etc.

In a longer term, the Company takes care of its employees by establishing a provident fund where the member employees are required to make monthly contributions to the fund at their preferred rate of 5%, 7%, 10%, 12%, or 15%. They can also choose one of the 4 investment plans. The Company shall pay make contributions to the fund at the rate of 5%.

As at 31 December 2020, the Company had a total of 155 employees. In 2020, the Company paid the total remuneration of Baht 102 million to the employees. The remuneration included salaries, overtime payments, cost of living allowances, special allowances, social security funds, provident fund contributions, etc. Moreover, the subsidiaries paid the total remuneration of Baht 373 million to the employees in the same manner as the Company.

2020 (Information as at 31 December 2020)	Tipco Foods Pcl.	Tipco F&B Co., Ltd.	Tipco Retail Co., Ltd.	Tipco Biotech Co., Ltd.	Tipco Pineapple Co., Ltd.
Operating employees	136	369	65	232	702
Executive employees	19	29		6	14
Total (person)	155	398	65	238	716
Employees at the headquarters	59	86	8	7	22
Employees outside the headquarters	96	312	57	231	694
Total (person)	155	398	65	238	716
Employees' remuneration (Million Baht)	102	180	16	50	127

Changes in the Numbers of Employees in the Past 3 Years

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

- As at 31 December 2018, the total number of employees was 199.
- As at 31 December 2019, the total number of employees was 190.
- As at 31 December 2020, the total number of employees was 155.

Major Labor Disputes in the Past 3 Years

The Company never had any major labor dispute, protest, or strike during the past 3 years.

Accident Statistics in 2020

The number of employees taking leave as a result of accidents-None

Human Resources Development Policy

The Company places importance on adequate and consistent personnel development to ensure that its employees are capable of fulfilling duties and ready advance in their career path to support additional assignments in an efficient and effective manner.

Rules and Regulations

1. Every position must have job description, qualification, and competency, for example, academic degree, experience, and expertise required for the performance of duties in such position.
2. Employees at the level of OM5/O5 and above must be subject to core competency analysis which covers knowledge, skills, and expertise in various aspects. The analysis results shall be used as a guideline for preparing individual development plans (IDP). The positions to be chosen for this assessment shall be in line with the Company's annual personnel development plan.
3. For other employees that are not subject to core competency analysis, knowledge and competency development needs shall be considered by supervisors based on their annual performance evaluation results. Then, individual development plans will be determined and proposed to supervisors for approval before submission to the Human Resources Department for compiling and preparing training and development plans.

4. Employees shall improve their knowledge, skills, and competency in various areas, including management, supervision, technical and professional fields, specialized assignments, business acumen, basics of quality management system, and awareness of quality assurance through one or more of the following methods:
 - 4.1 On-the-job training
 - 4.2 Training, seminar, case study, or site visit on- and off-premises
 - 4.3 Job rotation
 - 4.4 Appointment of successors
 - 4.5 Assignment of tasks or special projects
 - 4.6 Other methods as appropriate
5. The Human Resources Department is responsible for coordinating with other department heads and taking relevant actions in developing employees, following up on development progress, and keeping employee development records.

Practices

1. For the employees at the department manager level up, competency analysis and individual development plan must be jointly considered and endorsed between the supervisors, the employees, the Human Resources Department, and the Human Resources Committee. This is for the utmost benefit of the Company and its employees.
2. The supervisors and the employees shall be mainly responsible for developing individual development plans for career advancement and development.
3. The Human Resources Department, the supervisors, and the management team shall undertake supervision and allocate budget resources to ensure that the employees' development needs are fulfilled in a broad-based, equal, and non-discriminatory manner.
4. The employees shall be allowed to check their individual development plan and/or development progress with their supervisors or the Human Resources Management at any time. They shall also be able to file complaints with the management team if they experience any neglect, lack of support, or unfair treatment with regard to self-development issues

Personnel Development

The Company places importance on developing its personnel to improve their knowledge, skills, capabilities, and competencies to be in line with business strategies and goals and be ready for further growth of the Company moving forward.

In the past year, the Company facilitated a number of training courses to support personnel development as follows:

- The Essence of MODERN Management & Leadership: Strategic Thinking and Planning
- The Matter to Build the Great Team
- Personal Data Protection Act 2012: PDPA

Apart from the training courses to support the employees' performance of duties, the Company offered a number of specialized training courses such as marketing, sales, customer services, accounting, finance, human resources management, repairs and maintenance, and production management with the total budget of approximately Baht 2.5 million.

Internal Control and Risk Management

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 committee 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.

2. Internal Control System

At the Board of Directors Meeting No. 1/2020 held on 13 February 2020 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 2020 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.

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 9 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 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, Mrs. Pornanong Yoocha 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 Ms. Kullakarn Cheenpun as head of compliance function. She 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 17)

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 companies in 2020 include these followings:

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
1. Acquiring services and others	Tipco Tower Co., Ltd.	10.33	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.39	
	Ruamsapsin Co., Ltd.	1.74	
	Thanomwongse Service Co., Ltd.	0.05	
	Marketing Consultants Co., Ltd.	0.12	
	Total	12.63	

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	Tipco Asphalt PCL.	2.38	Market prices, equivalent to that quoted for outsiders
	Tipco Tower Co., Ltd.	0.25	
	Raycol Asphaltl Co., Ltd.	0.10	
	Thai Bitumen Co., Ltd.	0.15	
	Marketing Consultants Co., Ltd.	0.30	
	Ruamsapsin Co., Ltd.	0.29	
	Rattanajit Co., Ltd.	0.57	
	Thanomwongse Service Co., Ltd.	0.08	
	Thai Slurry Seal Co., Ltd.	0.004	
	Tipco Maritime Co., Ltd.	0.002	
	Boondee Co., Ltd.	0.03	
	Vital well Co., Ltd.	0.008	
	Siamcontainer Terminal Co., Ltd.	0.13	
	Total	4.28	

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
2. Acquiring services and others	Tipco Tower Co., Ltd.	5.15	Market prices, equivalent to that quoted for outsiders
	Marketing Consultants Co., Ltd.	0.05	
	Ruamsapsin Co., Ltd.	11.59	
	Siamcontainer Terminal Co., Ltd.	0.26	
	Thanomwongse Service Co., Ltd.	0.04	
	Total	17.09	

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	Tipco Tower Co., Ltd.	0.66	Market prices, equivalent to that quoted for outsiders
	Ruamsapsin Co., Ltd.	4.17	
	Marketing Consultants Co., Ltd.	0.01	
	Total	4.84	

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

Type of transaction	Company/relationship	Related transaction value (Million Baht)	Pricing policy
1. Others incomes	Raycol Asphalt Co., Ltd.	0.01	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.24	
	Thai Bitumen Co., Ltd.	0.02	
	Total	0.27	
2. Acquiring services and others	Tipco Tower Co., Ltd.	0.37	Market prices, equivalent to that quoted for outsiders
	Thanomwongse Service Co., Ltd.	0.05	
	Siamcontainer Terminal Co., Ltd.	0.24	
	Marketing Consultants Co., Ltd.	0.02	
	Ruamsapsin Co., Ltd.	2.04	
	Total	2.72	

Shareholders and / investors can catch up on the related transactions for the past 3 years comparison from the previous year annual report on the company's website www.tipco.net

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.

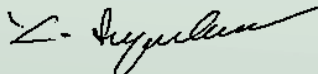
Report of the Board of Directors Responsibility to Financial Reporting

The Board of Directors of the Company is responsible for the consolidated and separate financial statements of the Tipco foods public company limited, 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 conducted by independent professional auditors in accordance with Thai standard on auditing, issued unqualified opinion. 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 and separate financial statements of 31 December 2020.



(Ms. Laksana Supsakorn)
Chairman of the Board



(Mr. Yongsit Rojsrikul)
Chief Executive Officer

Report of the Audit Committee

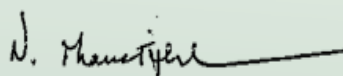
The Audit Committee of Tipco Foods Public Company Limited comprises 3 independent directors. Mr. Virat Phairatphiboon serves as Chairman of the Audit Committee, while Mr. Paisal Pongprayoon and Mrs. Achara Pricha serve as members of the Audit Committee. The Audit Committee performs its duties as assigned by the Board of Directors under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Audit Committee supervises the review of the anti-corruption practices of the Company performed by the Internal Audit Department to ensure appropriate and adequate control systems to mitigate risks from possible corruption.

