

56-1 Form



Tipco Foods Public Company Limited

2016 Annual Registration Form

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Part 1

Business Operation

1. Policy and Business Operation Overview

1.1 Vision, Goal, Objective, or Operating Strategy

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

(Stakeholders refer to employees, consumers, trading partners, business alliances, and society)

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

Tipco Foods Public Company Limited was established on 22 March 1976 with the initial registered capital of Baht 10 million. Currently, the Company's registered capital is Baht 500 million, with the paid-up capital of Baht 482.6 million. The Company and its subsidiaries have been principally engaged in the business of production and distribution of canned pineapple, pineapple juice concentrate, mixed fruit juice, ready-to-drink beverages, natural mineral water, and herbal and agricultural produce extracts, for domestic and overseas markets. Besides being the world's first pineapple producer to be certified ISO 9002 (updated ISO 9001: 2000), Tipco was accredited by SGS (Thailand) Company Limited for its compliance with HACCP (Hazard Analytical Critical Control Point), and SGF TRMAV (Sure-Global-Fair), signifying that the Company's product quality meets international quality standard. In December 2006, the Company was also certified ISO 22000 for its food safety management system, making it Thailand's first canned pineapple producer to win this approval as well as the world's first company to undergo integrated assessment of 4 quality systems, namely ISO 9001:2000, GMP, HACCP, and ISO 22000.



5 July 2007 marked another milestone for Tipco's achievement as the Company was Thailand's first food organization to win "Single Food Audit Pack" approval with the integrated assessment of various quality systems, namely ISO 9001, ISO 22000, HACCP, GMP, and IFS. In 2008, the Company was certified by the FAI (Food Audit International) for food safety and food security, with the excellent rating. In addition, Tipco was approved by the Agricultural Research Department and the Organic Agriculture Certification Thailand for its organice aloe vera cultivation. In 2011, the canned pineapple factory was Thai Labour Standard (TLS 8001-2010) certified (Initial Final Stage).

According to the 2016 annual corporate governance assessment conducted by the National Corporate Governance Committee, **Tipco** received a total score of 83%, or a 'very good' rating.

Tipco implements an effective risk management system through methodically undertaking risk mitigation measures and overcoming obstacles in its business operations. Since 2009, **Tipco** has focused on improving its internal management processes ranging from forecasting customer demand to product delivery (Demand & Supply Management). **Tipco's** business objective is to offer quality products to the market through selecting quality materials, efficient production control, and reasonable pricing in order to maximize customer satisfaction.

Tipco adjusted social and labor supervision standards to meet customer demands and standards in the European Union. Towards this end, the Company became a member of BSCI (Business Social Compliance Initiative) and SMETA (Sedex Members Ethical Trade Audit). Members of these organizations are obliged to conduct business activities and production processes in accordance with set guidelines and to have systems to monitor its production processes to ensure compliance with social standards in terms of social, environmental, and labor aspects.

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

Tipco's success was owing to the strong determination of its staff and management to delivering the best suite of products to customers as customer satisfaction is our pride. The Company continuously developed its quality products to the market, engaged an efficient team of professionals, and implemented an ongoing personnel development program. Moving forward, the Company's mission is to put customer needs at the heart of its business activities and contribute to



the improved well-being of consumers through offering new products and solutions to the market in the years ahead.

1.2 Significant changes and developments

1989: The Company changed its shareholders' structure by listing on the Stock Exchange of Thailand and distributing shares to the general public. Its major shareholders remained unchanged but the proportion of shareholding was reduced.

1993: The Company increased its investment in a subsidiary company, Tipco F&B Co., Ltd., through expanding its business to the ready-to-drink fruit juice market. The Company received a warm response from domestic consumers. Subsequently, the Company focused on product research and development efforts, aimed at continuously staying ahead of consumer trends. Since 1997, the Company has adopted the policy of launching at least one new product per year. In 2007, Tipco partnered with Suntory Japan. The two organizations shared a joint objective of expanding the products in which Tipco has expertise and flagship products of Suntory to both the domestic and ASEAN markets, by using the modern beverage factory in Wang Noi District, Ayutthaya Province, as a main beverage production base. The Company continued to achieve continuous growth with its main strategy focusing on product quality and new product introduction by a team of professionals together with on-going modern technology investments. This strengthened customers' recognition and trust in Tipco's brand.

2004: The Company expanded its business into the retail business of blended fresh juice under the brand 'Squeeze Juice Bar', starting with 10 branches. In 2007, Tipco Retail Co., Ltd. was set up to accommodate the business expansion of this product line. At present, Tipco Squeeze Juice Bar has a total of 58 branches, 48 of which are owned by the Company and 10 are franchises. Strategically, the Company made changes to its beverage menu and branch model of its existing branches in order to generate higher income and profits. Tipco's long-term business plan was established with a focus on branch network expansion through branch up-scaling and menu change to ensure that specific needs of each branch and channel are met.

2007: The Company invested in Tipco Biotech Co., Ltd. whose main assets included the plantation area, the Tissue Culture Lab for plant selection and propagation, and the plant extract factory.

2009: The Company launched a new pineapple strain, namely Tipco Homsuwan, which has received a great response by consumers. Its outstanding features are fragrance, golden firm pulp,



lower liquid content, and shallow pineapple “eyes”. The whole fruit ripens simultaneously and contains vitamin C 4 times higher than the Sri Racha strain. Equipped with the largest melting equipment in Thailand, the Company’s plant and herbal extract factory operates at the highest level of efficiency and safety. The Company provides fully integrated customer services ranging from raw material procurement, de-hydration, and grinding to production of extract substances. The Company also worked with customers in developing an extracting process through laboratory experiments and real production at the industry level.

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

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

2015: The Company continued to develop and introduce product innovations to the market. The Company joined the customers in developing many new products through use of the Company’s strengths including its production lines of pineapple and coconut products which are located close to each other. The combined products enabled the Company to develop pineapple in coconut milk in plastic cup, which was introduced to the market in America and received satisfactory feedback. Moreover, the Company developed and introduced canned coconut juice with chocolate flavor and chia seeds in coconut milk with assorted flavors in plastic cups such as banana, chocolate, cherry plus almond, and vanilla plus cinnamon for the markets in America and Canada. In 2016, it was expected to see the continuous growth of these new products into other markets.

In 2016, the Company opened two new businesses:

1. August Organic Eatery was opened in the form of a full-service restaurant, offering organic fusion cuisine with high-quality organic ingredients. The first branch is located at the Mercury Ville Tower to respond to the healthy food trends.



2. Homsuwan Pina Pina offers snacks and drinks most of which are developed from the “Homsuwan” pineapple. The highlights are the unique flavor of the “Homsuwan” pineapple and various creative menus. The first shop is located at the Siam Paragon shopping mall.

International quality assurance standard certification

- 1994: Tipco became the world’s first pineapple factory to be ISO 9002 certified by Germany’s RW TUV.
- 1995: Tipco was certified to comply with HACCP standard by SGS (Thailand) Ltd.
- 2000: Tipco was ISO 9002 certified for its pineapple juice and pineapple concentrate products by SGF International E.V./IRMA of Germany.
- 2002: Tipco was certified to comply with HALAL standard by the Central Islam Committee of Thailand.
Tipco was certified to comply with KOSHER standard by Thai Kashurt Service Co., Ltd.
- 2002/2003: Tipco was certified by SGS (Thailand) and EFAIA (SAI GLOBAL) to comply with BRC standards developed by UK retailers to assess food products exported to the UK.
- 2003: Tipco was certified to comply with ISO 9001: 2000 by SGS (Thailand) Ltd.
- 2004: Tipco was certified by SGS of Germany to comply with International Food Standard (IFS) set by retailers in Germany and France to assess food products exported to Europe.
- 2006: Tipco was certified to comply with ISO 22000 for its food safety management, making it Thailand’s first food producer to be certified by SGS (Thailand) for compliance with this standard.
- 2007: The Company was 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) Ltd. Subsequently, SGS referred to Tipco as a model for the integrated audit 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).



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- 2007/2008: Tipco was certified for its organic aseptic aloe vera products (from plant cultivation to factory production) by the Department of Agriculture.
- 2008/2009: Tipco was certified to comply with IFOAM Organic Standard by the Office of Thai Organic Agriculture for its organic aseptic aloe vera products covering the processes from plant cultivation to factory production.
- 2009: Tipco was certified by FAI (Thailand) to comply with the US Food Safety and Food Security Audit Program with an "Excellent" rating.
- 2010: Tipco was certified to comply with ISO 9001: 2008 by SGS (Thailand) Ltd.
- 2011: Tipco's factory in Prachuab Kiri Khan Province received the Good Governance Award in the category of Environment; was certified to comply with the Thai Labour Standard (TLS8001-2010) (Initial Final Stage); and won the Outstanding Enterprise Award in the category of Labor Relations and Welfare.
- 2012: Tipco's factory in Prachuab Kiri Khan Province 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 product passed the GMP/HACCP/IFS standards; and its pineapple product 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 STARK logo after the whole production process was certified by Kosher.
- 2013: In June, Tipco was certified to comply with the food safety standards set by the British Retail Consortium (BRC). Also, Tipco's plant and herbal extract factory was certified to meet the Good Manufacturing Practice (GMP) standards by the National Food Institute.
- 2014: Tipco was certified to comply with the IFS standards for its canned coconut milk aseptic and frozen pineapple single strength juice products. Additionally, the Company received Kosher's certificate for its coconut water with pomegranate juice and coconut water with mango flavor products.
- Tipco was certified as an authorized economic operator (AEO).
- 2015: The Wang Noi factory passed the standards on workplace drug abuse prevention and solution. The factory also won 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, the factory received a prestigious certificate for its workplace safety under the Safe Workplace Project in Honor of Her Royal Highness Princess Maha Chakri Sirindhorn.

2016: The "Aura" mineral water factory in Mae Rim District, Chiangmai Province was certified to comply with the HALAL, FSSC22000, GMP Codex, and HACCP Codex standards.

The Wang Noi factory in Phra Nakhon Sri Ayutthaya Province was certified to comply with the FSSC22000 standard by UKAS Management System.

Awards in 2016

- The "Aura" natural mineral water achieved the Grand Gold Quality Award 2016 in the category of beers, waters, and soft drinks. The award is regarded as the highest accolade for a product with great quality and flavors, granted by Monde Selection, an international quality institute, which has evaluated consumer products to indicate the level of quality to consumers for more than 50 years.

- Tipco's products also won the Superior Taste Award from the International Taste and Quality Institute (iTQi), the world's leading organization dedicated to testing and promoting superior food and drink products. The award winners were selected based on decisions made by a team of chefs and professionals in drinks. This award is an efficient marketing tool to differentiate food and products. The referee committee consists of drink experts from the 15 most prestigious associations in Europe, namely the Maîtres Cuisiniers of France; the Academy of Culinary Arts; the Hellenic Chefs' Association; the Académie Culinaire of France; the Verband der Köche Deutschlands; the Federación de Asociaciones de Cocineros de España; the Federazione dei Cuochi Italiana; the Årets Kock of Sweden; the Euro-Toques; the Gilde Van Nederlandse Meesterkoks; the Associação de Cozinheiros Profissionais de Portugal; the Craft Guild of Chefs; the Turkish Cooks Association; the World Master Chefs Society (WMCS); and the Association de la Sommellerie Internationale (ASI). Tipco's 7 products joined in the program and received the following rating results:



- Homsuwan Pineapple: 3 stars
- Auro Mineral Water: 3 stars
- Broccoli Juice: 2 stars
- Cranberry Juice: 2 stars
- Carrot Juice: 2 stars
- Shogun Orange Juice: 1 star
- Coconut Juice: 1 star

■ The Company received the “No.1 Brand Thailand 2015-2016 Award” as it was singled out as the most popular brand in the categories of 100% Fruit Juice and Non 100% Fruit Juice by the Marketeer Magazine, Thailand’s leading marketing and advertising magazine. The award was based on the results of a research called “T-Cube” conducted by Video Research International (Thailand) Ltd. with the headquarters in Japan. The research was to survey people’s opinions on Thai brands in the topic of the most popular brand or No.1 Brand Thailand. The survey covered consumers around the country with more than 4,000 examples, 1,000 brands, and over 100 product categories using disciplinary research methodology. The results were reliable and highly recognized.

■ Tipco won the Prime Minister’s Export Award in the category of Best Exporter 2016. This honor is the Thai government’s highest official award annually granted to outstanding Thai manufacturers and exporters of products and services to showcase and acknowledge their top quality, high standards, and good image. The awards inspire the award winners (including those not achieving the awards) to further develop their products and services to meet standards and gain recognition at the global level. The awards also help importers and buyers in other countries gain more confidence in Thai exporters who are award winners.

■ The “Tipco” brand was the world’s first fruit juice brand that won the “Brand of the Year” at the World Branding Award 2016 hosted by the World Branding Forum. The award is to honor organizations that achieve success in building their brands at the international and national levels. The award event has been annually organized since 2014. The consideration of the award winners is based on the 3 main criteria, namely brand value creation, consumer market research, and online voting results from over 120,000 voters worldwide. In 2016, more than 2,800 brands from 35 countries were nominated for the 2016-2017 awards.



- The “Aura” mineral water factory won the “Thailand PES Award 2016” for giving back to the ecological system according to the PES principle on 16 November 2016 from the Biodiversity-Based Economy Development Office (Public Organization).
- The fruit juice factory in Wang Noi District, Phra Nakhon Sri Ayutthaya Province won a provincial award for being a happy workplace free of diseases and hazards with an “Excellent” rating, granted by the Phra Nakhon Sri Ayutthaya Provincial Public Health Office.
- The factory in Prachuab Kiri Khan Province achieved the Outstanding Enterprise Award in the category of labor relations and welfare for 6 consecutive years from the Director-General of the Department of Labour Protection and Welfare. Also, the factory won the Best Workplace Award in the category of Safe Workplace at the national level from the Department of Labour Protection and Welfare.

Changes in 2016

Fruit Processing Business

In 2016, the global supply of key raw materials, especially pineapples, in Thailand and other regions of the world was still lower than the global demand. Thailand experienced the drought situation in the past year and thus pineapple prices remained at high levels. Nonetheless, the global demand for canned pineapple products continued to be at high levels. Thus, the selling prices of canned pineapple products and related products went up. Furthermore, Tipco focused on maintaining its raw material procurement process in terms of quantity and quality through implementation of the contract farming program, better cost controls, and improved production efficiency. Thus, the operating result of the fruit processing business improved significantly from the previous year.

Consumer Business

Thailand’s premium fruit juice market in 2016 had a value of approximately Baht 5,200 million, an approximately 7% increase year-on-year. The Tipco brand continued to sustain No.1 market share and its new products were launched to meet consumer demand such as Tipco Season’s Best and Tipco Plus. The domestic mineral water market in 2016 was worth about Baht 3,888 million, an around 15% increase year-on-year. Tipco’s Aura mineral water achieved approximately 26% market share. The healthy tea market in 2016 was approximately Baht 400 million, with Tipco’s Oolong Tea products achieving around 18% market share.



Extract and Agricultural Business

In 2016, Tipco Biotech Co., Ltd. started its commercial operations of new extracts with overseas customers such as “Agarwood” and received next years’ purchase orders. This was another great milestone for the company in developing new products. As for the agricultural business, the Homsuwan pineapple achieved ongoing sales growth. The first frozen Homsuwan pineapples similar to “IFQ” were shipped to the overseas markets and received a warm welcome. Also, the Homsuwan Pina Pina shop was first opened to create a whole new experience of the Homsuwan brand to consumers.

Retail Business

The retail business of Tipco expanded through increased branches and new business opening. Squeeze Juice Bar’s 6 new branches were opened, including U House Tower, Fitness First Rama 3, The Nine, Don Mueng Airport, Fitness First Bangna, and The Jas Ramintra.