In 2020, the Audit Committee held 4 formal meetings with the external auditor and the internal auditor. The Committee also discussed with the internal auditor, the external auditor, and the management the action plans to ensure consistency and comprehensiveness. The Audit Committee's main operations can be summarized as follows:

1. Jointly determined the annual internal audit plan with Audit and Management Consultant Co., Ltd., the internal auditor, to review sufficiency of internal control systems; and monitored actual performance compared to the internal audit plan every quarter. Focus was placed on managing business risks and the internal auditor was assigned to review such risks on a quarterly basis.
2. Jointly reviewed the quarterly and annual financial statements and related financial reports together with the external auditor prior to submission thereof to the Board of Directors for consideration and approval. It was found that the financial statements were prepared in accordance with the financial reporting standards and disclosed sufficient, complete, and reliable information. Also, impacts from additional changes to the financial reporting standards were followed up
3. Reviewed connected transactions between the Company and related individuals and juristic persons and opined that such transactions were undertaken in the ordinary course of business and market price comparison was made to ensure reasonableness.
4. Conducted reviews to ensure that effective internal control systems were in place and no significant weaknesses that could cause significant impacts were found. It was reiterated that the management must consistently enhance the internal control and risk management systems to be efficient and aligned with the business environment. The Audit Committee also promoted and supported internal audit activities to meet international standards and provided suggestions for areas of improvement

5. Monitored the Company's investment projects by regularly following up on their progress and management reports.
6. Reviewing the Company's compliance with relevant regulations and laws to ensure integrity, transparency, and fairness towards the shareholders and other stakeholders. Based on the review, it was found that the Company was in full compliance with said regulations and laws.
7. Jointly considered, proposed, and appointed a new external auditor according to an appropriate timeframe as well as an audit fee to the Board of Directors to seek approval from the shareholders' meeting. In this regard, EY Office Limited was appointed as the Company's auditor for 2020.
8. Reviewed the Charter of the Audit Committee and conducted self-assessment on the performance of the Audit Committee as well as reported the performance rating to the Board of Directors for acknowledgement.

In summary, the Audit Committee performed its duties comprehensively and in compliance with its Charter. Together with the management, the internal auditor, and the external auditor, after due consideration, the Audit Committee was satisfied that the Company's current internal control systems were sufficient and subjected to ongoing improvements. The Company had good corporate governance and risk management systems. The Company's financial statement preparation process was conducted with appropriate and adequate controls. The Company's financial statements were prepared in accordance with the reliable financial reporting standards. The Audit Committee also regularly reviewed relevant laws, regulations, and rules; and conducted assessments to ensure the Company's compliance therewith.



(Mr. Virat Phairatphiboon)

Chairman of the Audit Committee

16 February 2021



Independent Auditor's Report

To the Shareholders of Tipco Foods Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Tipco Foods Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Tipco Foods Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Foods Public Company Limited and its subsidiaries and of Tipco Foods Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of Matters

I draw attention to Note 11.5 to the consolidated financial statements, regarding the compliance with the US State Department's request that the associate wind down its crude oil procurement from Venezuela, in order to avoid a potential US sanction. My conclusion is not modified in respect of this matter.

Key Audit Matters

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

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

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

Investment in associate

The Company has investment in an associate based on the equity method and has share of profit from investment in associate presented in the consolidated financial statements (based on the cost method and has dividend income from associate presented in the separate financial statements). These amounts are significant to the financial statements and have direct effect on profit or loss.

I have inquired the management relating to significant influence on the associate to determine the appropriateness of recording transactions for investment in the associate. I have evaluated the accounting policy and related transactions of such associate. I have also checked the existence of the investment to the share certificates and supporting documents received from the securities company, tested the calculation of fair value of the investment, including its impairment as at the period-end date, and examined the supporting documents for dividend receipts. Furthermore, I obtained the financial statements which have been audited by the Certified Public Accountant of such associate to test the calculation of share of profit from investment in the associate and tested proportionate interest in value of investment in the associated company. In addition, I determined whether there was adequate disclosure of information of such investment in the associate in the notes to the financial statements.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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



Natthawut Santipet

Certified Public Accountant (Thailand) No. 5730

EY Office Limited

Bangkok: 18 February 2021

Tipco Foods Public Company Limited and its subsidiaries
Statements of financial position
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents		55,544,446	41,336,348	15,137,447	15,127,386
Current investment		-	4,995,108	-	-
Trade and other receivables	7, 8	368,818,881	467,172,764	16,484,143	24,968,756
Short-term loans to related parties	7	-	-	412,900,000	269,000,000
Inventories	9	500,542,233	679,465,248	46,137,515	50,918,443
Biological assets		480,000	2,800,000	-	-
Advanced payments	7	29,015,480	12,851,450	2,547,180	3,568,544
Derivative assets	29.1	1,649,450	386,936	-	-
Other current assets		24,459,697	47,505,737	5,565,064	8,755,894
Total current assets		980,510,187	1,256,513,591	498,771,349	372,339,023
Non-current assets					
Investments in subsidiaries	10	-	-	1,478,836,957	1,642,486,907
Investment in associate	11	3,477,058,427	3,145,107,518	644,929,739	644,929,739
Investment property - Land awaiting sale		7,269,561	7,269,561	7,269,561	7,269,561
Property, plant and equipment	12	1,910,737,529	2,136,459,223	652,765,760	701,706,302
Intangible assets	13	30,389,476	35,575,530	27,037,043	27,175,598
Deferred tax assets	22	69,420,294	72,902,030	6,194,930	6,755,661
Other non-current assets	7	11,873,551	15,175,467	2,092,101	3,539,971
Total non-current assets		5,506,748,838	5,412,489,329	2,819,126,091	3,033,863,739
Total assets		6,487,259,025	6,669,002,920	3,317,897,440	3,406,202,762

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

Tipco Foods Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	14	814,378,606	761,473,861	500,000,000	490,318,437
Trade and other payables	7, 15	429,728,365	605,257,788	22,176,050	43,551,602
Current portion of long-term loans					
from financial institutions	16	266,880,000	411,950,000	190,000,000	231,245,000
Current portion of lease liabilities	7, 17	27,586,779	859,098	7,942,589	859,098
Income tax payable		-	4,470,342	-	-
Derivative liabilities	29.1	163,355	437,016	-	104,815
Other current liabilities		62,662,903	59,559,312	3,777,052	3,627,830
Total current liabilities		1,601,400,008	1,844,007,417	723,895,691	769,706,782
Non-current liabilities					
Long-term loans from financial institutions					
- net of current portion	16	532,563,150	782,500,000	365,000,000	555,000,000
Lease liabilities - net of current portion	7, 17	27,439,376	5,386,014	11,239,662	5,386,014
Provision for dismantling cost		1,200,480	1,070,480	-	-
Provision for long-term employee benefits	18	105,155,533	129,244,324	30,109,508	33,027,913
Total non-current liabilities		666,358,539	918,200,818	406,349,170	593,413,927
Total liabilities		2,267,758,547	2,762,208,235	1,130,244,861	1,363,120,709

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

Tipco Foods Public Company Limited and its subsidiaries
Statements of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
500,000,000 ordinary shares of Baht 1 each		500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid					
482,579,640 ordinary shares of Baht 1 each		482,579,640	482,579,640	482,579,640	482,579,640
Non-controlling interests of subsidiary acquired by the Company at price higher than book value		(80,767,243)	(80,767,243)	-	-
Non-controlling interest in subsidiary of the associated company acquired at price lower than book value		1,494,466	1,494,466	-	-
Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate		(135,832,635)	(135,832,635)	-	-
Capital reserve for share-based payment transactions of the associate		40,952,590	40,994,182	-	-
Retained earnings					
Appropriated - statutory reserve	19	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		4,147,407,501	3,848,177,059	1,655,072,939	1,510,502,413
Other components of shareholders' equity		(286,333,841)	(299,850,784)	-	-
Total shareholders' equity		4,219,500,478	3,906,794,685	2,187,652,579	2,043,082,053
Total liabilities and shareholders' equity		6,487,259,025	6,669,002,920	3,317,897,440	3,406,202,762

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

Tipco Foods Public Company Limited and its subsidiaries
Statements of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales		2,500,123,559	3,561,064,263	255,066,768	353,565,577
Dividend income from subsidiaries	10	-	-	38,999,997	19,799,998
Dividend income from associate	11	-	-	517,834,324	258,917,162
Other income	20	75,687,763	125,953,143	46,800,794	81,748,631
Total revenues		2,575,811,322	3,687,017,406	858,701,883	714,031,368
Expenses					
Cost of sales		2,064,387,522	3,178,577,480	173,652,933	244,882,926
Selling and distribution expenses		311,001,624	436,828,614	-	7,549
Administrative expenses		477,038,964	541,720,254	179,440,341	187,366,062
Impairment loss on investments in subsidiaries	10	-	-	163,649,950	122,850,000
Loss on exchange		24,191,743	-	171,489	32,835
Total expenses		2,876,619,853	4,157,126,348	516,914,713	555,139,372
Operating profit (loss)		(300,808,531)	(470,108,942)	341,787,170	158,891,996
Share of profit from investment in associate	11	836,967,622	732,668,446	-	-
Finance income		52,264	69,825	9,451,564	3,798,438
Finance cost		(50,962,001)	(69,945,288)	(32,107,939)	(43,376,092)
Profit before income tax expenses		485,249,354	192,684,041	319,130,795	119,314,342
Income tax benefit (expenses)	22	(3,436,893)	14,983,118	(1,581,444)	3,166,989
Profit for the year		481,812,461	207,667,159	317,549,351	122,481,331