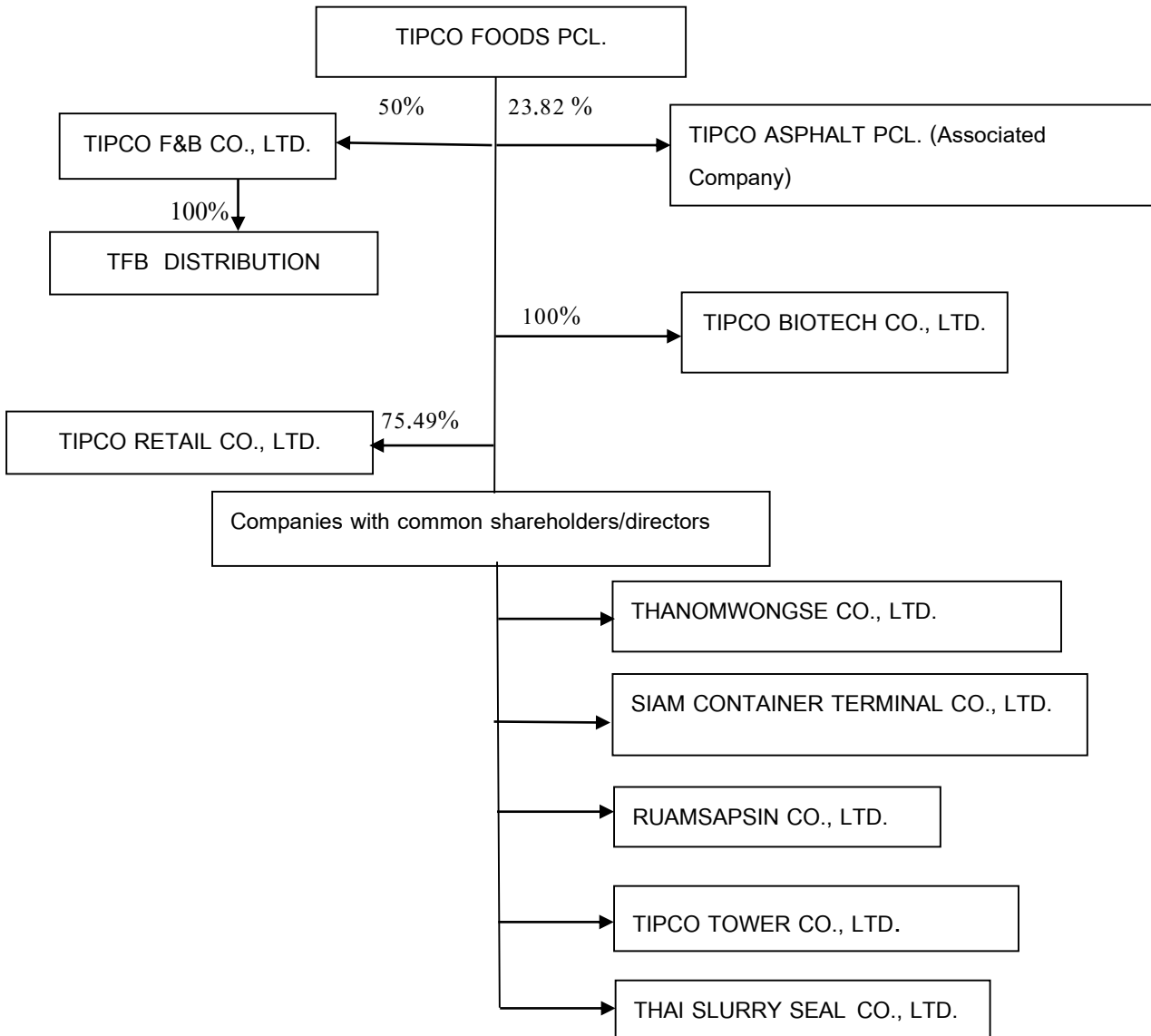
1.3 Shareholding Structure of Companies in the Group

Policy on Segregation of Operations of Companies in the Group

The Company’s management team is responsible for overseeing operations of Tipco Foods Pcl., Tipco F&B Co., Ltd., Tipco Retail Co., Ltd., Tipco Biotech Co., Ltd., and TFB Distribution Co., Ltd. (collectively called Tipco Foods Group) while the associated and related companies have their own management teams separately.



Relationship Chart: Business Overview of the Company and its Subsidiary, Associated and Related Companies



Profiles of Subsidiary, Associated and Related Companies

1. Tipco Asphalt Public Company Limited (TASCO)

Business: Produce and distribute asphalt, asphalt emulsion, other products produced from asphalt or mixed with asphalt and all types of petroleum products.

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone: 0-2273-6000



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Registered capital: Baht 1,579.34 million at par value of Baht 1 each

Paid-up capital : Baht 1,553 million

Securities: Listed on the Stock Exchange of Thailand on 1 March 1991

Board of Directors:

Mr. Chainoi Puankosoom	Chairman
Mr. Somchit Sertthin	Chief Executive Officer
Mr. Chaiwat Srivalwat	Managing Director
Mr. Sitilarb Supsakorn	Director
Mr. Jacques Leost Eve Marie Marseille	Director
Mr. Herve Le Bouc	Director
Mr. Jacques Marcel Pastor	Director
Mr. Jacques Leost	Director
Miss Laksana Supsakorn	Chairman
Mr. Parnchalerm Sutatam	Independent Director
Mrs. Anne-Marie Machet	Independent Director
Mr. Koh Ban Heng	Independent Director
Mr. Niphon Suthimai	Independent Director
Mr. Nopporn Thepsithar	Independent Director
Mr. Phirasilp Subhapholsiri	Independent Director

2. Siam Container Terminal Co., Ltd.

Business: Provide inspection and container haulage services by transporting goods in containers covering modes of transport including land, water and air for exports and imports.

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400

Registered Capital: Baht 105 million at par value of Baht 10 each

Paid-up Capital: Baht 105 million

Board of Directors:

Mr. Narongchai Amnuaychokhirun	Director
Mr. Sitilarb Supsakorn	Director
Mrs. Anurat Tiamtan	Director
Miss Laksana Supsakorn	Director
Miss Roumsin Supsakorn	Director
Miss Piyaratana Supsakorn	Director



3. Thanomwongse Service Co., Ltd.

Business: Provide services in buildings and road construction, maintenance, and transportation.

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone: 0-2273-6000

Registered Capital: Baht 2,500 million at par value of Baht 1,000 each

Paid-up Capital: Baht 2,500 million

Board of Directors:

Miss Laksana Supsakorn	Chairman
Mr. Somchit Serththin	Director
Mr. Sitilarb Supsakorn	Director
Mr. Surachet Supsakorn	Director
Mr. Frbien Stephane Luc GIL	Director
Mr. Jacques Leost Eve Marie Marseille	Director
Mr. Jacques Marcel Pastor	Director

4. Ruamsapsin Co., Ltd.

Business: Purchase, procure, receive, rent, hire purchase, own, possess, improve, use or conduct any other types of management of any assets as well as any interest/dividend of such assets

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400,

Telephone: 0-2273-6000

Registered Capital: Baht 80 million at par value of Baht 100 each

Paid-up Capital: Baht 80 million

Board of Directors:

Miss Laksana Supsakorn	Chairman
Mrs. Anurat Tiamtan	Director
Mr. Sitilarb Supsakorn	Director
Mr. Surachet Supsakorn	Director
Miss Roumsin Supsakorn	Director
Miss Piyaratana Supsakorn	Director

5. Tipco Tower Co., Ltd.

Business: Purchase, procure, receive, rent, hire purchase, own, possess, improve, use or conduct any other types of management of any assets as well as any interest/dividend of such assets



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Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone: 0-2273-6000

Registered Capital: Baht 400 million at par value of Baht 100 each

Paid-up Capital: Baht 400 million

Board of Directors:

Miss Laksana Supsakorn	Chairman
Mrs. Anurat Tiamtan	Director
Mr. Sitilarb Supsakorn	Director
Mr. Surachet Supsakorn	Director
Miss Roumsin Supsakorn	Director
Miss Piyaratana Supsakorn	Director
Mr. Sommart Dhupchinda	Director

6. Thai Slurry Seal Co., Ltd.

Business : Provide services related to building and road construction, repair and maintenance, and transportation.

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone: 0-2273-6200

Registered Capital: Baht 497.33 million at par value of Baht 100 each

Paid-up Capital: Baht 497.33 million

Board of Directors:

Miss Laksana Supsakorn	Chairman
Mr. Somchit Serththin	Director
Mr. Sitilarb Supsakorn	Director
Mr. Hugues Emmanuel Marie De Champs De Saint Leger	Director
Mr. Frbien Stephane Luc GIL	Director
Mr. Jacques Leost Eve Marie Marseille	Director
Mr. Jacques Marcel Pastor	Director

7. Tipco F&B Co., Ltd.

Business: Produce ready-to-drink beverages

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone: 0-2273-6200

Registered Capital: Baht 600 million at par value of Baht 10 each



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Paid-up Capital: Baht 600 million

Board of Directors:

Miss Laksana Supsakorn	Chairman
Mr. Somchit Sertthin	Director
Mr. Ekaphol Pongstabhon	Director
Mr. Prasong Aimmanoj	Director
Miss Lackana Leelayouthayotin	Director
Mr. Kato Katsuyasu	Director
Mr. Kazuhiro Saito	Director
Mr. Chandrashekhhar Arvind Mundlay	Director

8. Tipco Retail Co., Ltd.

Business: Food and beverage retailer

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone: 0-2273-6200

Registered Capital: Baht 50 million

Paid-up Capital: Baht 50 million

Board of Directors:

Mr. Ekaphol Pongstabhon	Director
Mr. Prasong Aimmanoj	Director
Mr. Chandrashekhhar Arvind Mundlay	Director
Mr. Kato Katsukasu	Director

9. Tipco Biotech Co., Ltd.

Business: Plantation of plants and herbs as ingredients in pharmaceuticals. The factory was built for manufacturing and transforming ingredients of pharmaceutical and medical products.

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone: 0-2273-6200

Registered Capital: Baht 50 million

Paid-up Capital: Baht 36.8 million

Board of Directors:

Mrs. Anurat Tiamtan	Director
Mr. Ekaphol Pongstabhon	Director
Mr. Somchit Sertthin	Director



10. TFB Distribution Co., Ltd.

Business: Wholesale and retail distribution

Headquarters Address: 118/1 Rama VI Road, Samsennai, Phaya Thai, Bangkok 10400.

Telephone 0-2273-6200

Registered Capital: Baht 1 million

Paid-up Capital: Baht 0.25 million

Board of Directors:

Mr. Ekaphol Pongstabhon	Director
Mr. Peerapong Archawapongsawat	Director
Mr. Kris Sertthin	Director

1.4 Relationships with the Business Group of Major Shareholders

Relationships include the individuals with common interests, the interests of executives in the Company, details of business operations of each of the related companies. Some of the subsidiaries, affiliates and related companies are clients of Tipco Foods Public Company Limited. Some are suppliers of the Company, providing transportation of goods or raw materials at market selling prices according to the transfer pricing policy as stated in Notes 5.10 to the Financial Statements with no obligation. The list of directors of the Company who have beneficial interests in the capacity of directors or shareholders is as follows:

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



The relationships between the Company's Board of Directors and related companies are shown as follows:

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 Mr. Surachet Supsakorn Director Mr. Somchit Sertthin Director	-None- 1 share held by Mr. Sitilarb Supsakorn -None- -None-
Tipco Asphalt PCL.	Producer and distributor of asphalt and distributor of fuel products	Ms. Laksana Supsakorn Director Mr. Somchit Sertthin Director Mr. Sitilarb Supsakorn Director	23.82% held by Tipco Foods PCL.
Siamcontainer Terminal Co., Ltd.	Provides Full Functional Services. Main Services are: Container Terminal Service, Warehouse management System, and Transportation Service	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Ms. Roumsin Supsakorn Director Mr. Sitilarb Supsakorn Director	16.67% held by Ms. Laksana Supsakorn 16.67% held by Mrs. Anurat Tiamtan 16.67% held by Ms. Roumsin Supsakorn 16.67% held by Mr. Sitilarb Supsakorn



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Ruamsapsin Co., Ltd.	To purchase, provide, acquire , rent, lease, possess, improve, use, and manage any assets including benefit of such assets	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Ms. Roumsin Supsakorn Director Mr. Sitilarb Subsakorn Director Mr. Surachet Supsakorn Director	20.00% held by Miss Laksana Supsakorn 20.00% held by Mrs. Anurat Tiamtan 20.00% held by Miss Roumsin Supsakorn 20.00% held by Mr. Sitilarb Supsakorn -None-
Tipco Tower Co., Ltd.	Rental office, contractor and civil works of all types.	Ms. Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Ms. Roumsin Supsakorn Director Mr. Sitilarb Subsakorn Director Mr. Surachet Supsakorn Director	20.00% held by Miss Laksana Supsakorn 20.00% held by Mrs. Anurat Tiamtan 20.00% held by Miss Roumsin Supsakorn 20.00% held by Mr. Sitilarb Supsakorn -None-
Thai Slurry Seal Co., Ltd.	Asphalt road and construction services	Ms. Laksana Supsakorn - - Mr. Sitilarb Subsakorn Director Mr. Somchit Sertthin Director	7.50% held by Miss Laksana Supsakorn 0.84% held by Mrs. Anurat Tiamtan 7.50% held by Miss Roumsin Supsakorn 7.50% held by Mr. Sitilarb Supsakorn -None-



2. Nature of Business

The structure of revenues generated by the sale of products or services to external parties in the past 3 years:

(Unit: Baht Million)

Products/services	Operated by	% of shareholding	2014		2015		2016	
			Income	%	Income	%	Income	%
Products of vegetables & fruits	Tipco Foods Pcl.	100	1,888	34%	1,863	40%	2,394	45%
	Tipco Biotech Co., Ltd.							
Beverage *	Tipco Retail Co., Ltd.	75	3,502	64%	2,670	57%	2,788	53%
	Tipco F&B Co., Ltd.	50						
Others			117	2%	145	3%	91	2%
Total			5,507	100%	4,678	100%	5,273	100%

* Note: Beverage revenues in 2016 and 2015 were recorded as “Net Sale” which deducted partial selling expenses while 2014 beverage revenue was recorded as “Gross Sale”.

Fruit processing business: Tipco Foods Public Company Limited is the manufacturer and distributor of the following products:

- Canned pineapple products come in 5 sizes (8 oz, 15 oz, 20 oz, 30 oz, and 108 oz) and various styles (slices, chunks, tidbits, pieces, dices or cubes, and crushed contents). All products meet the standards of the Thai Industrial Standards Institute (TISI) and importers of respective countries.
- Canned pineapple products come in 5 sizes (8 oz, 15 oz, 20 oz, 30 oz, and 108 oz) and various styles (slices, chunks, tidbits, pieces, dices or cubes, and crushed contents). All products meet the standards of the Thai Industrial Standards Institute (TISI) and importers of respective countries.
- Aseptic crushed pineapple products come in aseptic pouches of 23 liters and 200 liters.
- Pineapple in plastic cup products are available in 4-oz and 7-oz sizes.



- Pineapple in retort pouch products are sold in 1.5-kg and 10-kg sizes and in forms of tidbits, pieces, and dices or cubes.
- Canned tropical fruit salad products are exported to foreign markets and available in 15-oz, 20-oz, 30-oz, and 108-oz sizes.
- Tropical fruit salad in plastic cup products are available in 4-oz and 7-oz sizes.
- Canned diced aloe vera products are available in 15-oz and 108-oz sizes.
- Aseptic crushed aloe vera products are available in aseptic pouches of 23 liters and 200 liters.
- Coconut milk products are available in cans of 15 oz and coconut juice products are available in cans of 24 ml and 520 ml.

Main products of the fruit processing business are canned pineapple and pineapple juice concentrate. Other key products include aseptic crushed pineapple and aseptic crushed aloe vera in aseptic pouches; canned tropical fruit salad; canned aloe vera; canned coconut juice; and canned coconut milk.

Privileges or Limitations in Business Operations

-None-

Other privileges

The Company consecutively received various international standard certificates, details of which are as shown in Pages 5-6.

Limitations in business operations

At present, the Australian Customs and Border Protection Service agency stipulates anti-dumping measures for packaged pineapples with container sizes of less than one kilogram and more than one kilogram. This resulted in a significant reduction in the Thai manufacturers' competitiveness as compared to other foreign competitors. Nevertheless, the Company filed a request for reconsideration of the anti-dumping measures.

Industry Outlook and Competition

Thailand's pineapple industry continued to face difficulties in 2016 due to the severe drought situation. As a result, the raw material supply still did not match production demand and pineapple prices continuously increased to an unprecedented level. With regard to raw material quality, some pineapples were found to contain nitrate and hence were removed from the quality control system. However, some pineapples with the remaining nitrate passed the quality control



system and entered the production line, resulting in a significant decrease in product life. As for raw material prices, the continued shortage of raw materials from 2015 caused raw material prices to remain at very high levels until the end of 2016.

The upside of the aforesaid situation, though, was that the producers who relied on pineapple raw materials were forced to increase product selling prices to an unprecedented level. Pineapple juice concentrate product prices increased to almost USD 4,000/ton in 2016 as compared to normal prices of around USD 1,000–1,500/ton. However, this positive impact was short-lived because significant increases in pineapple juice concentrate product prices pushed the importers and producers of fruit juice products, especially in the European region, to adopt the formulas with less contents of pineapple juice concentrate or to remove related products from shelves. In the long run, the Thai producers may have to face a significant decrease in the demand for pineapple juice concentrate products.

It is expected that in 2017 Thailand will recover from the drought crisis and pineapple output will gradually increase to match factory demand. It is also expected that raw material prices will continue to fall.

Marketing Strategy

Competition strategy in brief

Tipco has competitive advantages in the following areas:

- 1) Customer base: Most of the customers are those who have been in business with Tipco for a long period of time. Tipco deals with a wide range of customers, including importers, supermarkets, retailers, food producers, and food service business operators.
- 2) Farmer base: Tipco has received continued support from its allied farmers for a long period of time. Most of them grow pineapples nearby the Company's factory premises. Also, most of them are under the "Contract Farming, Big Grower, Quality Grower" system. The system is to ensure continued supply of raw materials and quantity, lower transportation costs, and quality control.
- 3) Product variety: The Company is capable of producing canned pineapple products in different forms and cans with different styles of cuttings and liquid contents. This fulfills the different needs of various markets across regions.



- 4) Product quality: The Company has been certified by internationally acclaimed organizations to pass several standards. Its longstanding reputation is a guarantee of its product and service quality.

Target customers

Major overseas importers, distributors, supermarket chains, and blending houses for pineapple juice concentrate.

Main markets for product distribution

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

1. Americas: This includes Canada, the United States, and the countries in Latin America. The United States is the trading partner with the highest value, accounting for about 35 percent of total export volume of the Company each year. In the past, the Company had a competitive advantage in trading in the USA due to the Department of Commerce's dumping tax imposed on general companies. However, the cancellation of such anti-dumping tax in 2004 has resulted in intensified market competition.

2. Europe: This includes European and Eastern European countries and the Russian Federation. The export value to these countries is second to the United States, or about 30% each year. Europe is the main market for pineapple juice concentrate products. Most of the customers are blending houses in various European countries. The canned pineapple market is highly sensitive to price partly because customers welcome products of different levels of quality and many producers of different kinds of products have entered this market.

3. Asia: This includes Australia and New Zealand. This customer group, especially Japan, demands high quality products and the trading is highly dependent on trust with trading value of about 20% per year. Korea is currently the main customer for the crushed aloe vera in retort pouch product with continued growth in orders.

4. Middle East: This group accounts for approximately 7% of total sales. This market has high potential due to high income per capita and consumer demand for canned pineapple. The



sluggish economies of the European and the Eastern European countries driven by conflicts across such countries affected their purchasing power and consumption demand. Middle Eastern markets have emerged as new targets for many businesses to expand their operations in place of the diminishing European and Eastern European markets.

Provision of Products and Services

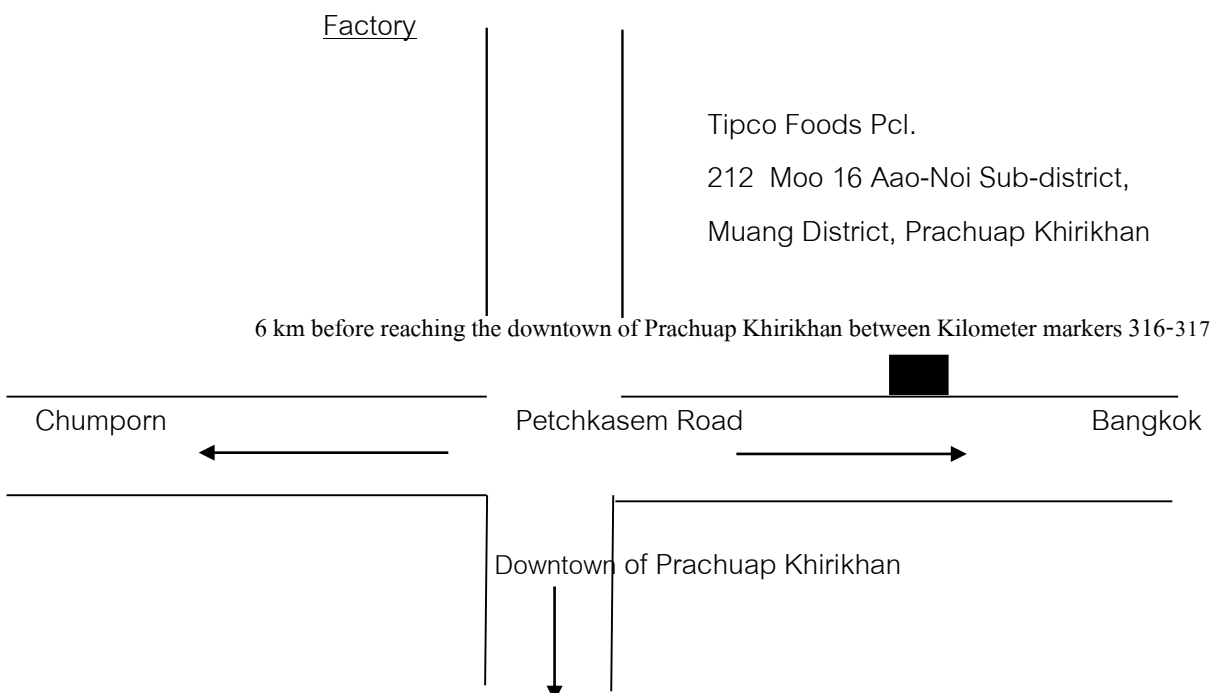
Seasonal Characteristics or Business Cycles

Generally, the Company operates production lines for 11 months and reserves 1 month for machinery and equipment maintenance. There are two production periods per year, i.e. hot season (March – May) and cold season (October – December). The prices of raw materials vary according to pineapple output in each production period.

Production

The Company has 1 canned pineapple production factory located at the following address.
Factory: 212 Moo 16 Petchkasem Road, Aao-Noi Sub-district, Muang District, Prachuap Kiri Khan 77000. Phone: (032) 811-224-31, Fax: (032) 811-240

Map: The Factory of Tipco Foods Public Company Limited





Raw Materials and Suppliers

Main Raw Materials

The key raw materials for canned pineapple production are fresh pineapples, sugar, cans, and packages. The Company purchases fresh pineapples from farmers and other raw materials from domestic suppliers.

- Cans. There are 5 sizes of the cans used for packaging pineapples, i.e. 8, 15, 20, 30, and 108 ounces. The Company purchases cans from domestic manufacturers.

- Fresh pineapples. The Company built the factory near the large pineapple plantation source. According to the recent survey on plantation areas, this location has been explored presently as the large source of fresh pineapple resources accounting for almost 50 percent of fresh pineapple yields of the country. The Company has adopted the policy to secure the farming occupation of the farmers in the surroundings and around the factory in downtown and the areas nearby to ensure the farmers continue their career in the long run and supply sufficient raw materials to the factory in line with the long-term production capacity plan. In 2016, the Company has established a system to secure stable and consistent raw material supply base and to ensure farmers' appropriate and sustainable income. Accordingly, the Company has initiated a project to promote and develop sustainable pineapple farming through three types of programs to meet various needs of farmers as follows:

The first program provides income per rai guarantee for members. The goal of this program is to promote farmers to focus on improvement of their output per rai. The agricultural promotion team of the Company will work closely with the farmers and educate them about plantation and farm management methods to improve output per rai, compared to the traditional farming practices. This program provides benefits to both the Company and the farmers and is set as a guideline to achieve sustainable results. That is, farmers will benefit from improved output per rai through higher income per rai and reduced operating costs while the Company will benefit from competitive pineapple prices paid to farmers as well as output quality control in terms of size, ripening, and prevention against chemical residue. 2015 was the first year in which this program was officially launched. The output of the participating farmers per rai almost doubled and the number of the small-sized pineapples reduced from around 10% to below 2%.

The second program provides minimum price per kilogram guarantee. The Company and the farmers will agree to the guaranteed prices given that the eligible areas must be the areas in which the pineapple shoots are first planted. The farmers under this program may switch to the first program in the following years.



The aforesaid two programs focus the adoption of the Good Agricultural Practice (GAP), covering soil preparation, planting materials preparation, plantation, planting intervals, preparation of plantation lines for pineapple shoots, maintenance and elimination of weeds, fertilizer, acceleration of fruit output, flower check, watering, fruit covering, and harvesting. The Company will send officers to provide knowledge to farmers and follow up on the results as well as closely and regularly provide advice.

The third program is open widely for members who wish to independently use their own methods of plantation. The Company will insure purchases of the entire output provided that the participating farms must provide the plantation information and clear output. This program can be called as a market guarantee for the farmers.

In summary, the Company has raw material acquisition plan to create farmers' confidence in pineapple plantation in Prachuap Kiri Khan Province, especially in Muang District where the canned pineapple production factory is located. The Company will increase the number of contract farming members by selecting retail farmers who have regular transactions with the Company and guarantee the yields as agreed. The policy to increase the number of farmers in this project will secure the confidence in pineapple plantation. The Company is also able to ensure the long-term production planning with adequate raw materials in line with production targets along with pineapple plantation occupation of the farmers.

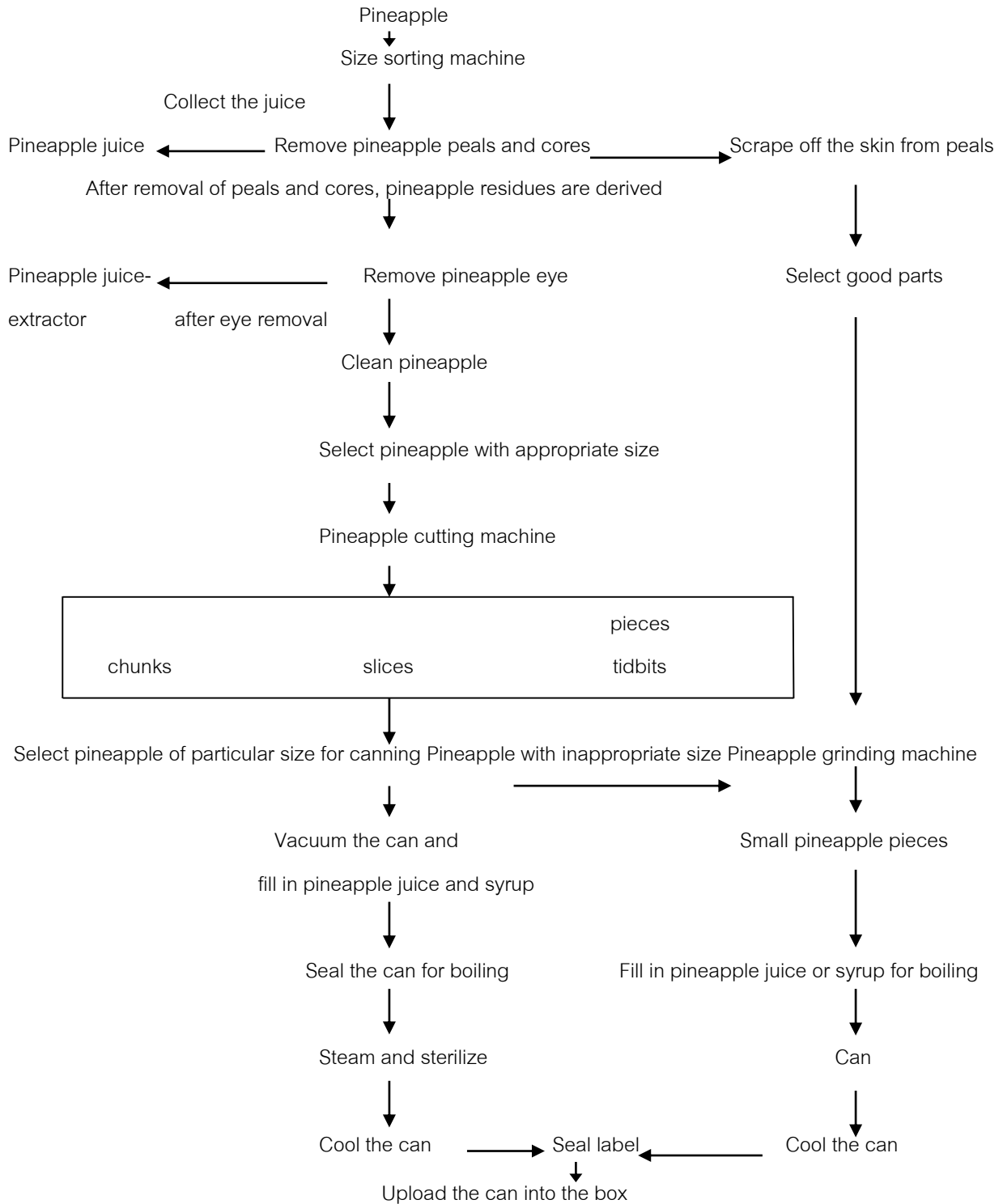
Ratio of domestic and overseas purchases of raw materials:

	2014	2015	2016
Ratio of raw material purchases, domestic:overseas	96.0:4.0	96.0:4.0	99.0:1.0