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

Tipco Foods Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Share of comprehensive income in associate - net of income tax	11	13,516,943	(237,739,028)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial loss - net of income tax	18	(13,686,046)	-	(4,082,852)	-
Other comprehensive income for the year		(169,103)	(237,739,028)	(4,082,852)	-
Total comprehensive income for the year		481,643,358	(30,071,869)	313,466,499	122,481,331
Profit attributable to:					
Equity holders of the Company		481,812,461	207,667,159	317,549,351	122,481,331
Total comprehensive income attributable to:					
Equity holders of the Company		481,643,358	(30,071,869)	313,466,499	122,481,331
Earnings per share					
Basic earnings per share	23				
Profit attributable to equity holders of the Company		1.00	0.43	0.66	0.25

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

Statements of changes in shareholders' equity

For the year ended 31 December 2020

	Issued and paid-up share capital	Non-controlling interests of subsidiary acquired by the Company at price higher than book value	Non-controlling interest in subsidiary of the associated company acquired at price lower than book value	Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	Capital reserve for share-based payment transactions of the associate
Balance as at 1 January 2019	482,579,640	(80,767,243)	1,494,466	(135,832,635)	41,070,724
Profit for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Share-based payment transactions of the associate	-	-	-	-	(76,542)
Dividend paid (Note 25)	-	-	-	-	-
Balance as at 31 December 2019	482,579,640	(80,767,243)	1,494,466	(135,832,635)	40,994,182
Balance as at 1 January 2020	482,579,640	(80,767,243)	1,494,466	(135,832,635)	40,994,182
Profit for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Share-based payment transactions of the associate	-	-	-	-	(41,592)
Dividend paid (Note 25)	-	-	-	-	-
Balance as at 31 December 2020	482,579,640	(80,767,243)	1,494,466	(135,832,635)	40,952,590

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

(Unit: Baht)

Consolidated financial statements

Retained earnings		Other component of shareholder's equity		Total shareholders' equity
		Other comprehensive income	Total other components of shareholders' equity	
Appropriated - statutory reserve	Unappropriated	Share of comprehensive income in associate		
50,000,000	3,876,971,449	(62,111,756)	(62,111,756)	4,173,404,645
-	207,667,159	-	-	207,667,159
-	-	(237,739,028)	(237,739,028)	(237,739,028)
-	207,667,159	(237,739,028)	(237,739,028)	(30,071,869)
-	-	-	-	(76,542)
-	(236,461,549)	-	-	(236,461,549)
50,000,000	3,848,177,059	(299,850,784)	(299,850,784)	3,906,794,685
50,000,000	3,848,177,059	(299,850,784)	(299,850,784)	3,906,794,685
-	481,812,461	-	-	481,812,461
-	(13,686,046)	13,516,943	13,516,943	(169,103)
-	468,126,415	13,516,943	13,516,943	481,643,358
-	-	-	-	(41,592)
-	(168,895,973)	-	-	(168,895,973)
50,000,000	4,147,407,501	(286,333,841)	(286,333,841)	4,219,500,478

Statements of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements			Total shareholders' equity
	Issued and paid-up share capital	Retained earnings		
		Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2019	482,579,640	50,000,000	1,624,482,631	2,157,062,271
Profit for the year	-	-	122,481,331	122,481,331
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	122,481,331	122,481,331
Dividend paid (Note 25)	-	-	(236,461,549)	(236,461,549)
Balance as at 31 December 2019	<u>482,579,640</u>	<u>50,000,000</u>	<u>1,510,502,413</u>	<u>2,043,082,053</u>
Balance as at 1 January 2020	482,579,640	50,000,000	1,510,502,413	2,043,082,053
Profit for the year	-	-	317,549,351	317,549,351
Other comprehensive income for the year	-	-	(4,082,852)	(4,082,852)
Total comprehensive income for the year	-	-	313,466,499	313,466,499
Dividend paid (Note 25)	-	-	(168,895,973)	(168,895,973)
Balance as at 31 December 2020	<u>482,579,640</u>	<u>50,000,000</u>	<u>1,655,072,939</u>	<u>2,187,652,579</u>

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

Tipco Foods Public Company Limited and its subsidiaries

Cash flow statements

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before income tax	485,249,354	192,684,041	319,130,795	119,314,342
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	381,670,305	347,624,826	71,589,965	64,287,387
Allowance for expected credit losses (2019: Reversal of allowance for doubtful accounts)	4,880,868	(587,874)	-	-
Reduction of cost of inventories to net realisable value (reversal)	(16,692,377)	20,229,888	1,189,877	(2,420,391)
Loss from inventory destruction	9,933,203	23,195,067	-	6,409,923
Impairment loss on investments in subsidiaries	-	-	163,649,950	122,850,000
(Gain) loss on changes in fair value of biological assets	2,320,000	(2,140,529)	-	-
Unrealised (gain) loss on exchange	(1,346,876)	(1,064,321)	19,691	7,762
(Gain) loss on changes in fair value of forward exchange contracts	(1,486,094)	290,034	-	-
(Gain) loss on sales and write-off of property, plant and equipment	2,853,375	18,580,110	(730,932)	(195,236)
Loss on sales and write-off of intangible assets	1,149,670	325,178	-	-
Increase (decrease) in provision for dismantling cost	130,000	(1,209,120)	-	-
Provision for long-term employee benefits	15,453,022	38,447,724	6,060,618	9,996,923
Share of profit from investment in associate	(836,967,622)	(732,668,446)	-	-
Dividend income from subsidiaries	-	-	(38,999,997)	(19,799,998)
Dividend income from associate	-	-	(517,834,324)	(258,917,162)
Finance income	(52,264)	(69,825)	(9,451,564)	(3,798,438)
Finance cost	50,962,001	69,945,288	32,107,939	43,376,092

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

Tipco Foods Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit (loss) from operating activities before changes in operating assets and liabilities	98,056,565	(26,417,959)	26,732,018	81,111,204
(Increase) decrease in operating assets				
Trade and other receivables	97,091,250	95,626,653	8,464,922	20,497,416
Inventories	185,682,189	263,584,701	3,591,051	7,065,148
Other current assets	4,356,214	36,157,037	60,139	(2,214,065)
Other non-current assets	3,301,916	(5,243,825)	1,447,870	(450,125)
Increase (decrease) in operating liabilities				
Trade and other payables	(161,971,632)	(177,188,119)	(21,366,058)	(23,231,494)
Other current liabilities	2,770,493	(24,327,822)	148,324	288,167
Cash paid for long-term employee benefits	(55,463,866)	(7,563,541)	(14,082,588)	(2,077,881)
Cash flows from operating activities	173,823,129	154,627,125	4,995,678	80,988,370
Cash paid for interest expenses	(49,962,796)	(68,759,162)	(31,260,189)	(42,168,434)
Cash paid for corporate income tax	(7,167,575)	(15,952,167)	(1,092,534)	-
Cash received for refund of withholding tax	4,220,807	6,107,025	4,220,807	6,107,025
Net cash flows from (used in) operating activities	120,913,565	76,022,821	(23,136,238)	44,926,961

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

Tipco Foods Public Company Limited and its subsidiaries

Cash flow statements (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Decrease (increase) in fixed deposit with maturity over 3 months	4,995,108	(44,211)	-	-
Increase in short-term loans to related parties	-	-	(143,900,000)	(179,000,000)
Cash received from sales of property, plant and equipment	924,554	3,610,886	730,935	216,446
Cash paid for acquisition of property, plant and equipment	(91,425,809)	(198,047,345)	(2,650,206)	(24,142,393)
Cash paid for acquisition of intangible assets	(3,255,916)	(1,418,632)	(542,094)	(18,400)
Dividend received from subsidiaries	-	-	38,999,997	19,799,998
Dividend received from associate	517,834,324	258,917,162	517,834,324	258,917,162
Interest received	52,264	69,825	9,451,564	3,798,438
Net cash flows from investing activities	429,124,525	63,087,685	419,924,520	79,571,251
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	52,904,745	(8,526,139)	9,681,563	250,318,437
Cash paid for lease liabilities	(24,831,914)	(369,145)	(6,318,811)	(369,145)
Cash receipts from long-term loans from financial institutions	18,663,150	406,746,659	-	56,746,659
Repayment of long-term loans from financial institutions	(413,670,000)	(365,000,000)	(231,245,000)	(201,200,000)
Dividend paid	(168,895,973)	(236,461,549)	(168,895,973)	(236,461,549)
Net cash flows used in financing activities	(535,829,992)	(203,610,174)	(396,778,221)	(130,965,598)
Net increase (decrease) in cash and cash equivalents	14,208,098	(64,499,668)	10,061	(6,467,386)
Cash and cash equivalents at beginning of year	41,336,348	105,836,016	15,127,386	21,594,772
Cash and cash equivalents at end of year	55,544,446	41,336,348	15,137,447	15,127,386

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

Cash flow statements (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Supplemental cash flows information				
Non-cash transactions:				
Acquisition of equipment for which cash has not been paid	518,619	12,007,725	75,620	13,000
Acquisition of intangible assets for which cash has not been paid	-	1,115,417	-	-
Increase in right-of-use assets due to entering into lease agreements	11,371,315	6,614,257	809,752	6,614,257

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

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 General information of the Company

Tipco Foods Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholders of the Company is Supsakorn family. The Company is principally engaged in the manufacture and distribution of mineral water. The registered office of the Company is at 118/1 Rama 6 Road, Phayathai Sub district, Phayathai District, Bangkok.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of the Company and its subsidiaries (“the Group”). The details of subsidiary companies are as follows:

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage	
			2020 (Million Baht)	2019 (Million Baht)	2020 (Percent)	2019 (Percent)
Tipco F&B Company Limited (“TFB”)	Producing and distribution of ready-to-drink beverage product	Thailand	600.00	600.00	100.00	100.00
Tipco Retail Company Limited (87.75% owned by the Company and 12.25% owned by TFB)	Retail business	Thailand	200.00	200.00	100.00	100.00
Tipco Biotech Company Limited	Manufacturing of herbal extraction substance and agriculture business	Thailand	36.80	36.80	100.00	100.00
Tipco Pineapple Company Limited	Manufacturing and distribution of canned fruit and fruit juice	Thailand	700.00	700.00	100.00	100.00
TFB Distribution Company Limited* (100% owned by TFB)	Dormant	Thailand	0.25	0.25	100.00	100.00

*Dissolved and in process of liquidation

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
 - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

3. New financial reporting standards

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

During the current year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entities' business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

These standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020. During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures for accounting alternatives relating to impairment of assets and not to account for any reduction in lease payments by lessors as a lease modification.

In the fourth quarter of 2020, the Group has assessed the impairment of assets and adjusted the lease modification. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures for accounting alternatives.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The Group has elected to recognise the cumulative effect of changes in accounting policies as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The changes in accounting policies do not have any impact on the beginning balance of retained earnings of 2020, while the impacts to assets and liabilities in the statements of financial position are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 1 January 2020	The impacts of		Balance as at 1 January 2020 (restated)
		Financial reporting standards related to financial instruments	TFRS 16	
Assets				
Current assets				
Current investments	4,995	(4,995)	-	-
Other current financial assets	-	4,995	-	4,995
Non-current assets				
Property, plant and equipment	2,136,459	-	62,242	2,198,701
Liabilities				
Current liabilities				
Current portion of lease liabilities	859	-	23,458	24,317
Non-current liabilities				
Lease liabilities - net of current portion	5,386	-	38,784	44,170

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2020	The impacts of		Balance as at 1 January 2020 (restated)
		Financial reporting standards related to financial instruments	TFRS 16	
Assets				
Non-current assets				
Property, plant and equipment	701,706	-	18,446	720,152
Liabilities				
Current liabilities				
Current portion of lease liabilities	859	-	5,438	6,297
Non-current liabilities				
Lease liabilities - net of current portion	5,386	-	13,008	18,394

4.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	41,336	-	41,336	41,336
Trade and other receivables	467,173	-	467,173	467,173
Derivative assets	387	387	-	387
Other current financial assets	4,995	-	4,995	4,995
Other current assets	47,506	-	47,506	47,506
Other non-current assets	15,175	-	15,175	15,175
Total financial assets	576,572	387	576,185	576,572

(Unit: Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	15,127	-	15,127	15,127
Trade and other receivables	24,969	-	24,969	24,969
Short-term loans to related parties	269,000	-	269,000	269,000
Other current assets	8,756	-	8,756	8,756
Other non-current assets	3,540	-	3,540	3,540
Total financial assets	321,392	-	321,392	321,392

As at 1 January 2020, the Group has not designated any financial liabilities to be measured at fair value through profit or loss except derivative liabilities of which fair value is Baht 0.4 million (Separate financial statements: Baht 0.1 million).

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	92,426	47,426
Less: Short-term leases and leases of low-value assets	(15,629)	(13,391)
Add: Option to extend lease term	25,753	4,412
Less: Contracts reassessed as service agreements	(38,619)	(19,492)
Less: Deferred interest expenses	(1,689)	(509)
Increase in lease liabilities due to TFRS 16 adoption	62,242	18,446
Liabilities under finance lease agreements as at 31 December 2019	<u>6,245</u>	<u>6,245</u>
Lease liabilities as at 1 January 2020	<u>68,487</u>	<u>24,691</u>
Weighted average incremental borrowing rate (percent per annum)	2.16	3.15
Comprise of:		
Current lease liabilities	24,317	6,297
Non-current lease liabilities	<u>44,170</u>	<u>18,394</u>
	<u>68,487</u>	<u>24,691</u>

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

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

5.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories includes all production costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

5.4 Agriculture

The biological asset of a subsidiary is unharvested pineapple fruit and agricultural produce is harvested pineapple fruit which were measured at their fair value less costs to sell and fair value less costs to sell at the point of harvest, respectively.

The fair value of pineapple fruit is determined reference to fair value less estimated point-of-harvest costs. Gains or losses on changes in fair value of biological asset and agricultural produce are recognised in profit or loss.

5.5 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

5.6 Investment property - Land awaiting sale

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

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

5.7 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment and the pineapple plants, which are bearer plants, are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment, and bearer plant are calculated by reference to their costs, on the straight-line basis over the following estimated useful lives and accordance with the estimated production capacity of machinery and estimated harvest capacity as follows:

Land development	10 years
Buildings and complement	10 to 25 years
Machinery and equipment	10 to 20 years and estimated production capacity
Tools and equipment	5 to 20 years
Furniture and office equipment	3 to 10 years
Motor vehicles	5 to 10 years
Bearer plant	Estimated harvest capacity

An initial estimate of the costs of dismantling and removing of the item and restoring the site, when the Group has obligation to do, have been included in cost of property, plant and equipment.

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

5.8 Intangible assets

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

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

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

	<u>Useful lives</u>
Computer software	3 to 10 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

5.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term as follows:

Land	3 years
Building spaces	3 to 5 years
Tools and equipment	3 years
Motor vehicles	3 to 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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

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

5.10 Related party transactions

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

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

5.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects

current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.14 Provisions

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

5.15 Income tax

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

Current tax

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

Deferred tax

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

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

5.16 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore,

the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade and other receivables

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

5.17 Derivatives

The Group uses derivatives, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting for cash flow hedges of the associate

The effective portion of the gain or loss on the hedging instrument (commodity forward contracts) is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The associate prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the relationships between the hedging instruments and hedged items, including the nature of the risks being hedged, how the associate assesses the hedge effectiveness, analysis of the causes of hedge ineffectiveness and how the hedge ratio is determined.

The associate considers hedging effective when all of the following requirements are met.

- There is an economic relationship between hedged items and hedging instruments.
- Counterparty credit risk is not a significant factor in the change in the fair value of hedging instruments and hedged items.
- The ratio of the quantity of hedging instruments to the quantity of hedged items is equal to the hedge ratio.

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on

categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

6. Significant accounting judgements and estimates

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

Allowance of diminution in value of inventory

In determining allowance for diminution in the value of inventory, the management exercises judgment in estimating the net realisable value of inventory based on the amount the inventories are expected to realise. These estimates are based on estimates of selling prices, which take into account events occurring after the end of the period and estimates of related costs and expenses.