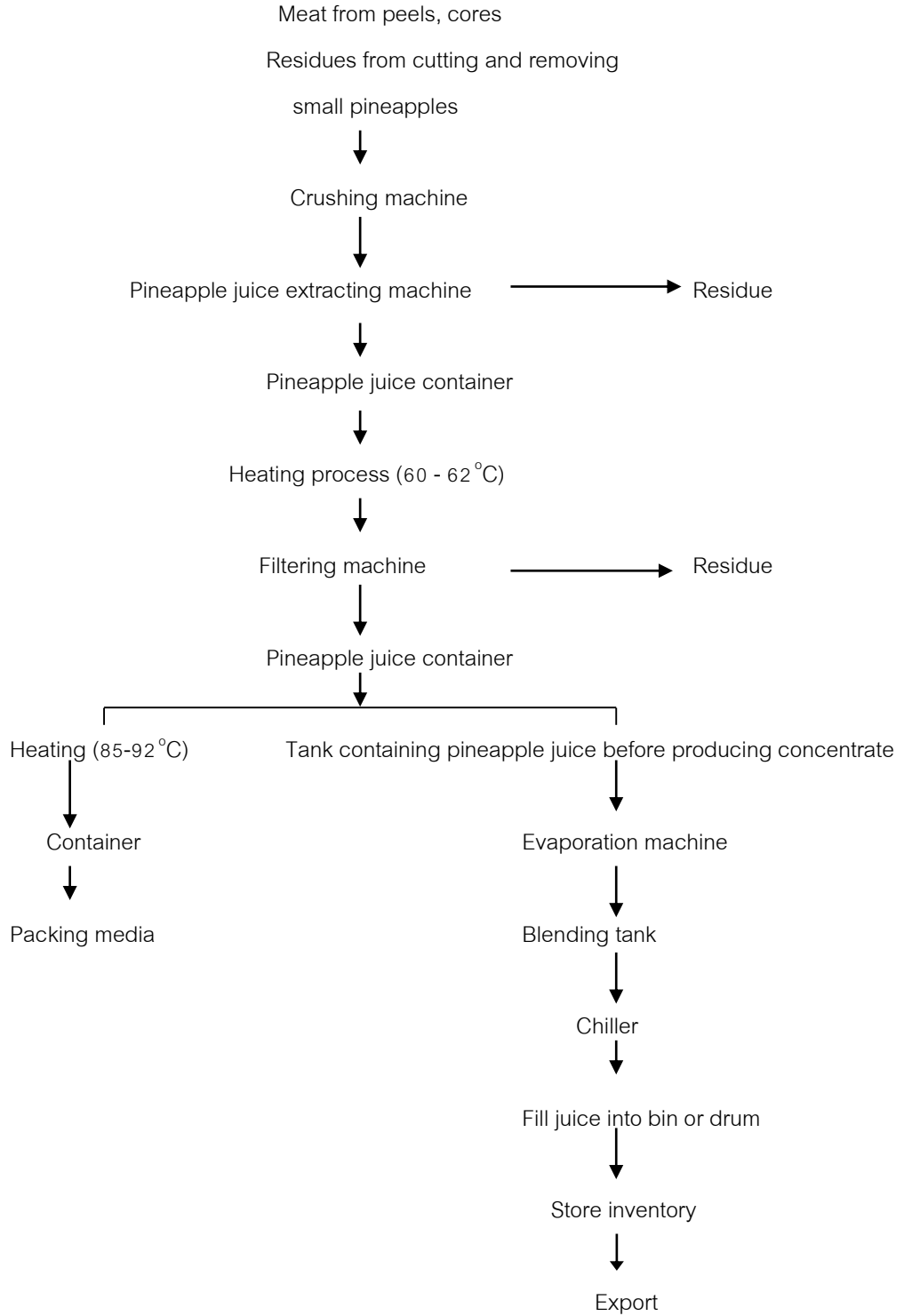
Production Procedure and Technology

Brief flowchart of canned pineapple production process

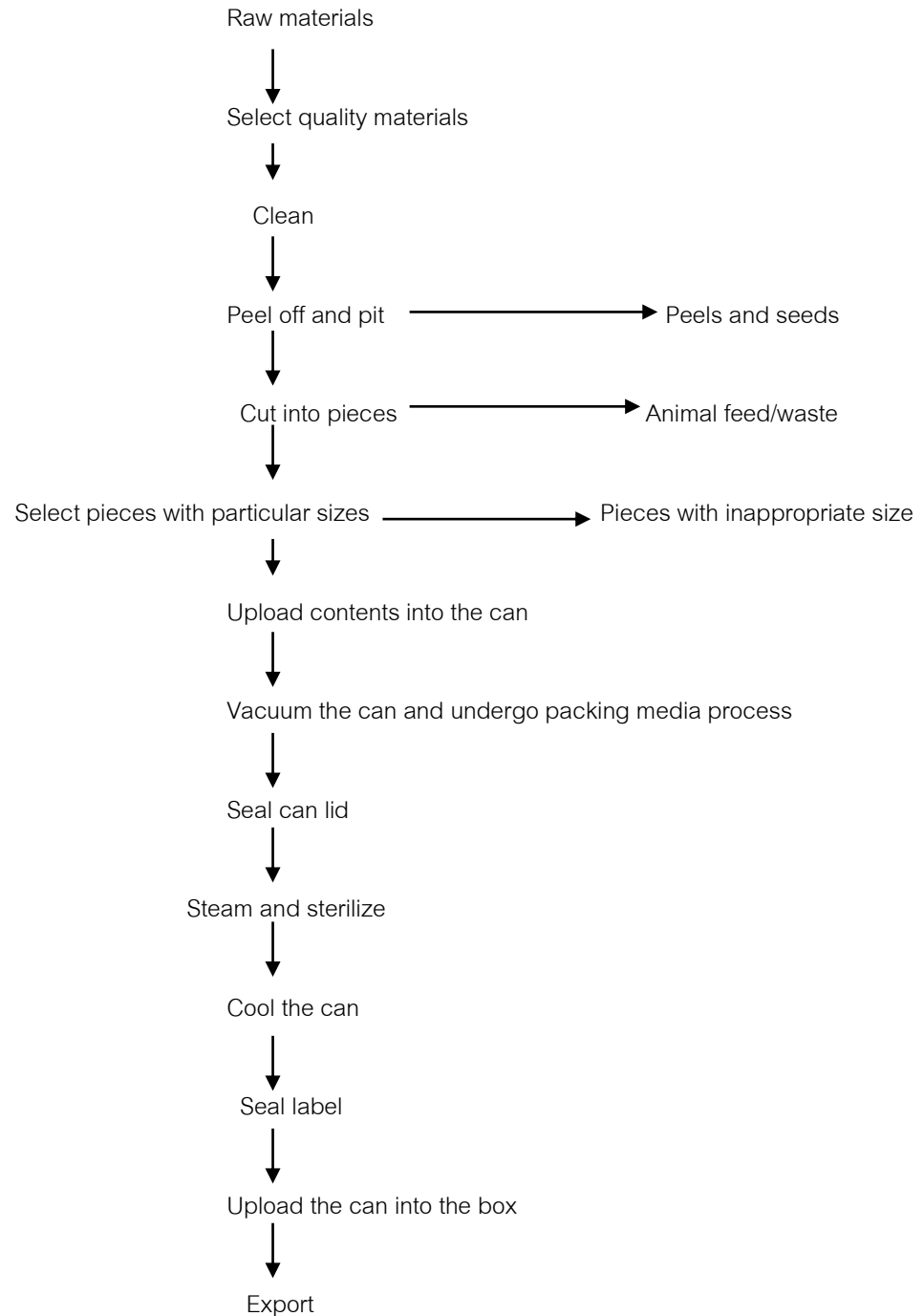




Brief flowchart of pineapple juice and pineapple juice concentrate process



Brief flowchart of vegetables and/or mixed fruits production process



Production Technology and Source

The canned pineapple production technology was originated in Hawaii and moved to Taiwan, the Philippines, and Thailand respectively. It is considered that Thailand's technology is the latest one of its kind in the canned pineapple industry.



Adequacy of Machinery and Personnel in Production

The Company has been investing in machinery for canned pineapple production since 1977 and has established a total of up to 15 production lines which can produce canned pineapple products to meet customer demand. The Company has a warehouse that can contain up to 1.7 million cartons. Also, there are a sufficient number of pineapple juice concentrate machines which produce particular kinds of products according to customer demand.

As for personnel, the Company's staff have grown together with the Company and the Company has made continued efforts in the development of personnel at all levels to ensure that they are capable and knowledgeable in techniques and management. After possessing particular skills and expertise, they will be promoted to a higher level or transferred to assume a higher position within the business group.

The number of staff within the Company is sufficient for the production.

With regard to workforce, workforce consists of those from localities and nearby provinces. Sometimes, the Company may experience the problem of labour shortages. However, the problem is not serious as the Company has predetermined the production plan on a monthly basis and the said production plan has been customized as appropriate and thus the number of personnel in need can be predicted. Hence, the Company can procure an adequate number of people.

Environmental Impact

The Company has a waste water treatment system and conducts analysis of waste water quality on an ongoing basis as required by laws. Also, the Company has no record of legal violation.

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

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

1. Tipco: 100% fruit juice in 200 ml box and 1 liter box
2. Tipco Veggie: 100% mixed vegetable and fruit juice in 200 ml box and 1 liter box
3. Tipco Superkid: 100% fruit juice and mixed vegetable and fruit juice for kids in 110 ml box
4. Tipco Super Fruit Essence: Pomegranate extract juice and prune and fig extract juice in 110 ml box



5. Tipco Squeeze: 100% pasteurized fruit juice and mixed vegetable and fruit juice in 300 ml box and 1 liter box
6. Tipco Cool Fit: 40% mixed vegetable and fruit juice in 200 ml box and 1 liter box
7. Tipco Profiber, mixed vegetable and fruit juice plus fiber 100% in 300 ml bottle and 1 liter carton

■ **Natural mineral water**

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

■ **Ready-to-drink tea**

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

Product or Service Features

The products cover ready-to-drink beverages in the categories of fruit juice, cold spring mineral water, and ready-to-drink tea for health and body freshness.

Nature of Customers

The Company's products are distributed to target consumers via distributors to retail stores nationwide and overseas markets.

Privileges or Limitations in Business Operations

-None-

Industry Outlook and Competition

In 2016, Thailand's ready-to-drink fruit juice and vegetable juice market was worth a total of Baht 13,836 million (Source: Nielsen Report). The market can be divided based on product characteristics into the following 5 categories:



- 100% fruit juice and vegetable juice market (Premium market) with the market value of 38%
- 40% fruit juice and vegetable juice market (Medium market) with the market value of 9%
- 25% fruit juice and vegetable juice market (Economy market) with the market value of 12%
- Lower than 25% fruit juice and vegetable juice market (Super Economy market) with the market value of 27%
- Other fruit juice and vegetable juice market (Other market) such as longan juice and fresh toddy palm juice with the market value of 14%

The fruit juice and vegetable juice market can also be divided based on product life into the following two categories: 1) Products which can be kept at room temperature and last 6-12 months or "UHT" and 2) Products which last approximately 30-45 days and must be kept in refrigerator or "Pasteurized".

In 2016, the fruit juice and vegetable juice market grew by approximately 1%. Tipco F&B Company Limited was able to maintain market share leadership in the 100% fruit juice segment by creating brand value, selecting quality raw materials, improving production processes, and prioritizing benefits to consumer health. The company also developed and introduced new products aimed at gaining higher market share. Moreover, the company expanded its footprint to overseas fruit juice and vegetable juice markets in the Asian region, including South Korea, China, Indonesia, and the Philippines.

In 2016, the mineral water market value was approximately Baht 3,888 million with 15% market growth. Subsequent to the expansion of the production capacity to accommodate market growth in 2014, Aura mineral water saw strong growth in terms of sales and market share. The healthy tea market value in 2016 was around Baht 400 million.

Competition Strategies in Brief

1. Produce the products that are recognized by the market and continually maintain standards of products in both quality and taste
2. Provide a variety of products to completely fulfill customers' needs as well as conduct research and development of products and innovations to meet the needs of health-conscious customers continuously



3. Consistently conduct marketing activities to maintain relationship with customers and build brand recognition and the needs for products in the future
4. Develop plans for purchasing raw materials, producing products, and storing inventory to meet market demand
5. Efficiently manage production costs to maintain competitiveness
6. Distribute products on a comprehensive basis and maintain an inventory turnover system for the freshness of products at all times.

Main Markets for Product Distribution

For domestic sales, the Company's distribution can be divided into 2 channels. The first channel is distribution through distributors. This channel is regarded as the main distribution channel. The second channel is direct distribution by the Company through sales booths and special channels. For overseas sales, the Company saw a rapid growth in business expansion as the Company's products received a warm response, especially through key markets such as Asia and Africa.

Provision of Products and Services

Seasonal Characteristics or Business Cycles

There are 2 sources of raw materials.

1. Domestic source. The Company purchases different kinds of fresh fruits, e.g. oranges, guavas, and pineapples, directly from farmers with a view to increasing the usage of raw materials in the country. However, the production is dependent on the yields of fruits which vary from season to season. For example, pineapple yields are peak during March – May and October – December.

2. Overseas source. The Company purchases juice concentrate for juice production.

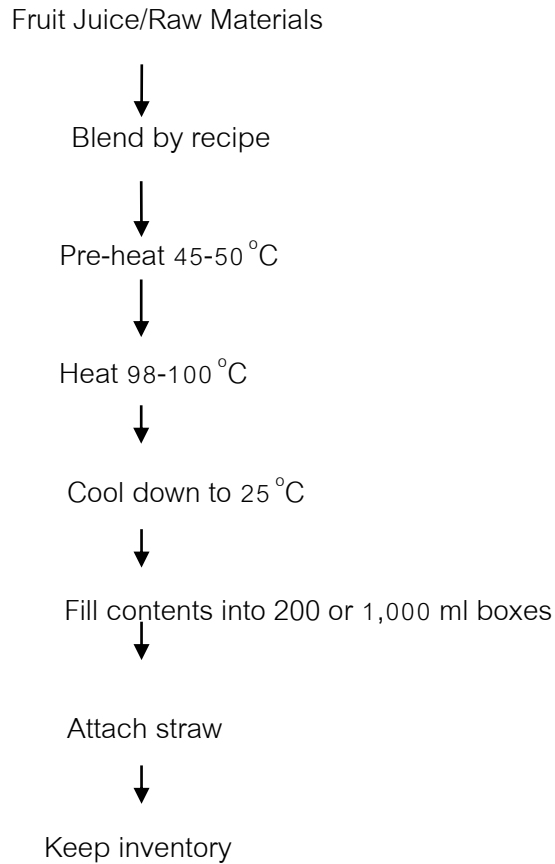
Main Raw Materials

The main raw materials used in juice production include pineapples, guavas, oranges, and other fruits purchased from farmers as well as juice concentrate, boxes, and packages purchased from overseas. The ratio of domestic and overseas purchases of raw materials is 40% to 60%.



Production Procedure and Technology

Brief Flowchart of Fruit Juice/Ready-to-Drink Beverage Production Process



Production Technology

The Company purchased modern filling machines overseas, generating limited waste and with the production capacity of 220 million liters.

Adequacy of Machinery and Personnel in Production

The Company built the beverage factory in Ayutthaya province with sufficient capacity to serve higher demand. The factory has 3 types of packages, i.e. UHT, Pasteurized and Aseptic PET. The Company formally opened the factory in Ayutthaya on 19 December 2008. Currently, the Company uses 80% of the full production capacity.

As regards personnel, the employees have achieved career advancement along with the Company's growth. The Company has continuously developed personnel at all levels to be competent and knowledgeable in technical matters and management skills, e.g. business operations to alleviate impacts, actual performance compared to the limits stipulated by law, and



history of environmental violation. The Company has waste water disposal system and conducted analysis of waste water quality as regulated by law.

Retail business Tipco Retail Company Limited is a subsidiary company, a joint investment between Tipco Foods Public Company Limited and Tipco F&B Company Limited. The company is engaged in the retail business under the logo 'Squeeze Juice Bar by Tipco'. The company's products are as follows:

1. **Smoothies:** Fresh fruit puree smoothies without sugar or syrup with soft and smooth contents can be divided into the following categories:
 - Super fruit
 - Hi Fiber
 - Mega Smoothie
 - Anti-Aging
2. **Wheatgrass:** Freshly extracted wheatgrass juice
3. **Mountain Beans**
4. **Healthy Meal:** Salad, soup, sandwich, etc.
5. **Special Goods**
 - Happy yogurt
 - Happy Soya

At the end of 2016, there were a total of 58 Squeeze Juice Bar shops. The shops are also the hubs of distributing the products of the affiliated companies, including Tipco's fruit juices, Homsuwan pineapples, etc. The Squeeze Juice Bar business also provides snack box catering services for event participants and vehicle passengers.

Industry Outlook and Competition

The retail business in the category of food and beverage in Thailand continues to grow further. At present, consumer behaviors have changed towards having more concerns about their health and safety, as evidenced by the trends of organic or clean foods (the least processed foods). By tapping into these trends, the retail business of Tipco offers a number of healthy products to consumers.



At Squeeze Juice Bar shops, fruit juice smoothie drinks have been regarded as main products and widely recognized by consumers for a long period of time. Squeeze Juice Bar shops also constantly offer new healthy food and beverage products with ongoing sales growth. The August Organic Eatery is a full service restaurant, offering organic fusion cuisine with spicy flavors and high-quality organic ingredients from various sources to attract health-conscious diners. The Homsuwan Pina Pina shop is a snack, refreshment and light meal shop, offering a variety of menus mostly created from the Homsuwan pineapple with its unique taste.

Plant extract and agricultural business is operated by Tipco Biotech Company Limited, which is a subsidiary company.

■ Plant Extract Business: The company is the producer of extracts from natural substances that serve as ingredients for manufacturing foods, beverages, cosmetics, dietary supplements, and medicines. The company's plant extract factory is equipped with the largest smelter in Thailand operating at the highest level of efficiency and safety. The company provides a full range of services covering raw material procurement, de-hydration, grinding, and production of extract substances. The company also works with customers in developing extracting processes through laboratory experiments and real production at the industrial level. Moreover, the company provides services according to customers' orders regarding plant and herb extraction for customers in domestic and overseas markets. 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)
- Produce and sell plant and herb extracts used as ingredients for food, 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 Homsuwan pineapple, its key product, which is unique in its taste and nutritional value. This pineapple is available at leading supermarkets, Squeeze Juice Bar by Tipco branches, and the Homsuwan Pina Pina shop.



Industry Outlook and Competition

- **Plant Extract Business:** A growing number of consumers have embraced the wellness and beauty trends and Thailand's health and beauty products and services market continued to see high growth in the past several years. This is a good opportunity for Tipco Biotech Company Limited to drive sales growth in its plant and herb extract business to provide raw materials for domestic manufacturers of foods, drinks, dietary supplements, cosmetics and medicines. At the same time, focus is placed on the creation of collaboration with overseas alliances and trading partners whose raw materials are based on extracts from plants and herbs which can be grown only in specific areas or with lower costs.

- **Agricultural Business:** Each year Thailand's market consumes fresh pineapples of around 300,000 tons most of which are of the Battavia (Sriracha) variety. As for the Homsuwan pineapple of Tipco Biotech Company Limited, its characteristics are unique in terms of its aroma, sweetness, tight and tender meat, smooth taste, and a higher vitamin C content. Its outstanding and non-GMO features make the Homsuwan pineapple a popular choice for consumers. The Homsuwan pineapple has high price compared to its peers in the market since close care is needed to ensure higher quality. Because of its thin skin, harvesting and selecting the Homsuwan pineapple fruits for packaging require a large number of employees with careful hands to avoid damage. Nevertheless, consumers can enjoy its easy-to-peel skin and do not have to remove its eyes. Thus, they can purchase its whole fresh fruit back home to peel its skin by themselves. The Homsuwan pineapple saw continuous sales growth since its introduction to the market during the past 4 years.

3. Risk Management

The Company established the Risk Management Committee responsible for analyzing risks directly affecting its overall business in 4 areas, namely strategic risk, operational risk, financial risk, and legal risk, as well as assessing the severity of risks in order to seek guidelines to prevent and mitigate such severity. In 2016, Tipco managed risks in the following key areas:

1. **Risk from volatile pineapple volumes and prices:** Pineapple is an agricultural product and therefore is subject to weather conditions on which supply availability and quality depend. This results in fluctuations in pineapple prices and production costs. In coping with this risk, the



Company studied satellite images of pineapple plantation areas and national output data of the Office of the Agricultural Economics (OAE) as well as installed the software to support output forecasts.

2. **Risk from core business profitability:** The firm's core business profits are mainly from export activities. Most trading contracts are forward contracts, for example, 1-3 months and 6-12 months contracts. One key factor considerably affecting corporate profits is the purchase cost of pineapple raw materials. The formats of trading contracts and product delivery have been customized based on short-term and long-term periods, depending upon raw material availability and prices. Also, new products have been developed and launched into the markets with positive growth trends.
3. **Risk from succession planning:** The Company specified some key positions and successors. Currently, it is in the process of forming individual development plans for further implementation.
4. **Risk from exchange rate fluctuations:** 2016 saw fluctuations in exchange rates, especially in US dollars. This greatly affected the Company's income and profits. Therefore, the Company utilized a number of foreign exchange risk management tools, including forward exchange contracts with banks, in order to manage income and costs for optimum results.



4. Operating assets

Assets of the Company and Its Subsidiaries

Item	Value (Million Baht)				Obligation
	HQ	Prachuap Kiri Khan	Ayutthaya	Chiangmai	
1.Land	28.11	***113.37	41.29	84.50	***Mortgage***
2.Land development fee	-	14.67	2.20	-	
3.Buildings	0.15	***177.94	326.26	52.51	***Mortgage***
4.Office equipment	9.52	3.76	3.64	1.60	-
5.Vehicles	1.32	2.20	0.19	0.00	-
6.Machinery and equipment	0.00	***191.12	898.44	166.79	***Mortgage***
7.Tools and equipment	30.22	27.72	26.13	11.79	-
8.Intangible assets	33.89	0.09	0.06	0.46	-
9.Work in process	41.16	34.72	14.53	5.56	-
10.Reserve for obsolete assets	-	(20.60)	(202.84)	(31.18)	-
Total	144.37	544.98	1,109.90	292.03	
All locations				2,091.29	

***Mortgage of Baht 303.8 million with financial institutions

Remark: 1. The head office building is situated on the rented floors, i.e. 24th and 27th – 29th floors of Tipco Tower Co., Ltd., with the rental and service fees totaling Baht 18.39 million per year.

**2016 Annual Registration Form (56-1 Form) of Tipco Foods Public Company**

<i>Trademark</i>	<i>Owner's Name</i>	<i>Type of Goods/Services</i>	<i>Registration No./Country</i>	<i>Valid Period</i>
	Tipco Foods Pcl.	Mineral water, still water, herbal drinks (non-medical use), cereal drink, soya milk, mineral drink, fruit drink with vitamin for non-medical use	Kor. 281009 / Thailand	10 years
	Tipco Foods Pcl.	Fruit juice, vegetable juice, mixed fruit and vegetable juice, cereal drink, soya milk, corn milk, millet milk, herbal drink for medical use, mineral drink, functional drink with vitamin, mineral water, water, ready-to-drink green tea, ready-to-drink green tea with fruit, coffee, tea	Kor. 272041 / Thailand Kor. 272789 / Thailand	10 years 10 years

Investment Policy

As at 31 December 2016, the Company's investments in its subsidiary and associated companies consisted of investments of Baht 279.05 million in the business of manufacture and distribution of fruit juice and ready-to-drink beverage products; investments of Baht 25.50 million in the retail business; investments of Baht 160.79 million in the herbal extract business; and investments of Baht 644.93 million in the business of manufacture and distribution of asphalt products. The investments in the subsidiary and associated companies accounted for 40% of total assets.

The Company aims to hold long-term investments in the business of manufacture and distribution of asphalts. Such investments may be sold in short periods for gains from sales of investments. However, the Company has the policy of maintaining such investments at 20-25%.

5. Legal Dispute

- None -



6. General Information and Other Key Information

1. General Information

1.1 Company Information

Tipco Foods Public Company Limited [formerly “Tipco Foods (Thailand) Public Company Limited”]

The Company is mainly engaged in the business of manufacture and export of canned pineapple, pineapple juice, and mixed fruit juice, with a paid-up capital of Baht 482.58 million.

Headquarters Address: 118/1 Tipco Building, Rama 6 Road, Samsen Nai, Phayathai,
Bangkok 10400

Company Registration No.: Bor Mor Jor. 0107535000052 Home Page: www.tipco.net

Phone: 0-2273-6200 Fax: 0-2271-4304, 0-2271-1600

The factory addresses are as follows:

- 212 Moo 16, Aownoi Sub-district, Muang District, Prachuap Kiri Khan 77210
- 205/1 Moo 2, Pong-Yaeng Sub-district, Mae-Rim District, Chiangmai 50180

1.2 Subsidiary and Associated Companies

Tipco Asphalt Public Company Limited

The company operates the business of manufacture of asphalt and distribution of petroleum products. Currently, Tipco Foods Pcl. holds 23.81% of shares in the company.

The company has a registered and paid-up capital of Baht 1,552.99 million.

Headquarters Address: 118/1 Tipco Building, Rama 6 Road, Samsen Nai, Phayathai,
Bangkok 10400

Tipco F&B Company Limited

The company is engaged in the business of manufacture and distribution of ready-to-drink beverages. Currently, Tipco Foods Pcl. holds 50% of shares in the company. The company has a registered and paid-up capital of Baht 600 million.

Headquarters Address: 118/1 Tipco Building, Rama 6 Road, Samsen Nai, Phayathai,
Bangkok 10400

Factory Address:

- 212 Moo 16, Aownoi Sub-district, Muang District, Prachuap Kiri Khan 77210
- 90/1 Moo 7, Sanubtueb Sub-district, Wangnoi District, Ayutthaya 13170



Tipco Biotech Company Limited

The company is engaged in the herbal extraction and agricultural business. Currently, Tipco Foods Pcl. holds 99.99% of shares in the company. The company has a registered and paid-up capital of Baht 36.8 million.

Headquarters Address: 118/1 Tipco Building, Rama 6 Road, Samsen Nai, Phayathai,
Bangkok 10400

Factory Address: 504 Prachuap Kiri Khan Sub-district, Muang District, Prachuap
Kiri Khan 77210

Tipco Retail Co., Ltd.

The company is engaged in the retail business. Currently, Tipco Foods Pcl. holds 50.99% of shares in the company and holds 49% of shares through Tipco F&B Co., Ltd. The company has a registered and paid-up capital of Baht 50 million.

Headquarters Address: 118/1 Tipco Building, Rama 6 Road, Samsen Nai, Phayathai,
Bangkok 10400

TFB Distribution Co., Ltd.

The company is engaged in the business of retail and wholesale distribution. Currently, Tipco Foods Pcl. holds 50% of shares through Tipco F&B Co., Ltd. The company has a registered and paid-up capital of Baht 0.25 million.

Headquarters Address: 118/1 Tipco Building, Rama 6 Road, Samsen Nai, Phayathai,
Bangkok 10400

1.3 Other References

Registrar: Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building (besides the Embassy of China), 14th Floor
Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Tel: 0-2009-9000



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Auditors: Mr. Supachai Punyawattano, CPA Registration No. 3930 and/or
Mr. Narong Puntawong, CPA Registration No. 3315 and/or
Miss Waraporn Prapasirikul, CPA Registration No. 4579
EY Office Limited: 193/136-137, 33rd Floor, Lake Rajada Complex,
Rajadapisek Road, Klongtoey, Bangkok 1011
Tel.: 0-2264-9090

Legal Advisor: Mr. Tawadchai Jaranakranya

Law Firm: Sor. Chana Songkram Law Office

Address: 52/3 Phra Sumen Road, Bangkok, Tel: 0-2282-2955

2. Other Key Information

- None -



Part 2

Management and Corporate Governance

7. Securities and Shareholders

7.1 Registered and Paid-up Capital

The Company has a registered capital of Baht 500 million and a paid-up capital of Baht 482.58 million, with a total of 482.58 million ordinary shares at Baht 1 each (The par value was changed from Baht 10 per share to Baht 1 per share on 19 December 2003.)

7.2 Shareholders

The top 10 shareholders with the number of shares held and % shareholding as at 30 December 2016 are shown below.

No.	Shareholders	No. of shares	%
1	Mr. Sitilarb Supsakorn	55,500,000	11.397
2	Miss Roumsin Supsakorn	48,500,000	10.050
3	Miss Laksana Supsakorn	37,861,267	7.845
4	Mrs. Anurat Tiamtan	30,966,765	6.417
5	Miss Piyaratana Supsakorn	30,379,328	6.295
6	Thai NVDR Co., Ltd.	24,131,468	5.001
7	Mr. Vivat Kovitsophon	19,900,000	4.124
8	Mrs. Riam Supsakorn	18,039,299	3.738
9	Miss Natalie Supsakorn	12,000,000	2.487
10	Mr. Somchit Sertthin	11,599,846	2.404

The family names of the major shareholders according to % shareholding as at 30 December 2016 are as follows:

Family Name	No. of shares	Shareholding (%)
Supsakorn Family	201,779,934	40.96
Tiamtan Family	30,966,841	6.29
Sertthin Family	15,649,770	3.18



Shareholding Report of the Board of Directors

Unit:Share

	Director	Position	B/F balance As at 1 January 2016	Transfer	(Sale)	Outstanding balance As at 31 December 2016	%
1	Miss Laksana Supsakorn	Chairman	37,861,267	-	-	37,861,267	7.85
2	Mrs. Anurat Tiamtan	Director	30,966,765	-	-	30,966,765	6.42
3	Mr. Somchit Serththin	Director	11,599,846	-	-	11,599,846	2.40
4	Miss Roumsin Supsakorn	Director	48,437,398	62,602	-	48,500,000	10.05
5	Mr. Silarb Supsakorn	Director	58,500,000	427,100	(3,927,100)	55,000,000	11.40
6	Mr. Surachet Supsakorn	Director	-None-			-None-	
7	Mr. Virat Phairatphiboon	Independent Director	-None-			-None-	
8	Mr. Chalit Limpanavech	Independent Director	-None-			-None-	
9	Mr. Paisal Pongprayoon	Independent Director	-None-			-None-	
10	Mrs. Achara Pricha	Independent Director	-None-			-None-	
11	Mr. Ekaphol Pongstabhon	Managing Director	-None-			-None-	

7.3 Issuance of other securities

- None -

7.4 Dividend Payment Policy

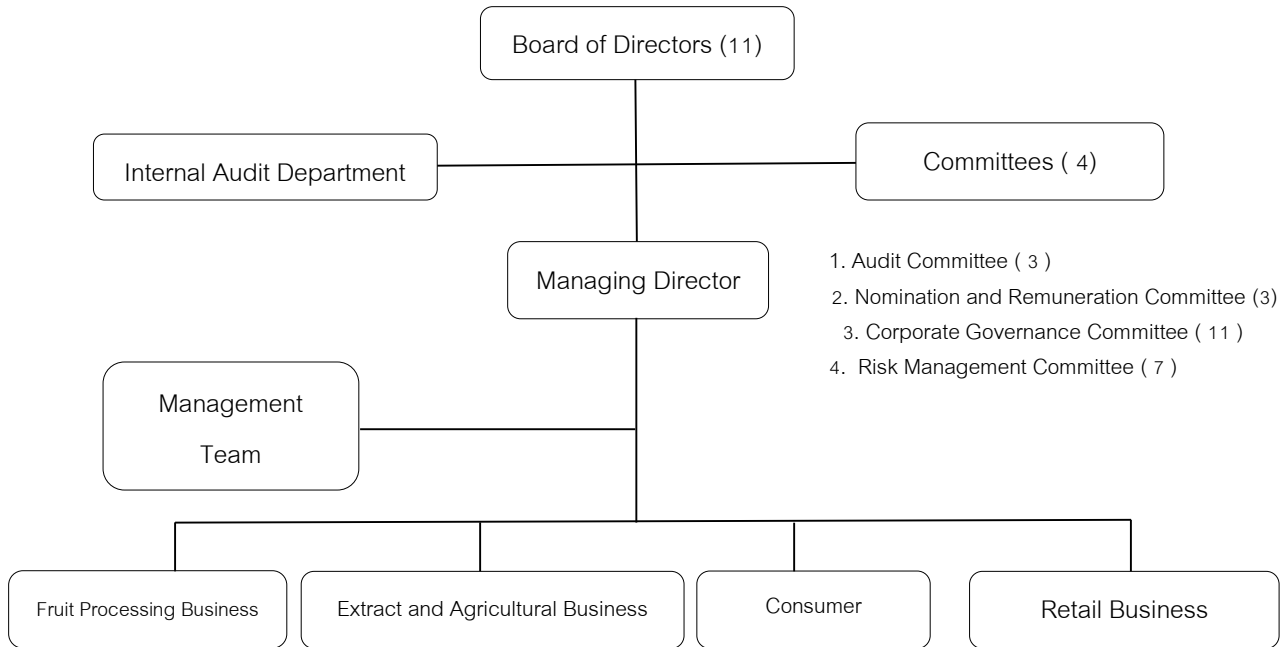
The Company and its subsidiaries pay dividends when they have positive retained earnings. The dividend payout ratio depends on the Company's operating results and investment projects planned but shall not be less than one third of net profits recorded in the separate financial statements.

Year	2016	2015	2014	2013	2012
Net profit/share	0.79	0.39	(0.28)	(0.16)	0.14
Dividend/share	0.39	0.25	0.00	0.00	0.00
Dividend/net profit (%)	49.4%	66%	0%	0%	0%



8. Organization Structure

Organization Chart



8.1 Board of Directors

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



Audit Committee

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

Nomination and Remuneration Committee

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

Corporate Governance Committee

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

Risk Management Committee

- | | |
|-----------------------------------|----------------------|
| 1. Mr. Ekaphol Pongstabhon | Chairman |
| 2. Mr. Chokchai Tocharoentanaphol | Member |
| 3. Mr. Kitti Thannara | Member |
| 4. Mrs. Karnchana Warotemaporn | Member |
| 5. Mr. Pongtorn Kanchana-akradet | Member |
| 6. Mrs. Pornanong Yoocha | Member and Secretary |
| 7. Miss Kanittha Seubchakdee | Assistant Secretary |

Member's Name	Position	Committee Meetings	
		Number of meetings	Number of attended meetings
<i>Miss Laksana Supsakorn</i>	Chairman of the Board of Directors	5	5
<i>Mrs. Anurat Tiamtan</i>	Director	5	5
<i>Mr. Surachet Supsakorn</i>	Director	5	5
	Member of the Nomination and Remuneration Committee	2	2



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<i>Mr. Somchit Serththin</i>	Director	5	5
<i>Miss Roumsin Supsakorn</i>	Director	5	5
<i>Mr. Sitilarb Subsakorn</i>	Director	5	5
<i>Mr. Virat Phairatphiboon</i>	Independent Director	5	4
	Chairman of the Audit Committee	5	4
<i>Mr. Paisal Pongprayoon</i>	Independent Director	5	4
	Member of the Audit Committee	5	4
	Chairman of the Nomination and Remuneration Committee	2	2
<i>Mrs. Achara Pricha</i>	Independent Director	5	5
	Member of the Audit Committee	5	5
	Member of the Nomination and Remuneration Committee	2	2
<i>Mr. Chalit Limpanavech</i>	Independent Director	5	4
<i>Mr. Ekaphol Pongstabhon</i>	Managing Director	5	5

8.2 Management Team: Tipco Foods Group

1. Mr. Ekaphol Pongstabhon Managing Director, Acting Chief Financial Officer – Fruit Processing Business, and Acting Chief People and Information Technology Officer
2. Mr. Seichi Ueno Chief Operations Officer – Consumer Business
3. Ms. Nitima Aungaticharts Chief Financial Officer – Consumer Business and Retail Business
4. Mr. Peerapong Archawapongsawat Managing Director – Tipco Retail Co., Ltd.
5. Mr. Chokchai Tocharoentanaphol Chief Operations Officer – Fruit Processing Business



8.3 Corporate Secretary

The Board of Directors passed a resolution to appoint Mr. Phicharn Sluckpetch as corporate secretary starting from 25 March 2004. The Company has assigned the individual possessing suitable qualifications and experience to assume the position of corporate secretary. The qualifications and responsibilities of this 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

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 counsel



8.4 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 an average market rate; 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 principle 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.