Allowance for impairment loss on investments in subsidiaries

The Company treats investments in subsidiaries as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Property plant and equipment/Depreciation

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

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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



7. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2020	2019	2020	2019	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of goods	-	-	254	352	Cost plus certain margin
Management income	-	-	40	71	As agreed
Interest income	-	-	9	4	2.3 - 3.7 percent per annum
Dividend income	-	-	39	20	Announced rate
Transactions with associated company					
Sales of goods	3	2	-	-	Market price
Service expenses	-	1	-	-	As agreed
Dividend income	-	-	518	259	Announced rate
Transactions with related companies					
Sales of goods	2	2	-	-	Market price
Rental and service expenses	37	42	12	17	As agreed

As at 31 December 2020 and 2019, the balances of the accounts between the Company, subsidiaries and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade and other receivables - related parties</u> (Note 8)				
Subsidiaries	-	-	16,263	23,110
Associate	1,104	1,191	86	61
Related companies (common shareholders and directors)	701	774	-	-
Total trade and other receivables - related parties	1,805	1,965	16,349	23,171
<u>Prepaid expenses - related parties</u>				
Related companies (common shareholders and directors)	312	272	130	121
Total prepaid expenses - related parties	312	272	130	121
<u>Retentions - related parties</u>				
Related companies (common shareholders and directors)	7,166	9,703	1,961	3,409
Total retentions - related parties	7,166	9,703	1,961	3,409
<u>Trade and other payables - related parties</u> (Note 15)				
Subsidiaries	-	-	35	109
Associate	503	633	420	144
Related companies (common shareholders and directors)	1,190	1,554	286	171
Total trade and other payables - related parties	1,693	2,187	741	424
<u>Lease liabilities - related parties</u>				
Related companies (common shareholders and directors)	28,055	-	10,774	-
Total lease liabilities - related parties	28,055	-	10,774	-

Short-term loans to related parties

As at 31 December 2020 and 2019, the balances of short-term loans to related parties and the movements were as follows:

(Unit: Thousand Baht)

Short-term loans	Related by	Separate financial statements			
		Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Tipco Pineapple Co., Ltd.	Subsidiary	217,000	291,000	(203,000)	305,000
Tipco Biotech Co., Ltd.	Subsidiary	37,000	56,900	(21,000)	72,900
Tipco Retail Co., Ltd.	Subsidiary	15,000	35,000	(15,000)	35,000
Total		<u>269,000</u>	<u>382,900</u>	<u>(239,000)</u>	<u>412,900</u>

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	29	40	29	28
Post-employment benefits	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	<u>31</u>	<u>42</u>	<u>31</u>	<u>30</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 14 and 16 to the financial statements.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables - related parties (Note 7)				
Aged on the basis of due dates				
Not yet due	1,238	1,686	12,456	16,250
Past due				
Up to 3 months	33	218	-	-
Total trade receivables - related parties	1,271	1,904	12,456	16,250
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	272,778	285,497	-	-
Past due				
Up to 3 months	27,331	91,786	-	-
3 - 6 months	1,052	5	-	-
6 - 12 months	2	-	-	-
Over 12 months	2,579	503	-	-
Total	303,742	377,791	-	-
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(5,180)	(299)	-	-
Total trade receivables - unrelated parties, net	298,562	377,492	-	-
Total trade receivables - net	299,833	379,396	12,456	16,250
Other receivables				
Amounts due from related parties (Note 7)	534	61	3,893	6,921
Amounts due from unrelated parties	67,733	86,846	51	1,691
Advance to employees	564	300	84	79
Accrued income	155	570	-	28
Total other receivables	68,986	87,777	4,028	8,719
Trade and other receivables - net	368,819	467,173	16,484	24,969

Set out below is the movement in the allowance for expected credit losses of trade and other receivables. (Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	299	-
Provision for expected credit losses	4,881	-
Balance as at 31 December 2020	<u>5,180</u>	<u>-</u>

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	259,644	437,295	(34,210)	(49,757)	225,434	387,538
Work in process	9,168	5,603	(79)	(360)	9,089	5,243
Raw materials	201,387	210,555	(7,976)	(8,168)	193,411	202,387
Spare parts and factory supplies	56,266	57,973	(598)	(1,270)	55,668	56,703
Goods in transit	16,940	27,594	-	-	16,940	27,594
Total	<u>543,405</u>	<u>739,020</u>	<u>(42,863)</u>	<u>(59,555)</u>	<u>500,542</u>	<u>679,465</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	2,740	5,733	-	(153)	2,740	5,580
Work in process	4,529	3,181	-	-	4,529	3,181
Raw materials	7,254	10,965	(1,798)	(455)	5,456	10,510
Spare parts and factory supplies	31,937	31,685	(37)	(38)	31,900	31,647
Goods in transit	1,513	-	-	-	1,513	-
Total	<u>47,973</u>	<u>51,564</u>	<u>(1,835)</u>	<u>(646)</u>	<u>46,138</u>	<u>50,918</u>

Movements in the reduction of cost to net realisable value of inventories account during the years ended 31 December 2020 and 2019 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Balance at beginning of year	59,555	39,325	646	3,066
Add: Additions during the year	125,854	135,866	2,703	10,451
Less: Reversals during the year	(142,546)	(115,636)	(1,514)	(12,871)
Balance at end of year	<u>42,863</u>	<u>59,555</u>	<u>1,835</u>	<u>646</u>

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Cost	
	2020	2019
Tipco F&B Company Limited	729,050	729,050
Tipco Retail Company Limited	175,500	175,500
Tipco Biotech Company Limited	160,787	160,787
Tipco Pineapple Company Limited	700,000	700,000
Total	1,765,337	1,765,337
Less: Allowance for impairment loss on investment in subsidiary	(286,500)	(122,850)
Investments in subsidiaries - net	<u>1,478,837</u>	<u>1,642,487</u>

The paid-up capital and percentage of shareholding were presented in Note 2.2 to the financial statements.

During the years, the Company received dividends from the following subsidiary:

(Unit: Thousand Baht)

Company's name	For the year ended 31 December	
	2020	2019
Tipco F&B Company Limited	39,000	19,800

On 17 July 2020, TFB Distribution Co., Ltd., the subsidiary company of Tipco F&B Co., Ltd., registered its dissolution with the Ministry of Commerce and is in the process of liquidation.

During the current year, the Company recorded allowance for impairment loss on investments in Tipco Retail Co., Ltd. and Tipco Pineapple Co., Ltd. of Baht 53 million and Baht 111 million, respectively. In 2019, the Company recorded allowance for impairment loss on investment in Tipco Retail Co., Ltd. of Baht 123 million.

11. Investment in associate

The Company has investment in an associate, Tipco Asphalt Public Company Limited, which incorporate in Thailand and engaged in the manufacture and distribution of asphalt and petroleum products. The shareholding percentage of the Company as at 31 December 2020 and 2019 are 23.4345 and 23.4583 percent, respectively.

11.1 Details of associate:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,477,058	3,145,108	-	-

11.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Share of profit from investment in associate during the year	836,968	732,668	-	-
Share of other comprehensive income from investment in associate during the year	13,517	(237,739)	-	-
Dividend received during the year	-	-	517,834	258,917

11.3 Fair value investment in listed associate

The fair value of investment in Tipco Asphalt Public Company Limited which is a listed company on the Stock Exchange of Thailand as at 31 December 2020 and 2019 are Baht 6,473 million and Baht 7,841 million, respectively.

11.4 Summarised financial information about associate

Summarised information about financial position as at 31 December 2020 and 2019:

(Unit: Million Baht)

	2020	2019
Current assets	11,114	15,162
Non-current assets	10,220	10,100
Current liabilities	5,918	11,473
Non-current liabilities	395	211

Summarised information about comprehensive income for the years ended 31 December 2020 and 2019: (Unit: Million Baht)

	2020	2019
Revenue	26,355	37,480
Profit for the year	3,597	3,146
Other comprehensive income	62	(1,029)
Total comprehensive income	3,659	2,117

11.5 Winding down of crude oil procurement from Venezuela

In January 2019, the United States announced and imposed sanction on a Venezuelan oil company that has been the key source of crude oil that the associate used as a raw material for the production of about half of all asphalt product volume sold each year. The associate approached two law firms to seek advice on the implication of this sanction in respect of its crude oil purchases and payments. Both law firms opined that the transactions were not in violation of any applicable laws related to the sanction. The associate therefore continued to operate business as usual.

In September 2020, the US State Department requested the associate to wind down crude oil procurement from Venezuela. In order to avoid a potential US sanction, the associate complied with the request and informed the US State Department in writing that the associate would cease purchasing crude oil from this source, effective by the end of November 2020. Currently, the associate already ceased its purchasing crude oil from this source.

The associate notified the Stock Exchange of Thailand of these facts on 11 September 2020, 15 September 2020 and 23 November 2020, together with the associate's plans to mitigate the risk arising from the disruption of its normal source of crude supply by considering plans to procure non-Venezuelan crude oil from other sources or to procure asphalt from other sources.

12. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements									
	Land and land development	Buildings and complement	Machinery and equipment	Tools and equipment	Right-of-use assets			Others	Assets under installation	Total
					Land	Building spaces	Tools and equipment			
Cost										
1 January 2019	332,167	1,508,810	2,567,845	304,025	-	-	-	259,301	34,090	5,006,238
Additions	-	-	310	8,140	-	-	-	81,037	107,149	196,636
Disposals/write-off	-	(1,795)	(7,312)	(45,520)	-	-	-	(11,793)	-	(66,420)
Transfer in (transfer out)	-	23,908	54,875	50,062	-	-	-	692	(129,537)	-
31 December 2019	332,167	1,530,923	2,615,718	316,707	-	-	-	329,237	11,702	5,136,454
Effect of TFRS 16 adoption	-	-	-	-	2,131	42,468	12,440	(7,352)	-	62,242
Additions	-	-	3,089	4,488	-	8,984	1,483	51,615	20,744	91,307
Disposals/write-off	-	(425)	(3,017)	(11,056)	-	-	-	(81,783)	-	(96,281)
Transfer in (transfer out)	-	5,275	18,810	1,428	-	-	-	123	(25,636)	-
31 December 2020	332,167	1,535,773	2,634,600	311,567	2,131	51,452	13,923	291,840	6,810	5,193,722

Consolidated financial statements (continued)										
	Land and land development	Buildings and complement	Machinery and equipment	Tools and equipment	Right-of-use assets				Assets under installation	Total
					Land	Building spaces	Tools and equipment	Others		
Accumulated depreciation										
1 January 2019	32,148	731,974	1,332,145	217,725	-	-	-	-	210,295	2,524,287
Depreciation for the year	3,940	67,609	196,183	28,522	-	-	-	-	29,015	325,269
Depreciation on disposals/ write-off	-	(865)	(7,104)	(25,023)	-	-	-	-	(11,069)	(44,061)
31 December 2019	36,088	798,718	1,521,224	221,224	-	-	-	-	228,241	2,805,495
Effect of TFRS 16 adoption	-	-	-	-	-	-	585	-	(585)	-
Depreciation for the year	3,630	68,180	199,540	29,952	533	16,436	5,991	-	47,301	375,493
Depreciation on disposals/ write-off	-	(381)	(2,976)	(10,198)	-	-	-	-	(78,949)	(92,504)
31 December 2020	39,718	866,517	1,717,788	240,978	533	16,436	5,991	-	196,008	3,088,484
Allowance for impairment loss										
1 January 2019	-	-	194,668	-	-	-	-	-	-	194,668
Decrease from disposals	-	-	(168)	-	-	-	-	-	-	(168)
31 December 2019	-	-	194,500	-	-	-	-	-	-	194,500
31 December 2020	-	-	194,500	-	-	-	-	-	-	194,500
Net book value										
31 December 2019	296,079	732,205	899,994	95,483	-	-	-	-	100,996	2,136,459
31 December 2020	292,449	669,256	722,312	70,589	1,598	35,016	7,468	-	95,832	1,910,738
Depreciation for the year										
2019 (Baht 195 million included in manufacturing cost, and the balance in selling and administrative expenses)										325,269
2020 (Baht 227 million included in manufacturing cost, and the balance in selling and administrative expenses)										375,493

(Unit: Thousand Baht)

	Separate financial statements									
	Land and land development	Buildings and complement	Machinery and equipment	Tools and equipment	Right-of-use assets			Others	Assets under installation	Total
					Building spaces	Tools and equipment	Others			
Cost										
1 January 2019	123,627	390,037	357,517	33,899	-	-	-	32,839	17,925	955,844
Additions	-	-	-	1,309	-	-	-	8,009	11,468	20,786
Disposals	-	-	(231)	(59)	-	-	-	(2,085)	-	(2,375)
Transfer in (transfer out)	-	800	15,400	12,203	-	-	-	327	(28,730)	-
31 December 2019	123,627	390,837	372,686	47,352	-	-	-	39,090	663	974,255
Effect of IFRS 16 adoption	-	-	-	-	15,119	2,745	7,934	(7,352)	-	18,446
Additions	-	-	-	334	-	-	810	25	2,354	3,523
Disposals	-	-	-	-	-	-	-	(5,235)	-	(5,235)
Transfer in (transfer out)	-	636	683	552	-	-	-	123	(1,994)	-
31 December 2020	123,627	391,473	373,369	48,238	15,119	2,745	8,744	26,651	1,023	990,989

	Separate financial statements (continued)									
	Land and land development	Buildings and complement	Machinery and equipment	Tools and equipment	Right-of-use assets			Others	Assets under installation	Total
					Building spaces	Tools and equipment	Others			
Accumulated depreciation										
1 January 2019	3	54,047	105,116	23,885	-	-	-	30,400	-	213,451
Depreciation for the year	6	20,048	34,583	5,073	-	-	-	1,516	-	61,226
Depreciation on disposals	-	-	(63)	(59)	-	-	-	(2,063)	-	(2,185)
31 December 2019	9	74,095	139,636	28,899	-	-	-	29,853	-	272,492
Effect of TFRS 16 adoption	-	-	-	-	-	-	585	(585)	-	-
Depreciation for the year	6	20,033	35,990	5,967	5,045	1,349	1,658	861	-	70,909
Depreciation on disposals	-	-	-	-	-	-	-	(5,235)	-	(5,235)
31 December 2020	15	94,128	175,626	34,866	5,045	1,349	2,243	24,894	-	338,166
Allowance for impairment loss										
1 January 2019	-	-	225	-	-	-	-	-	-	225
Decrease from disposals	-	-	(168)	-	-	-	-	-	-	(168)
31 December 2019	-	-	57	-	-	-	-	-	-	57
31 December 2020	-	-	57	-	-	-	-	-	-	57
Net book value										
31 December 2019	123,618	316,742	232,993	18,453	-	-	-	9,237	663	701,706
31 December 2020	123,612	297,345	197,686	13,372	10,074	1,396	6,501	1,757	1,023	652,766
Depreciation for the year										
2019 (Baht 43 million included in manufacturing cost, and the balance in selling and administrative expenses)										61,226
2020 (Baht 34 million included in manufacturing cost, and the balance in selling and administrative expenses)										70,909

As at 31 December 2020, certain items of plant, machinery and equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,868 million (2019: Baht 1,763 million) (The Company only: Baht 89 million, 2019: Baht 77 million).

The Group has pledged its property, plant and equipment as collateral against credit facilities received from financial institutions. The net book value of these assets as at 31 December 2020 and 2019 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land	104	104	17	17
Buildings and complement	337	369	260	274
Machinery and equipment	53	71	-	-

13. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Trade mark	Computer software	Computer software in progress	Total
Cost				
1 January 2019	26,051	88,173	3,247	117,471
Additions	-	-	2,064	2,064
Disposals/write-off	-	(561)	-	(561)
Transfer in (transfer out)	-	1,994	(1,994)	-
31 December 2019	26,051	89,606	3,317	118,974
Additions	-	2,141	-	2,141
Disposals/write-off	-	(1,490)	(1,151)	(2,641)
31 December 2020	26,051	90,257	2,166	118,474

(Unit: Thousand Baht)

	Consolidated financial statements (continued)			
	Trade mark	Computer software	Computer software in progress	Total
Accumulated amortisation				
1 January 2019	-	61,278	-	61,278
Amortisation for the year	-	22,356	-	22,356
Amortisation on disposals/ write-off	-	(236)	-	(236)
31 December 2019	-	83,398	-	83,398
Amortisation for the year	-	6,177	-	6,177
Amortisation on disposals/ write-off	-	(1,490)	-	(1,490)
31 December 2020	-	88,085	-	88,085
Net book value				
31 December 2019	26,051	6,208	3,317	35,576
31 December 2020	26,051	2,172	2,166	30,389

(Unit: Thousand Baht)

	Separate financial statements			
	Trade mark	Computer software	Computer software in progress	Total
Cost				
1 January 2019	26,463	24,706	18	51,187
Transfer in (transfer out)	-	18	(18)	-
31 December 2019	26,463	24,724	-	51,187
Transfer in (transfer out)	-	542	-	542
31 December 2020	26,463	25,266	-	51,729
Accumulated amortisation				
1 January 2019	-	20,950	-	20,950
Amortisation for the year	-	3,061	-	3,061
31 December 2019	-	24,011	-	24,011
Amortisation for the year	-	681	-	681
31 December 2020	-	24,692	-	24,692
Net book value				
31 December 2019	26,463	713	-	27,176
31 December 2020	26,463	574	-	27,037

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

(Unit: Thousand Baht)

	Interest rate (Percent per annum)	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Bank overdrafts	MOR+0.5	4,379	1,474	-	318
Short-term loans from financial institutions	1.89 - 2.90	810,000	760,000	500,000	490,000
Total		814,379	761,474	500,000	490,318

The subsidiaries' bank overdrafts and short-term loans from financial institutions are secured by the Company.