In 2016, the remuneration rates of the Company's Board of Directors and executives were as follows: (Directors did not receive any remuneration from Tipco's subsidiary companies.)

1. Monetary Remuneration (per annum)

Monetary remuneration consisting of meeting allowance 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
Miss Laksana Supsakorn	Chairman	960,000			960,000
Mrs. Anurat Tiamtan	Director	720,000			720,000
Miss Roumsin Supsakorn	Director	720,000			720,000
Mr. Somchit Sertthin	Director	720,000			720,000


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Mr. Sitilarb Supsakorn	Director	720,000			720,000
Mr. Surachet Supsakorn	- Director - Member of the Nomination and Remuneration Committee	720,000		30,000	750,000
Mr. Virat Phairatphiboon	- Independent Director - Chairman of the Audit Committee	720,000	240,000		960,000
Mr. Chalit Limpanavech	Independent Director	720,000			720,000
Mr. Paisal Pongprayoon	- Independent Director - Chairman of the Nomination and Remuneration Committee - Member of the Audit Committee	720,000	160,000	50,000	930,000
Mrs. Achara Pricha	- Independent Director - Member of the Nomination and Remuneration Committee - Member of the Audit Committee	720,000	160,000	30,000	910,000
Mr. Ekaphol Pongstabhon	Managing Director	720,000			720,000



Remuneration of executives

In 2016, 7 executives received remuneration consisting of salary and bonus totaling Baht 30,980,683.43.

2. Other Remuneration

Other remuneration of directors and committee members

- None -

Other remuneration of executives

The Company established the provident fund for its executives by paying contributions to the fund at the rate of 5% of salary. In 2016, the employer's contributions to the provident fund for 7 executives totaled Baht 1,260,897.00. In addition, 2 executive directors/executives were provided with company cars and 5 executives were provided with vehicle allowances totaling Baht 2,956,437.49.

8.5 Personnel

In 2016, the Company had a total 1,479 employees who were paid remuneration totaling Baht 416 million consisting of salary, overtime pay, cost of living allowance, special allowance, social security fund contributions, and provident fund contributions, etc. In addition, the subsidiary companies paid similar forms of employee remuneration totaling Baht 276 million.

Addressing employees' health as a priority, the Company implemented an annual physical checkup program with a budget of Baht 789,723.83. During the past year, the Company also paid Baht 2,054,846.65 to cover medical expenses (under its health insurance plan) and influenza vaccination for its employees.

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2016	Tipco Foods Pcl.	Tipco F&B Co., Ltd.	Tipco Retail Co., Ltd.	Tipco Biotech Co., Ltd.
Operating employees	1,436	565	307	146
Executive employees	43	28	4	4
Total (person)	1,479	593	311	150
Employees at Headquarters	133	125	104	3
Employees outside Headquarters	1,346	468	207	147
Total (person)	1,479	593	311	150
Employees' remuneration (Baht Million)	416	200	47	29

Changes in Numbers of Employees in the Last 3 Years

Tipco Foods Public Company Limited's numbers of employees were as follows:

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

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

As at 31 December 2015, the Company's number of employees was 1,414.

Major Labour Disputes in the Last 3 Years**Major Labour Disputes in the Last 3 Years**

The Company did not have any labour dispute, protest, or strike during the last 3 years.

Accident Statistics in 2016

- The number of employees taking leave as a result of accidents
10 persons (LTA. or Frequency Rate=0.62)
- The number of leave days
345 days (DLT. or Level of Severity = 21.27)



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 to 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 employees at M4/P4 up, competency analysis and individual development plan must be jointly considered and endorsed between supervisors, employees, the Human Resources Department, and the Human Resources Committee. This is for maximum benefits of the Company and its employees.

2. Supervisors and employees shall be mainly responsible for developing individual development plans for career advancement and development.

3. The Human Resources Department, supervisors, and management team shall undertake supervision and allocate budget resources to ensure that employees' development needs are fulfilled in a broad-based, equal, and non-discriminatory manner.

4. Employees shall be allowed to check their individual development plan and/or development progress with supervisors or the Human Resources Management at any time. They also shall be able to file complaints with management team if they experience neglect, lack of support, or unfair treatment with regard to self-development issues.

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

- Problem Solving and Decision Making
- Train the Trainers
- Ways to Be One Team
- Service Standard
- Competency-Based Interview Techniques

Apart from the training courses to support 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 5 million.



9. Corporate Governance

Report of the Corporate Governance Subcommittee

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.

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 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; and to encourage 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. In addition, the Company participated in the National Anti-corruption Day event. According to the Employee Opinion Survey (EOS) for 2016, the average score of all entities under the topic of anti-corruption was 4.38 (out of the total of 5.00), which was the highest score compared to that of other topics. On 14 October 2016, the Company was officially certified as a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

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 2016, the National Corporate Governance Committee assigned the Company the good corporate governance score of 83%, or a "Very Good" rating, which was above the average score of 78% assigned to its peer SET-listed companies. In addition, the Company's 2016 shareholders meeting received the score of 98.75 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 the competencies of its employees 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 Labour Relations and Welfare by the Department of Labour Protection and Welfare for 6 consecutive years. Also, the Company won the National Outstanding Enterprise Award for Workplace Safety, Health and Environment from the Department of Labour Protection and Welfare.

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

(Ms. Laksana Supsakorn)

Chairman of the Corporate Governance Committee

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

In 2016, the Company revised the Handbook on Good Corporate Governance and Code of Conduct by incorporating the anti-corruption policy into the handbook with a view to declaring its intent to be a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). In conducting business, there are many key factors that drive corporate reputation,



continuous growth, and success. One of the key factors that the Company pays much attention to is conducting business and managing operations in accordance with the principles of honesty, integrity, transparency, and auditability. Building trust across all sectors is not easy. Therefore, the Company started building awareness about negative impacts of corruption among its executives and employees at all levels within the organization. This is to ensure alignment with the Company's aim and commitment to fight against all forms of corruption. All employees shall acknowledge, understand, and be ready to take serious actions against corruption. The Company is strongly determined to build a strong culture of integrity and transparency as the foundation for its business.

Apart from the above, the Company facilitated trainings in this handbook at all workplaces across the Tipco Foods Group. This is to ensure that its employees clearly understand and fully comply with the principle of good corporate governance and business ethics as well as continuously help drive a culture of good corporate governance as the foundation for sustaining long-term growth and adding value for all of its stakeholders.

According to the 2016 annual corporate governance assessment conducted by the National Corporate Governance Committee, the Company received a total score of 83%, or a 'Very Good' rating. Details of TIPCO's scores in 2015-2016 are as follows:

	<u>2016</u>	<u>2015</u>
Rights of Shareholders	99%	99%
Equitable Treatment of Shareholders	98%	96%
Rights of Stakeholders	73%	65%
Information Disclosure and Transparency	83%	84%
Board of Directors' Responsibility	78%	78%

9.1 Corporate Governance Policy

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



1. The Board of Directors shall 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 revised 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. The principles of transparency, integrity, and auditability shall be implemented when doing business.
7. Adequate data shall be disclosed to stakeholders, especially 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 such policy to employees for their understanding and compliance.

The Company reviewed its corporate vision, targets, strategies, and immediate or urgent action plans to ensure alignment with current and future business environments. The new vision statement focused on **creating value added for all groups of stakeholders**, including employees, consumers, trade partners, business allies, and society. To ensure that targets are aligned with this vision, the Company focused on managing 4 areas, namely finance, customer relations, internal processes, and personnel learning and growth. In addition, critical success factors and areas of excellence of the Company were translated into concrete operational goals of all entities, including individual employees, departments, divisions, and business groups. All such goals were linked together to help drive achievement of the overall goal and vision. Furthermore, the Company defined a number of policies, including the policy on quality assurance to ensure customer satisfaction through a number of key drivers such as personnel, operational processes, safety, environment, and society. This is aimed to create and foster exemplary work practices for society and nation. The Board of Directors also established the Corporate Governance Committee consisting of all directors and adopted the good corporate governance policy and code of conduct



as disclosed in the Company's annual report and website. To ensure concrete and clear good corporate governance practices, the Company promoted awareness and understanding of the good corporate governance principle among its employees.

In 2016, the Corporate Governance Committee approved the adoption of the SET's 2012 Principle of Good Corporate Governance for Listed Companies. Corporate practices as per the said principle are described as follows:

Rights of Shareholders

Annual Shareholders' Meeting

At the 2016 Annual General Meeting of Shareholders, 9 directors, including the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee, attended the meeting. Miss Roumsin Supsakorn, director, and Mr. Chalit Limpanavech, independent director, were absent on an overseas assignment. The Company convened the meeting in accordance with legal requirements regarding meeting invitation, document submission, and meeting agenda notification. Also, adequate information was provided to shareholders in a timely manner prior to the meeting. Absentee shareholders were allowed to assign independent directors to act as proxies to exercise their votes at the meeting (Please refer to 'Equitable Treatment of Shareholders' for more information). In 2016, 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. Prior to the meeting, the Chairman informed the shareholders of the voting procedure using paper ballots. The vote counting process was witnessed by the representatives of the independent directors, external auditors, and employees. The meeting was videotaped to ensure transparency and auditability. Furthermore, all shareholders were given an equal opportunity to examine the Company's operating results and to raise questions and opinions. 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 2016 Annual General Meeting of Shareholders obtained a total score of 98.75 (out of 100), or an "Excellent" rating, compared to an average score of 91.62 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, including supporting documents for all meeting agenda items, a list of identification documents required for attending the meeting, proxy form, 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 raise their opinions and questions independently. Voting on each agenda item was undertaken according to chronological order. No new agenda item was added without giving a prior notice 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 shared its objectives and criteria to allow its minor shareholders to propose agenda items and names of candidates for directors via the Company's website. In 2016, the Company held one shareholders' meeting. For each meeting agenda, 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 encouraged all directors 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, clarification provided by the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Managing Director, and other relevant directors. The meeting minutes also 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 evidences 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, and abstention votes so that the absentee shareholders could learn of the meeting results soonest.

With respect to the profit allocation, the Company adopted a mechanism to assure its shareholders that they would receive returns on their investments in a comprehensive manner. Such mechanism included clear shareholding structure and no cross-shareholding. The Company and its related company (Tipco Asphalt Pcl.) shared the same shareholders through investments in ordinary shares at the rate of 23.96 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 gain. Since 2004, the Company's directors and executives were obliged to report any changes in their shareholding to the Secretary to the Board of Directors instead of individual reporting. The directors and executives were also required to disclose their shareholding in the Company at each Board of Directors' meeting.

Roles of Stakeholders

Fully aware of 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 3 groups of people involved in the Company's operations and having



beneficial interest in the Company, including **management team** (directors, high-level executives, managers, and supervisors), **employees**, and **major shareholders**. In particular, management team's desirable practices 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 role in community development. The aforesaid code of conduct and desirable practices were based on the philosophy of **quality and integrity**. Also, the Company focused on the system of good corporate governance that prevents its major shareholders from taking control over decisions made by its management team whose work was based on the principles of integrity and professionalism. Realizing its role as a member of the community, Tipco stipulated the policy on corporate social and environmental responsibility. Employees were assigned to conduct activities to support implementation of the said policy implementation. Examples of the corporate social and environmental activities included the provision of assistance through granting of scholarships, educational equipment, or other forms of school development for schools nearby the factory or other schools as appropriate. The Company donated funds or products to support a number of activities held by government agencies, schools, temples, other organizations, and nearby communities. The Company also strived to prevent any possible impacts of its factory 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, by focusing on preventing any adverse impacts of its major shareholders on other stakeholder groups. The Board of Directors was informed of any transaction that might cause conflicts of interest and any related party transaction; and carefully reviewed the suitability of such transactions (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 of which are as follows:

"The Company's articles of association, section 8, item 48: In the case where the Company or its subsidiaries agree to enter into a related party transaction, or a transaction related to the acquisition or disposal of the Company's or its subsidiaries' assets according to the definition stated



in the Stock Exchange of Thailand's Notification on the undertaking of related party transactions of listed companies or the 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 against potential conflicts of interest, the Company's employees were required to sign the "Conflicts of Interest Agreement". The agreement specifies disciplinary procedures and punishments, including possible employment termination in the event of an intentional violation or breach of the agreement. Also, to prevent misuse of internal information for personal gain, the Company's directors and executives shall disclose their shareholding in the Company at its Board of Directors' meeting every quarter; and shall 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 newspaper. The value of related party transactions shall be marked to market and compared with the market prices determined by at least 3 companies.

Business Ethics

Business ethics are incorporated into the code of conduct of the Tipco Foods Group for use as guidelines. 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, compliance with labor laws, and respect for employees' rights. In addition, desirable practices for management team, employees, and stakeholders as well as recommendations on problem solving were identified. These business ethics were communicated to all directors and employees on an ongoing basis. Relevant parties were required to sign a form of acknowledgement of and compliance with such business ethics every 2 years. Also, the management team was required to ensure that all employees strictly comply with relevant



requirements. Any employee who violates the code of conduct will be subject to disciplinary actions according to the Company's procedure.

Disclosure and Transparency

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

The Company shall strictly adhere to the 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 compliance with up-to-date laws, rules, and regulations. This helps assure its shareholders that the Company conducts business with transparency, accuracy, and integrity.

The Board of Directors adheres to the guideline on disclosure of relevant information of the Company. Information disclosure shall be conducted systematically to avoid any potential damage from presenting incorrect information and to assure shareholders, investors, the public or other stakeholders that Company's information is presented correctly, clearly, fairly, and in accordance with laws and the information disclosure policy.

Board of Directors' Responsibility

The Board of Directors shall review its good corporate governance policy on a yearly basis in order to achieve the Company's objectives, develop responsibility for work performance, build a culture of transparency and integrity, sustain long-term business competitiveness, increase confidence of stakeholders, and stay current with the current business environment.

To ensure that employees at all levels correctly understand and comply with the good corporate governance policy and code of conduct, such topics are included in the orientation program for new employees and refresher courses to be conducted at least twice per year. In



In addition, these topics are incorporated into the Employee Opinion Survey (EOS) to allow employees to raise opinions, for example:

- 1) "I agree with the principle of good corporate governance and code of conduct and perform duties with transparency towards shareholders, employees, customers, and other stakeholders."
- 2) "I agree with doing business based on the CSR principle and in compliance with the corporate policies."

In 2016, the ratings of the above 2 topics were 4.10 and 4.16, respectively, out of 5.00. To adhere to business ethics, apart from building awareness of anti-corruption among its employees, the Company added another question in its 2016 EOS as follows: "I agree and will comply with the Company's anti-corruption policy". The score of this topic was 4.24 out of 5.00. 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.

9.2 Board of Directors and Committees

Structure and scope of authority and responsibility of Board of Directors and Committees

Tipco's Board of Directors consist of highly qualified and capable individuals. The directors have consistently participated in self-development programs organized by the Thai Institute of Director Associations (IOD). The Board of Directors helps formulate and endorse corporate vision, strategies, goals, business plans, and budgets; and supervises the management team to ensure that business plans and budgets are met efficiently and effectively. The Board of Directors and the management team shall take responsibility for the shareholders according to their duties. There is segregation of duties between the Board of Directors and the management team. Internal control and risk management systems were reviewed and evaluated to mitigate risks to be at acceptable levels. This is based on legal framework, corporate objectives and articles of association, shareholders' meeting resolutions, and protection of business interests based on the principle 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 that meet the requirements of the Stock Exchange of Thailand. Roles,



duties and responsibilities between the committees and the management team 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 submission thereof to the Annual General Meeting of Shareholders for consideration and approval.
7. Appoint the Managing Director and determine his/her remuneration.
8. Empower the Managing Director to direct the Company's business activities, appoint and terminate employment of employees, determine remuneration in accordance with policies set by the Board of Directors, and authorize employees to take actions in accordance with business situations.
9. Consider and approve capital expenditures and the annual operating budget, and supervise usage of the Company's resources.
10. Determine guidelines and policies for 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.

Authority and Duties of the Managing Director

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



Authority and Duties of the Audit Committee

1. Ensure that the Company's financial reports are correct as per facts, complete, adequate and reliable.
2. Ensure that the Company and the management establish suitable and efficient internal control systems. The committee may, as appropriate, invite directors, executives or staff members concerned to attend Committee meetings and provide relevant information.
3. Consider, select and nominate an auditor and propose his/her remuneration.
4. Ensure that the Company and the management comply with relevant regulations and laws.
5. Safeguard against conflict of interests.
6. Prepare the Audit Committee's report which shall be disclosed in the Company's annual report. The Audit Committee's report to be signed by the Chairman of the Audit Committee shall contain opinions on such matters as required by the Stock Exchange of Thailand.