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties (Note 7)	-	-	30	104
Trade payables - unrelated parties	148,534	200,251	6,869	9,418
Other payables - related parties (Note 7)	1,693	2,187	711	320
Other payables - unrelated parties	43,308	53,078	5,969	5,353
Accounts payable from sale promotions	180,546	223,650	-	-
Accrued expenses	55,647	126,092	8,597	28,357
Total trade and other payables	429,728	605,258	22,176	43,552

16. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2020	2019	2020	2019
1	THBFIX + 1.95	Quarterly installments as stipulated in the agreement, and the final installment is due in November 2023	300,000	400,000	300,000	400,000
2	THBFIX + 2.40	Quarterly installments as stipulated in the agreement, and the final installment is due in December 2020	-	151,950	-	41,245
3	THBFIX + 2.50	Quarterly installments as stipulated in the agreement, and the final installment is due in November 2023	255,000	345,000	255,000	345,000
4	THBFIX + 2.35	Quarterly installments as stipulated in the agreement, and the final installment is due in February 2024	227,500	297,500	-	-
5	MLR - 2.20	Quarterly installments as stipulated in the agreement, and the final installment is due in June 2025	16,943	-	-	-
Total			799,443	1,194,450	555,000	786,245
Less: Current portion			(266,880)	(411,950)	(190,000)	(231,245)
Long-term loans from financial institutions - net of current portion			532,563	782,500	365,000	555,000

In July 2020, a subsidiary entered into a loan agreement with a local bank for credit facility of Baht 31 million, with a term of 5 years, to acquisition of machinery for production of extracts from pineapple skins and dried black galingale. As at 31 December 2020, the subsidiary drew down such loan of Baht 19 million. Such loan is secured by the Company.

Movements in the long-term loans account during the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	1,194,450	786,245
Add: Additional borrowings during the year	18,663	-
Less: Repayment during the year	(413,670)	(231,245)
Balance as at 31 December 2020	<u>799,443</u>	<u>555,000</u>

As at 31 December 2020, the long-term credit facilities of the Group which has not yet been drawn down amounted to Baht 12 million (2019: Baht 57 million).

Loan covenants

The loans are secured by the mortgage of certain land, buildings machinery and equipment of the Group.

The loan agreements of the Group contain certain restrictive covenants pertaining to, among others things, the maintenance of debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements and the prohibition from creating lien over related assets.

Interest rate swap agreement

As at 31 December 2019, the Company had an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed interest rate at 3.95 percent per annum, and the outstanding notional amount was Baht 41 million. As at 31 December 2020, the interest rate swap agreement was expired.

17. Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	56,975	7,398	20,450	7,398
Less: Deferred interest expenses	(1,949)	(1,153)	(1,267)	(1,153)
Total lease liabilities	55,026	6,245	19,183	6,245
Less: Portion due within one year	(27,587)	(859)	(7,943)	(859)
Lease liabilities - net of current portion	27,439	5,386	11,240	5,386

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 5 years.

A maturity analysis of lease payments is disclosed in Note 29.2 to the financial statements under the liquidity risk.

Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	26,890	8,052
Interest expenses on lease liabilities	1,516	693
Expenses relating to short-term leases	2,230	240
Expenses relating to leases of low-value assets	14,037	8,662
Expenses relating to variable lease payments	203	-

The Group has lease contracts for building spaces that contains variable payments based on sales. The lease term is 1 - 3 years.

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 41 million (The Company only: Baht 15 million), including the cash outflow related to short-term leases and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 11 million (The Company only: Baht 1 million).

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows: (Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	129,244	98,360	33,028	25,109
Included in profit or loss:				
Current service cost	13,455	11,559	5,491	3,958
Interest cost	1,998	3,020	570	739
Past service costs and gains or losses on settlement	-	23,869	-	5,300
Included in other comprehensive income:				
Actuarial loss arising from				
Financial assumptions changes	10,282	-	3,329	-
Experience adjustments	5,641	-	1,775	-
Benefits paid during the year	(55,464)	(7,564)	(14,083)	(2,078)
Provision for long-term employee benefits at end of year	105,156	129,244	30,110	33,028

The Group expects to pay Baht 6 million of long-term employee benefits during the next year (The Company only: Baht 4 million) (2019: Baht 8 million, The Company only: Baht 2 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 9 years (The Company only: 9 years) (2019: 9 years, The Company only: 9 years).

Significant actuarial assumptions are summarised below.

(Unit: Percent per annum)

	Consolidated/Separate financial statements	
	2020	2019
Discount rate	1.5	2.5
Salary increase rate	1.5 - 5.0	3.0 - 5.0
Turnover rate	0.0 - 50.0	0.0 - 50.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(6)	7	(2)	2
Salary increase rate	7	(7)	2	(2)

(หน่วย: ล้านบาท)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(5)	6	(1)	1
Salary increase rate	7	(6)	2	(2)

19. Statutory reserve

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

20. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Reversal of provision for sale promotions	25,387	48,089	-	-
Management income	-	-	40,472	70,902
Gain on exchange	-	9,714	-	-
Others	50,301	68,150	6,329	10,847
Total	75,688	125,953	46,801	81,749

21. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Salaries, wages and other employee benefits	532,365	745,162	136,490	150,736
Depreciation	375,493	325,269	70,909	61,226
Amortisation expenses	6,177	22,356	681	3,061
Loss on exchange	24,192	-	171	33
Impairment loss on investments in subsidiaries	-	-	163,650	122,850
Finance cost	50,962	69,945	32,108	43,376
Costs related to production of goods and services (excluding of staff cost and depreciation)	1,147,918	2,130,094	110,141	204,045

22. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	-	10,540	-	-
Adjustment in respect of income tax of previous year	(2,281)	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	5,718	(25,523)	1,581	(3,167)
Income tax expenses (benefit) reported in profit or loss	<u>3,437</u>	<u>(14,983)</u>	<u>1,581</u>	<u>(3,167)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax relating to actuarial loss	(2,236)	-	(1,021)	-

The reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accounting profit before tax	485,249	192,684	319,131	119,314
Income tax at Thai corporate income tax rate of 20%	97,050	38,537	63,826	23,863
Adjustment in respect of income tax of previous year	(2,281)	-	-	-
Effects of:				
Non-deductible expenses	6,431	13,498	32,923	25,029
Additional expenses deductions allowed	(13,954)	(1,944)	(133)	(211)
Exemption of income	-	(443)	(111,367)	(55,743)
Share of profit from investment in associate	(167,262)	(146,534)	-	-
Unused tax loss	51,913	83,788	15,616	5,957
Effect of the change in depreciation method for tax purpose	30,747	-	-	-
Others	793	(1,885)	716	(2,062)
Total	(91,332)	(53,520)	(62,245)	(27,030)
Income tax expenses (benefit) reported in profit or loss	3,437	(14,983)	1,581	(3,167)

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for expected credit losses	715	-	-	-
Allowance for diminution in value of inventories	2,761	1,214	367	129
Values of property, plant and equipment	47,634	63,270	-	-
Provision for long-term employee benefits	11,506	13,143	6,022	6,606
Unused tax loss	13,188	-	-	-
Others	4,227	5,722	-	21
Total	80,031	83,349	6,389	6,756
Deferred tax liabilities				
Values of property, plant and equipment	(10,349)	(10,347)	-	-
Others	(262)	(100)	(194)	-
Total	(10,611)	(10,447)	(194)	-
Deferred tax assets - net	69,420	72,902	6,195	6,756

As at 31 December 2020, the Group has deductible temporary differences and unused tax losses totaling Baht 995 million (2019: Baht 821 million) (The Company only: Baht 136 million, 2019: Baht 120 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses. The unused tax losses will expire by 2025.

23. Earnings per share

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

24. Segment information

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

The following tables present revenue and profit information regarding operating segments of the Group for the years ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

	Products of vegetable & fruit		Beverage		Others		Consolidation	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales of goods	834	1,418	1,648	2,107	18	36	2,500	3,561
Gross profit (loss)	79	(137)	361	529	(5)	(9)	435	383
Other income							76	116
Selling and distribution expenses							(311)	(437)
Administrative expenses and other expenses							(477)	(542)
Gain (loss) on exchange							(24)	10
Operating loss							(301)	(470)
Share of profit from investment in associate							837	733
Finance cost							(51)	(70)
Profit before income tax expenses							485	193
Income tax benefit (expenses)							(3)	15
Profit for the year							482	208

Geographic segment information for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Million Baht)

	Domestic sales		Export sales		Consolidation	
	2020	2019	2020	2019	2020	2019
Revenues from the sales of goods	1,381	1,930	1,119	1,631	2,500	3,561
Gross profit (loss)	268	483	167	(100)	435	383

Major customers

For the year 2020, the Group has revenues from one major customer in amount of Baht 1,588 million, arising from sales by the beverage segment (2019: Baht 1,663 million and Baht 579 million derived from two major customers, arising from the same segment).

25. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht per share)
Final dividends for 2018	Annual General Meeting of the shareholders on 4 April 2019	120.7	0.25
Interim dividends for 2019	Board of Directors' meeting on 14 August 2019	115.8	0.24
Total dividends for the year 2019		236.5	0.49
Final dividends for 2019	Annual General Meeting of the shareholders on 3 April 2020	48.3	0.10
Interim dividends for 2020	Board of Directors' meeting on 18 August 2020	120.6	0.25
Total dividends for the year 2020		168.9	0.35

26. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 5 percent of basic salary and its employees contribute to the fund monthly at the rates of 5 - 15 percent of basic salary. The fund, which is managed by K-Master Pooled Fund, will be paid to employees upon termination in accordance with the fund rules. The Group's contributions for the year 2020 amounting to approximately Baht 15 million (2019: Baht 17 million) were recognised as expenses (The Company only: Baht 4 million, 2019: Baht 4 million).

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2020 and 2019, the Group had outstanding capital commitments relating to the purchases of machinery and equipment and computer software as follows:

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Baht	10	9	1	-

27.2 Lease and service commitments

The Group has entered into several agreements in respect of the lease of office equipment, which is short-term leases or leases of low-value assets, and other service agreements.

As at 31 December 2020 and 2019, future minimum rental and service fees payable under these agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Payable within:				
1 year	28	38	11	21
2 to 5 years	7	16	1	12

27.3 Guarantees

As at 31 December 2020 and 2019, the outstanding bank guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank guarantees	15	17	7	7

28. Fair value of financial instruments

As at 31 December 2020 and 2019, the assets and liabilities of the Group that were measured at fair value are derivatives and assets for which fair value are disclosed is investment property. The level in determining the fair value of such assets and liabilities is level 2. The fair value of such assets and liabilities are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Financial assets measured at fair value				
Forward exchange contracts	1,649	387	-	-
Financial liabilities measured at fair value				
Forward exchange contracts	163	332	-	-
Interest rate swap contract	-	105	-	105
Assets for which fair value are disclosed				
Investment property	7,500	7,500	7,500	7,500

29. Financial instruments

29.1 Derivatives

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Derivative assets				
<i>Derivative assets not designated as hedging instruments</i>				
Foreign exchange forward contracts	1,649	387	-	-
Total derivative assets	<u>1,649</u>	<u>387</u>	<u>-</u>	<u>-</u>
Derivative liabilities				
<i>Derivatives liabilities not designated as hedging instruments</i>				
Foreign exchange forward contracts	163	332	-	-
Interest rate swap contract	-	105	-	105
Total derivative liabilities	<u>163</u>	<u>437</u>	<u>-</u>	<u>105</u>

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally within one year.

29.2 Financial risk management objectives and policies

The Group's financial instruments-principally comprise cash and cash equivalents, trade receivables, loans, investments and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade receivables, loans and cash at banks. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and loans

The Group manages the risk by adopting appropriate credit control policies and procedures, and outstanding trade receivables and loans are regularly monitored. The Group therefore does not expect to incur material financial losses. In addition, the Group does not have concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Cash at banks

The Group manages the credit risk from balances with banks by making investments only with approved counterparties. The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprises currency risk and interest rate risk. The Group enters into derivative financial instruments to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods;
- interest rate swaps to mitigate the risk of rising interest rates.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2020	2019
	2020	2019	2020	2019		
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	2.9	2.3	0.8	1.1	30.04	30.15
Euro	1.0	0.7	0.2	0.2	36.88	33.73

The Group had outstanding forward exchange contracts which maturity date within one year were summarised below.

Foreign currency	As at 31 December 2020					
	Consolidated financial statements		Separate financial statements		Contractual exchange rate	
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	3.8	-	-	-	29.88 - 31.43	-
Euro	0.4	-	-	-	36.96 - 37.09	-

Foreign currency	As at 31 December 2019					
	Consolidated financial statements		Separate financial statements		Contractual exchange rate	
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	9.0	-	-	-	29.96 - 33.50	-
Euro	0.3	-	-	-	33.50	-

Foreign currency sensitivity analysis

The Group expects that there is no effect to be significantly impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term and long-term loans from financial institutions. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2020					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	2	54	56	0.10 - 1.00
Trade and other receivables	-	-	-	369	369	-
	-	-	2	423	425	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	814	-	-	-	814	1.89 - 6.95
Trade and other payables	-	-	-	430	430	-
Long-term loans from financial institutions	-	-	799	-	799	Note 16
Lease liabilities	28	27	-	-	55	0.71 - 8.76
	842	27	799	430	2,098	

(Unit: Million Baht)

	Consolidated financial statements					
	As at 31 December 2019					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	3	38	41	0.10 - 1.00
Current investment	5	-	-	-	5	0.90
Trade and other receivables	-	-	-	467	467	-
	5	-	3	505	513	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	761	-	-	-	761	2.00 - 6.95
Trade and other payables	-	-	-	605	605	-
Long-term loans from financial institutions	-	-	1,194	-	1,194	Note 16
Lease liabilities	1	5	-	-	6	7.30 - 8.76
	762	5	1,194	605	2,566	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2020					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	1	14	15	0.01 - 1.00
Trade and other receivables	-	-	-	16	16	-
Short-term loan to related parties	413	-	-	-	413	2.65
	413	-	1	30	444	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	500	-	-	-	500	2.10 - 6.95
Trade and other payables	-	-	-	22	22	-
Long-term loans from financial institutions	-	-	555	-	555	Note 16
Lease liabilities	8	11	-	-	19	0.71 - 8.76
	508	11	555	22	1,096	

(Unit: Million Baht)

	Separate financial statements					
	As at 31 December 2019					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	2	13	15	0.01 - 1.00
Trade and other receivables	-	-	-	25	25	-
Short-term loan to related parties	269	-	-	-	269	2.65
	269	-	2	38	309	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	490	-	-	-	490	2.10 - 6.95
Trade and other payables	-	-	-	44	44	-
Long-term loans from financial institutions	-	-	786	-	786	Note 16
Lease liabilities	1	5	-	-	6	7.30 - 8.76
	491	5	786	44	1,326	

Interest rate sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate long-term loans affected as at 31 December 2020:

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+1	(7,994)
	-1	7,994

The above analysis has been prepared assuming that the amounts of the floating rate long-term loans and all other variables remain constant over one year. Moreover, the floating legs of these long-term loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

The Group controls the risk of a shortage of liquidity through the management of sufficient cash and cash equivalents, to reduce the effect of fluctuation of cash flows. In addition, the Group monitors the risk of a shortage of liquidity through the use of bank overdrafts and bank loans. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows.

(Unit: Million Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	500.0	314.8	-	-	814.8
Trade and other payables	-	429.7	-	-	429.7
Long-term loans	-	284.8	548.9	-	833.7
Lease liabilities	-	28.6	28.4	-	57.0
Total non-derivatives	500.0	1,057.9	577.3	-	2,135.2
Derivatives					
Derivative liabilities: net settled	-	0.2	-	-	-
Total derivatives	-	0.2	-	-	-

(Unit: Million Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	300.0	200.2	-	-	500.2
Trade and other payables	-	22.2	-	-	22.2
Long-term loans	-	202.1	376.1	-	578.2
Lease liabilities	-	8.5	12.0	-	20.5
Total non-derivatives	300.0	433.0	388.1	-	1,121.1

29.3 Fair values of financial instruments

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

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

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts receivable, accounts payable and short-term loans from financial institutions, the carrying amounts in the statement of financial position approximate their fair value.
- b) For long-term loans carrying interest at rates approximating the market rate, the carrying amounts in the statement of financial position approximate their fair value.
- c) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies. The Group considers to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

30. Capital management

The primary objective of the capital management of the Group is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 0.54:1 (2019: 0.71:1) and the Company's debt-to equity ratio was 0.52:1 (2019: 0.67:1).

31. Events after the reporting period

31.1 On 14 January 2021, the Board of Directors' meeting of Tipco Asphalt Public Company Limited (associated company) approved a payment of interim dividend for the year 2020 of Baht 0.3 per share, a total of Baht 474 million. The Company received the dividend of

Baht 111 million on 9 February 2021.

In addition, on 16 February 2021, the Board of Directors' meeting of Tipco Asphalt Public Company Limited (associated company) passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment for the year 2020 of Baht 1.60 per share, a total of Baht 2,565.36 million. Since an interim dividend payment on 11 September 2020 of Baht 0.30 per share, or a total of Baht 473.51 million for the performance period from 1 January 2020 to 30 June 2020 and another interim dividend payment on 9 February 2021 of Baht 0.30 per share, or a total of Baht 473.51 million for the Q3/2020 performance. The proposed final dividend payment will be Baht 1.00 per share, or a total of Baht 1,578.36 million for the Q4/2020 performance and retained earnings.

31.2 On 18 February 2021, the Company's Board of Directors' meeting approved a payment of interim dividend of Baht 0.19 per share, or a total of Baht 91.7 million, which will be paid in March 2021.

In addition, the Company's Board of Directors' meeting passed the resolution to propose the Annual General Meeting of shareholders approve a dividend payment for the year 2020 of Baht 0.94 per share, or a total of Baht 453.6 million. Since an interim dividend of Baht 0.25 per share, or a total of Baht 120.6 million, was already distributed to the shareholders in September 2020 and another interim dividend of Baht 0.19 per share, or a total of Baht 91.7 million is approved to be paid in March 2021, the remaining final dividend is Baht 241.3 million (Baht 0.50 per share).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 18 February 2021.



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