Authority and Duties of the Nomination and Remuneration Committee

1. Select and nominate persons who are qualified to assume the position of director in accordance with the Company's operating regulation on selection and nomination of directors. The committee shall also consider the performance, qualifications and appropriateness of the directors who retire by rotation and those who are qualified for reelection. The committee shall then propose a list of candidates to the Board of Directors for consideration and endorsement before submission thereof to the Shareholders Meeting for election as directors.
2. Propose remuneration rates and employment conditions, including remuneration rates of Chairman of the Executive Committee, 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 potential.



Authority and Duties of the Corporate Governance Committee

1. Determine the good corporate governance policy to meet regulations of the Stock Exchange of Thailand.
2. Review the good corporate governance policy and assess compliance therewith on a regular basis.
3. Consider and approve the Company's code of conduct.

Authority and Duties of the Risk Management Committee

1. Convene meetings to assess risks that may have short-term and long-term impacts on business operations; and review such risks at least once per quarter
2. Establish action plans to minimize business risks
3. Monitor and report 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 (Please refer to his profile in page 124)

List of directors with knowledge in financial

Mr. Somchit Sertthin, Mr. Ekaphol Pongstabhon, and Mr. Virat Phairatphiboon (Please refer to their profiles in pages 122-124)

9.3 Nomination and Appointment of Directors and Top Executive

The procedure 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 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 2% of the total shares with voting rights in the Company and its affiliated companies, associated companies, or parties with possible conflicts of interest (including related parties as per the Section 258 of the Securities and Exchange Act)
 - 3.2 Have no involvement in management and hold no position as worker, employee, advisor with regular salary, or person with control authority in the Company and its affiliated companies, associated companies, or parties with possible conflicts of interest. He/she shall have none of such benefits or interest for at least 1 year.
 - 3.3 Have no business relationship or beneficial interest either directly or indirectly in the finance and management of the company, affiliated companies, associated companies, or parties with possible conflicts of interest that may lead to lack of independence.
 - 3.4 Have no relationship as a close relative with management team members and major shareholders of the company, affiliated companies, associated companies, or parties with possible conflicts of interest; and be not appointed as a representative to protect interests of the directors or major shareholders.
 - 3.5 Disclose any relations that may lead to lack of independence to the Board of Directors.

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 should consist of experts in different fields that are beneficial to directing and controlling the Company's operations

Procedures and criteria for election of directors at shareholders' meeting

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 for acknowledgement.
19. In case of a vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the Board of Directors shall elect a person with suitable qualifications and having no prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535 to fill the vacancy at the next meeting of the Board of Directors, except in the case where the remaining term of office of such director is less than 2 months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces. The resolution of the Board of Directors under the first paragraph shall be passed by a vote no less than three-fourths of the number of the remaining directors.
20. The shareholders meeting may pass a resolution to remove a particular director prior to the expiry of his/her term of office. Such resolution shall comprise no less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote, subject to



the condition that the combined number of shares shall not be less than one-half of the total number of shares held by the shareholders who attend the meeting and are entitled to vote.

21. Directors may or may not be a shareholder of the Company.

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%
- 4 independent directors, representing 36%

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 "Articles of Association regarding the Board of Directors"). Since 2003, each director has conducted self-assessment along with the performance assessment of the entire Board of Directors. Each director showed interest in self-development to enhance knowledge, skills, and standards of practice to ensure effective management and supervision (Please refer to "Board of Directors /Committees Evaluation").

Aggregation or Segregation of Duties

The chairman of Board of Directors and 5 directors, totaling 6 persons, shall represent major shareholders.

The managing director is a professional executive and has no connection or relation with major shareholders. More than one-third of the directors are independent directors and more than half of the directors are non-executive directors. This factor contributes 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. (Please refer to role, authority, and responsibilities of the managing director, the Board of Directors, the respective committees under the section of “Management Structure”. The Board of Directors appointed the Nomination and Remuneration Committee to consider, select, and nominate candidates based on requirements of the Board of Directors for the positions of the managing director or directors. The Nomination and Remuneration Committee shall also consider remuneration of the respective committees and management team.

To ensure that the mechanism to follow up, audit, and provide 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 “Scope of Authority and Duties of the Audit Committee”).

Remuneration Determination Process and Suitability

The Company established the policy on directors’ remuneration in a clear and transparent manner. Directors’ remuneration was commensurate with industry standards; and was approved by the shareholders’ meeting. Directors also serving as members of the Audit Committee received additional remuneration according to a wider scope of responsibility. The remuneration of the managing director and employees was based on individual performance and was considered by the Nomination and Remuneration Committee. To ensure transparency and clarity in the determination of remuneration of the managing director and high-level executives, the shareholders considered the policy and guideline on remuneration 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 of directors/committee members’ remuneration by comparing to peers in the industry and companies of similar business size.

9.4 Supervision of subsidiary and associated companies

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



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

9.5 Supervision of insider information use

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

- It is prohibited to seek benefits for oneself or related persons by using non-public information of the organization.
- It is prohibited to disclose confidential information to external parties, especially competitors.
- It is required that the first top 4 executives, directors of the Company and members of the Executive Committee report their trading of shares of the Company to the SEC in strict compliance with the specified regulations. Also, directors of the Company must provide collaboration in not trading shares after each Board of Directors meeting and prior to submission of information to the SET or SEC. Nonetheless, from 2004 onwards, the requirement of reporting of trading of shares of the Company by directors and executives to the corporate secretary for further submission to the SEC has replaced the practice of



individual reporting. Directors and executives are required to report their shareholding in the Company on a quarterly basis to reflect any changes thereto.

Punishment

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

9.6 Audit Fee

The Audit Committee considers the qualifications and performance of the auditors and presents the information to the Board of Directors on an annual basis for endorsement of the appointment of auditors and the determination of audit fees which shall be proposed to the shareholders' meetings for approval. The proposed auditors shall be on the approved list of auditors of the Office of the Securities and Exchange Commission.

In 2016, the auditor's remuneration consisted of:

1. Audit fee

The Company and its subsidiaries paid an audit fee of Baht 3,012,500. Details are as follows:

Separate and consolidated financial statements: Baht 1,350,000.

Financial statements of 4 subsidiaries: Baht 1,662,500.

2. Non-audit fee

The Company and its subsidiaries paid a non-audit fee of Baht 123,768.

9.7 Compliance with the good corporate governance principle – other matters

Risk Management: The frequency of reviewing risk management issues was changed from 6 months to 3 months. In addition, the Company has adopted an early warning system and regularly reviewed risks to evaluate changes in severity levels and the efficiency of corrective/preventive measures. Time frame or frequency of the review depends on the nature of each transaction. Such practice has been implemented since 2014. Early warning signs have been defined more clearly and colour codes have been used to indicate the severity levels such as the red colour which signifies high severity level. Besides the identification of severity levels, risk probability and impact have been evaluated. To foster risk management awareness among employees at all levels; team



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 once per every 3 months. 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 issues to be improved to the Board of Directors.

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

Disclosure of agenda for shareholders' meetings: Disclosure of agenda for shareholders' meetings shall be made in advance via the Company's website before submission of relevant documents to the shareholders and at least 30 days prior to shareholders' meetings. This practice 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 minor shareholders: Since 2006, the Company has provided minor shareholders with the opportunity to nominate candidates for independent directors. The Company submitted a letter to the Stock Exchange of Thailand (SET), requesting the announcement via the SET's website that minor shareholders of the Company may nominate qualified candidates to replace independent directors who will retire by rotation in accordance with the Company's selection process and within applicable timeline. From 2008 onwards, nomination can be directly made via 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 ethics may directly contact the Executive Committee through the following channels:

1. Website: www.tipco.net (Topic: Reporting fraudulent or corrupt practices)
2. Email: anti-corruption@tipco.net
3. Telephone numbers: 02-273-6888, 02-273-6400
4. Mailing to: Managing Director



Mailing Address: Tipco Foods Public Company Limited

118/1 Rama 6 Road, Samsen Nai, Phayathai, Bangkok 10400

Formulation of a clear CSR 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 reports were included in the Company's annual reports.

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 will ensure that the operating results are reported to the Board of Directors on a monthly basis. Such reporting practice was initiated in 2007 and adjusted in 2009.

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

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

In 2016, at the Board of Directors' Meetings, self-assessment in terms of compliance with the good corporate governance principle was conducted based on a questionnaire containing 99 items prepared by the Corporate Governance Center, Stock Exchange of Thailand, in May 2013. This questionnaire was filled out by each director prior to the Board of Directors' Meeting. Views and opinions were exchanged before the Board of Directors' Meeting and it was concluded at the meeting that the following items were not implemented or were not fully implemented:



The Chairman of the Board of Directors being an independent director: This practice was not yet implemented as the major shareholders were not ready for a change and no independent director expressed interest to assume the position.

Clear determination of director's office term: The maximum office term of each director was not yet determined due to concerns regarding seeking qualified candidates. Although, IOD has a list of chartered directors but only a handful of people met the criteria. The retirement age is 75 years.

Clear determination of committee member's office term: The maximum office term was not yet determined due to the same reason in the case of director's office term.

The policy on Tipco's directors serving as directors in other companies of appropriate nature or status: According to the policy, each director of Tipco may serve as a director for a maximum of 3 listed companies. However, there is no requirement regarding serving as a director for non-listed companies.

Directors' Participation in Board of Directors/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
<i>Miss Laksana Supsakorn</i>			5/5	1/1
<i>Mrs. Anurat Tiamtan</i>			5/5	1/1
<i>Mr. Virat Phairatphiboon</i>	4/5		4/5	1/1
<i>Mr. Surachet Supsakorn</i>		2/2	5/5	1/1
<i>Mr. Somchit Serththin</i>			5/5	1/1
<i>Mr. Chalit Limpanavech</i>			4/5	0/1
<i>Miss Roumsin Supsakorn</i>			5/5	0/1
<i>Mr. Sitilarb Supsakorn</i>			5/5	1/1
<i>Mr. Paisal Pongprayoon</i>	4/5	2/2	4/5	1/1
<i>Mrs. Achara Pricha</i>	5/5	2/2	5/5	1/1
<i>Mr. Ekaphol Pongstabhon</i>			5/5	1/1



Board of Directors /Committees Evaluation

According to the good corporate governance principle for listed companies, self-assessment of the board 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 both the entire board of Directors and each director.

Self-assessment of the Board of Directors and each director:

Self-assessment forms for the Board of Directors were 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 each director

Self-assessment process:

1. The Board of Directors conducts self-assessment through a form developed by the SET.
2. The Corporate Secretary reports the self-assessment results of each director.
3. The Corporate Secretary reports the self-assessment results to the Board of Directors for enhanced operational efficiency.

Self-assessment forms for the Board of Directors and for each director consist of 6 topics:

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

Board of Directors Evaluation

The Board of Directors assessed its role and efficiency of operations by discussing and reviewing past meeting agenda items and key achievements in various aspects such as past year's operating results compared to business plans, risk management performance, strategy determination, business plan approval, consideration of major investments, etc. The areas for improvement included the Chairman of the Board of Directors being an independent director;



independent directors representing more than half of the Board of Directors; and all directors attending the shareholders' meeting.

Evaluation of the Chairman of the Board of Directors was conducted through discussion between the directors. The directors commended that the Chairman of the Board of Directors appropriately performed duties, created positive meeting environments, exhibited impartiality, and allowed every director to raise opinions freely without time limits. The directors felt that they were valuable because of their devotion and contribution.

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

The Board of Directors viewed that they had efficiently performed duties and clearly understood their role and duties as well as Tipco's nature of business and situation. Each director devoted his/her time and efforts for the successful performance of the Board of Directors.

Self-assessment of respective committees: Self-assessment shall be conducted for 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 form for each committee
2. Self-assessment form for each committee member

Self-assessment process:

1. The respective committee conducts self-assessment.
2. The Corporate Secretary reports the self-assessment results of the respective committee for enhanced operational efficiency.
3. The Corporate Secretary reports the self-assessment results of the respective committee to the Board of Directors.

Self-assessment forms for respective committee and for each committee member consist of 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 Audit 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 auditors, apart from regular meetings, and reported the results to the Board of Directors for acknowledgement and rectification actions.

The Board of Directors viewed that the Audit Committee performed duties in a comprehensive and efficient manner. The Audit Committee provided comments and recommendations that were beneficial to the management of the Company. The Audit Committee also advised the management team to take 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 self-assessment of the Nomination and Remuneration Committee was conducted by comparing 2015 and 2016 checklists of authority, duties, and responsibilities of the Nomination and Remuneration Committee. The evaluation results revealed that the Nomination and Remuneration Committee performed its duties in a comprehensive manner.

The managing director conducted self-assessment. The Nomination and Remuneration Committee and the Chairman of the Board of Directors also evaluated his performance by considering various aspects, including corporate performance, business performance scorecard, smart goal, target achievement, budgets, action plans, etc.

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



Chairman Evaluation

The independent directors viewed that the Chairman of the Board of Directors performed duties in a comprehensive and effective manner and allowed all directors to express their opinions freely through positive environments. Thus, the directors felt that they were valuable because of their performance of duties.

Orientation for new directors

Tipco requires that all new directors attend an orientation session so as to learn about business policies, shareholding structure, capital structure, information system, and regulations 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 latest operating results.

Director development and training

Participant	Position	Course	Date
Mr. Ekaphol Pongstabhon	- Managing Director	1. Succession Plan & People Challenge in Global Business	15/8/2016
		2. Internal Fraud Prevention and Control	24/8/2016
		3. CEO Branding & CEO as a Brand Champion for Sustainability	31/8/2016-1/9/2016
		4. Marketing with Digital Technology Era	5/10/2016
		5. Competitive Strategy	21/12/2016



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Mr. Paisal Pongprayoon	<ul style="list-style-type: none"> - Independent Director - Nomination and Remuneration Committee Chairman - Audit Committee Member 	1. Audit Committee Forum	29 June 2016
Mrs. Achara Pricha	<ul style="list-style-type: none"> - Independent Director - Audit Committee Member Nomination and Remuneration Committee Member 	<ul style="list-style-type: none"> 1. Clean Business Engagement with Public Sector 2.Nurture Social Enterprise 3.Quarterly Economic Wrap-Up for Listed Companies 4. Integrity and Prudence: Directors' Protection 5.Sustaining Business through Ethical Leadership 6.Enhancing Growth Through Governance in Family Controlled Business 7.Audit Committee Forum 	<ul style="list-style-type: none"> 29 February 2016 20 April 2016 21 April 2016 17 May 2016 30 May 2016 9 June 2016 29 June 2016



		8. Insight Management Techniques by Management Professionals	26 June 2016
		9. Director Forum on Corporate Governance Code	13 September 2016

Investor Relations

The Board of Directors attaches importance to accurate, transparent, and timely disclosure of financial reports and generation information. The Company appointed the Corporate Planning Manager, Mr. Pongtorn Kanchana-akradet, to be mainly responsible for investor relations and coordination. For corporate information, investors may call 02-273-6807 (ext.7860) or visit the Company's website: www.tipco.net or contact email address: Pongtorn@tipco.net. Investors can access the corporate information published under the Investor Relations section in the Company's website.

10. Corporate Social Responsibility

The Company conducts business by taking responsibility for all of its stakeholders. As a part of the community, the Company is committed to 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 principle for use by its stakeholders as guidelines to ensure their consistent and strict compliance therewith under all circumstances. The concept of conducting business and performing duties by taking environmental and social responsibility seriously shall be adopted by all stakeholders of the Tipco Foods Group according to Tipco's policy: 'Tipco develops business along with 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 environmental and social working groups attached to its respective factories and headquarters. Each group consists of representatives from the management team to support and promote environmental and social activities, group head, members, and secretary. Roles and responsibilities of each working group are as follows:

1. Present environmental and social contribution activities to seek support from government agencies and communities in responsible areas
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 regulations, laws, and standards concerned
4. Act as the hub 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 promotion of environmental and social image of Tipco as assigned

Each environmental and social working group shall conduct meetings to determine activity plans, follow up on progress, and report results of environmental and social activities to the management team for acknowledgement on a regular basis. Activity plans 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 such as visiting senior citizens for physical checkup along with community hospitals
- Provide funds according to Tipco's fiscal year budget to support communities and society



2. Environmental

- Support domestic forestry ecosystem conservation and creation activities

3. Religious

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

It is the Company's policy that its 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 its stakeholders. As such, the Company 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

As for the results of the "Community Satisfaction Level (CSL)" survey continuously conducted by the Company, in 2016 the Company obtained an average score of 4.42 out of the total score of 5, compared to 4.41 in the previous year. The Prachuap Khiri Khan factory obtained a score of 4.51, lower than the previous year's score of 4.52. The Chiangmai factory obtained a score of 4.30, lower than the previous year's score of 4.37. The Wang Noi factory obtained a score of 4.45, higher than the previous year's score of 4.37. The Company assigned relevant functional units to implement recommendations made by the community for improvement and correction.

To promote awareness of its stakeholders' rights and ensure relevant implementation actions, the Company defined its business framework through its vision and core values as follows:

Vision: 'A company that leads the market and adds value for its stakeholders' (Its stakeholders consist of employees, consumers, trading partners, business alliances, and society.)



5 core values are 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 include the strong commitment towards its internal and external customers across all functional units. All functional units of the Company shall have a service mind and offer quality products that meet the needs of consumers and service users. Such strong commitment helps foster the culture of good corporate governance. In 2016, the Company obtained an average Customer Satisfaction Index score of 97.6% with mixed responses ranging from "fair" to "very good".

In addition, the Company recognizes the importance of its employees as a key driver of continued growth. Hence, the Employee Opinion Survey (EOS) was conducted to survey employees' opinions on corporate image, reputation, welfare, management, and good corporate governance. In 2016, the Company obtained an EOS score of 4.08 out of 5.00, higher than 3.99 of the prior year.

The Company also conducted the Supplier Satisfaction Survey and obtained an average score of 4.59 out of 5.00, lower than 4.65 in the previous year. The Company made improvement based on the opinions received by assigning action owners and target completion date as well as evaluating results on regular basis. This is to ensure that the Company complies with the good corporate governance principle and treats its shareholders equally.

(Remark: Ratings of 1-5 are defined as follows: 5 – Very Good, 4 – Good, 3 – Fair, 1 and 2 – Need Improvement)



In 2016, the Company carried out a number of social and environmental contribution activities as follows:

Social

- Donated fruit juice products to orphans under the care of the Thai Red Cross Children Home
- Donated fruit juice products and drinking water to soldiers and youths in the 3 southern border provinces through the representatives under the royal development projects of Her Majesty Queen Sikit.
- Donated fruit juice, T Plus tea, and other products to schools and government agencies in Wang Noi District, Phra Nakhon Sri Ayutthaya Province on the 2016 Children's Day
- Donated Aura mineral water on the 2016 National Labour Day in Chiangmai Province
- Donated fruit juice products to the Kop Chao Tambon Administrative Organization of Phra Nakhon Sri Ayutthaya Province to support flood victims
- Sponsored and participated in the establishment of the public service center at the Royal Plaza under the activity titled "Doing Good Deeds for the Late King Rama IX" along with the Tipco Foods Group
- Sponsored and participated in activities on the National Oral Health Day with the Chaloem Phra Kiat Tambon Health Promoting Hospital
- Collaborated with the provincial football team named "Prachuap FC" in donating Baht 1 million to support the football sports for children and youths in Mueang District, Prachuap Khiri Khan Province. The purpose of the donation is to encourage children and youths to play sports and learn football basic skills and techniques.
- Joined hands with the Prachuap Khiri Khan Provincial Office in donating Aura mineral water totaling Baht 12,000 to support the activity to pay a tribute to the late King Bhumibol



Environmental

- Donated Aura mineral water to the community to help stop forest fires nearby the factory
- Donated Aura mineral water in support of the Chaloem Phra Kiat Check Dam project (Pracharat Check Dam) at Ban Mae Sa Mai Village
- Donated Aura mineral water in support of the activity to grow vetiver grass to reduce soil erosion and direct water runoff as well as to preserve the environment at Ban Buak Toei Village, Tung Rao Royal Project Development Center, Pong Yang Subdistrict, Mae Rim District, Chiangmai Province
- Donated Aura mineral water in support of the National Mother's Day event and the reforestation activity to preserve upstream forests at Ban Mae Sa Mai Village and Ban Mae Sa Noi Village, Mae Sa Mai Royal Project Development Center, Pong Yang Subdistrict, Mae Rim District, Chiangmai Province

Educational

- Granted 169 scholarships worth Baht 401,000 to the children of employees with good academic records and farmers at the headquarters and the Prachuap Khiri Khan factory
- Donated fruit juice products to support the school fair activity titled "Dok Rak Baan Day" at Saint Joseph Convent School
- Donated Aura mineral water to support the sport competition activity to fight against drugs at Wat Pong Yang Chaloem Phra Kiat School, Pong Yang Subdistrict, Mae Rim District, Chiangmai Province
- Donated rice, stationeries, and sports equipment to Ban Bueng School, Prachuap Khiri Khan Province



- Donated Aura mineral water to support the morals and ethics training camp program for the students at Wat Pong Yang Chaloem Phra Kiat School, Pong Yang Subdistrict, Mae Rim District, Chiangmai Province
- Donated Aura mineral water to support the opening of a new learning building, Ban Buak Chan Child Development Center, Pong Yang Subdistrict, Mae Rim District, Chiangmai Province

Arts, Cultural, and Religious

- Donated Aura mineral water in support of the Buddhist Rope Offering ceremony under the activity to promote employment and merit making for peace and harmony of Chiangmai Province by the Chiangmai Provincial Employment Office
- Supported the merit-making activity titled “Bai Ni Dai Boon” (No.3) with MCOT Public Company Limited
- Supported and coordinated the bathing ceremony for the elderly with the Phai Tam Tambon Administrative Organization, Phra Nakhon Sri Ayutthaya Province
- Donated fruit juice products in support of the 2016 National Mother's Day activity of the National Council on Social Welfare of Thailand
- Donated Aura mineral water in support of the Buddhist Rope Offering ceremony to the “Mother of the Land” Fund, Ban Muang Kham Village, Pong Yang Subdistrict, Mae Rim District, Chiangmai Province
- Donated Baht 30,000 for the Buddhist Kathin Robe Offering Ceremony with the temples in the community

The Tipco Foods Group also supported other activities in the public and private sectors, including visiting local communities and volunteering employees to attend activities with organizations, government agencies, schools, temples, etc.



Disclosure of Prevention Against Corruption

The Board of Directors supported the Company to participate in the declaration of its intent to comply with the Anti-Corruption Collective Action in Thailand in 2010 along with the Thai Institute of Directors Association (IOD), the Thai Chamber of Commerce, the Thai Listed Companies Association (TLCA), the Thai Bankers' Association (TBA), and the National Anti-Corruption Commission (NACC), details of which are as follows:

1. The Company developed its anti-corruption policy and guideline in writing and included them in its code of conduct which was approved by the Board of Directors. The details are disclosed in the Company's website.

2. The Board of Directors, under the anti-corruption policy, declared its intent to join the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company jointly ratified the declaration of its intent to counter all forms of corruption.

3. The Board of Directors approved 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 and compliance with the good corporate governance and anti-corruption policies.

4. In 2016, the Company established a working group comprising representatives from all relevant departments in order to apply for certification as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company was certified to be a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 14 October 2016.

Anti-Corruption Policy

Directors, executives, and employees at all levels of the Tipco Foods Group and its related parties shall strictly refrain from committing any forms of corruption in all cases either directly or indirectly. The Tipco Foods Group shall have in place measures to audit and review compliance with the anti-corruption policy on a regular basis to ensure alignment 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 procedures.



Furthermore, the Company has taken the following actions to prevent any involvement in fraud and corruption.

Disclosure of the Anti-Corruption Policy

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

1. Posting the anti-corruption policy announcement 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 the 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: 02-273-6888, 02-273-6400
4. Mailing to: Managing Director

Mailing Address: Tipco Foods Public Company Limited

118/1 Rama 6 Road, Samsen Nai, Phayathai, Bangkok 10400

1. For important or emergency cases that may affect corporate image or are related to high-level executives or directors; reports shall be submitted directly to the Chairman of the Audit Committee.



2. The Company shall examine the complaints based on reliable facts. However, the whistleblowers or complainants are aware that the complaints without their names disclosed could affect the efficiency of 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.

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 complainants and the information given in good faith, the Company shall maintain keep information and names of whistleblowers 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/file 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 "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.

11. Internal Control and Risk Management

11.1 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.

11.2 Internal Control System

At the Board of Directors Meeting No. 1/2016 held on 12 February 2016 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 2016 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.

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 performed 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 2016, the Audit Committee held 5 formal meetings with the external auditor and the internal auditor. The Committee also conducted several consultations with the internal auditor, the external auditor and the management. The Audit Committee's main operations can be summarized as follows:

1. The Audit Committee together with Audit and Management Consultant Co., Ltd., the internal auditor, determined the annual internal audit plan to ensure the sufficiency of internal control systems. An emphasis was placed on business risk management and the internal auditor was assigned to review such risk on a quarterly basis and to review the self-evaluation form for anti-corruption measures prior to submission thereof to the Board of Directors for consideration and approval.
2. The Audit Committee together with the external auditor reviewed the quarterly and annual financial statements and related financial reports prior to submission thereof to the Board of Directors for consideration and approval. It was found that the financial statements were in compliance with the Thai financial reporting standards and disclosed sufficient, complete, and reliable information.
3. The Audit Committee reviewed all connected transactions between the Company and related individuals and juristic persons and opined that such transactions were undertaken in the ordinary course of business, at competitive market prices, and on an arm's length basis.
4. The Audit Committee conducted a review to ensure that the effective internal control systems were in place. No significant faults that could result in key impacts were found. It was reiterated that the management must constantly 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.
5. The Audit Committee monitored the Company's investment projects by regularly following up on the progress through management reports.



6. The Audit Committee reviewed the Company's compliance with relevant regulations and laws to ensure integrity and transparency to the shareholders and other stakeholders. Based on the review, it was found that the Company was in full compliance with such regulations and laws.
7. The Audit Committee considered, proposed and appointed a new external auditor according to appropriate timeline. This was because Bunchikij Co., Ltd. had been working as the Company's external auditor for 18 years. To ensure transparent audit operations according to the principle of good corporate governance and the requirements of the Office of the Securities and Exchange Commission, EY Office Limited was appointed as the Company's external auditor for the year 2016 and an audit fee was proposed to the Board of Directors to seek approval from the shareholders' meeting.

In summary, the Audit Committee reviewed the Company's principal operations and sought consultation with the management, the internal auditor, and the external auditor. The Audit Committee was satisfied that the Company's internal control systems were sufficient and enhanced on an ongoing basis. The Company was found to comply with the good corporate governance and risk management principles and its financial statement preparation process was implemented under the appropriate and adequate controls. The Company's financial statements were prepared in accordance with the Thai financial reporting standards and reliable. In addition, the Audit Committee considered and changed the Company's external auditor according to an appropriate time frame as well as conducted regular reviews of relevant laws, regulations, and rules to ensure the Company's compliance therewith.

Mr. Virat Phairatphiboon
Chairman of the Audit Committee

17 February 2017



11.3 Internal Audit

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

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

Details regarding head of internal audit function and head of compliance function

1. Details regarding head of compliance function

The Board of Directors has appointed Mr. Phicharn Sluckpetch as head of compliance function. He shall be responsible for acting as a center for supervision of business operations of companies in the group to ensure compliance with laws, rules, regulations and requirements of concerned supervisory bodies such as the Bank of Thailand (BOT), the Office of the Securities and Exchange Commission (SEC), the Office of Insurance Commission, the Office of Energy Regulatory Commission (OERC) or other relevant agencies governing the Company's business operations, and for reporting the results to the Audit Committee and the Board of Directors on a quarterly basis. The Board of Directors approved the compliance policy, requiring that the Board of Directors, the Audit Committee, high-level executives, departments or functional units and employees comply with laws. Communication to employees has been made so that they are aware that they have the duty and responsibility to study and understand laws, rules and regulations applicable to their work and to comply with the said rules and regulations strictly, correctly and completely. (The profile of the executive is as per page 125-126)



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.)

12. Related Party Transactions

Related party transactions between Tipco Foods Pcl., subsidiaries, and related parties in 2016 were as follows:

Transaction	Company/Relationship	Related Party Transaction Value (Million Baht)	Pricing Policy
1. Other incomes	Tipco Asphalt Pcl.	0.24	Market prices, equivalent to those quoted for outsiders
	Raycol Asphalt Co., Ltd.	0.01	
	Thai Bitumen Co., Ltd.	0.01	
	Total	0.26	
2. Services and others	Thanomwongse Service Co., Ltd.	0.18	Market prices, equivalent to those quoted for outsiders
	Tipco Asphalt Pcl.	0.08	
	Siamcontainer Terminal Co., Ltd.	0.69	
	Ruamsapsin Co., Ltd.	0.42	
	Tipco Tower Co., Ltd.	19.08	
	Marketing Consultant Co., Ltd.	1.41	
	Total	21.86	



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Related party transactions between Tipco F&B Co., Ltd. and related parties were as follows:

Transaction	Company/Relationship	Related Party Transaction Value (Million Baht)	Pricing Policy
1. Selling products	Siam Container Terminal Co., Ltd.	0.20	Market prices, equivalent to those quoted for outsiders
	Thanomwongse Service Co., Ltd.	1.02	
	Tipco Asphalt Pcl.	1.82	
	Ratanachit Co., Ltd.	0.36	
	Thai Bitumen Co., Ltd.	0.17	
	Thai Slurry Seal Co., Ltd.	0.04	
	Tipco Maritime Co., Ltd.	0.07	
	Ruamsapsin Co., Ltd.	0.02	
	Total	3.70	
2. Services and others	Tipco Asphalt Pcl.	0.37	Market prices, equivalent to those quoted for outsiders
	Thanomwongse Service Co., Ltd.	0.13	
	Siam Container Terminal Co., Ltd.	0.27	
	Ruamsapsin Co., Ltd.	9.63	
	Tipco Tower Co., Ltd.	7.08	
	Marketing Consultant Co., Ltd.	1.51	
	Total	15.78	

Related party transactions between Tipco Retail Co., Ltd. and related companies were as follows:

Transaction	Company/Relationship	Related Party Transaction Value (Million Baht)	Pricing Policy
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1. Services and others	Thanomwongse Service Co., Ltd.	0.01	Market prices, equivalent to those quoted for outsiders
	Tipco Asphalt Pcl.	0.10	
	Ruamsapsin Co., Ltd.	7.40	
	Tipco Tower Co., Ltd.	1.74	
	Marketing Consultant Co., Ltd.	0.06	
	Total	9.31	

“Services and Others” transactions were building rental fees paid to Tipco Tower Co., Ltd. These were recorded as expenses of Tipco Foods Pcl., Tipco F&B Co., Ltd. and Tipco Retail Co., Ltd. of Baht 11.31 million, Baht 4.61 million, and Baht 1.40 million, respectively. After due consideration, the Audit Committee opined that such rental fees were appropriate when compared with those of similar buildings with similar facilities available in Bangkok; and then submitted the matter to the Company’s Board of Directors for consideration and approval with the directors with conflicts of interest abstaining from voting.

Necessity and Reasonableness of Transactions

The related party transactions between the Company, subsidiaries, and related parties were conducted on an arm’s length basis and were duly considered and approved by the Board of Directors after being reviewed by the Audit Committee. This is in line with the approval process according to the Company’s rules and regulations and normal procurement procedures regarding price comparison and market quotation policy.

Related Party Transaction Approval Measure or Procedure

All related party transactions that occurred and may occur again in the future must be considered and approved by the Board of Directors after being reviewed by the Audit Committee. This is in line with the approval process according to the Company’s rules and regulations and the procurement process which requires price comparison and supplier selection. Also, the supplier ranking process



is in place. Directors with conflicts of interest must abstain from voting for approval for such transactions.

Policy and Possibility of Related Party Transactions in the Future

The related party transactions of the Company that have incurred and may continue into the future are the transactions conducted on an arm's length basis. There will be neither unusual transactions nor the transfers of interest between the Company, subsidiaries, and related persons. The Company will assign the Audit Committee or the Company's auditor or an 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 be publicly disclosed and reported in the annual report presented to the annual shareholders' meeting. The Board of Directors has to comply with the securities and exchange laws and regulations, as well as regulations of the Stock Exchange of Thailand. Moreover, the Company has to strictly comply with the requirement regarding the disclosure of relevant transactions and acquisitions or sales of significant assets of the Company or its subsidiaries in accordance with the accounting standards prescribed by 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 examine the justification of these transactions. In case of any transactions that may be beyond the Audit Committee's capability, the Company will assign an independent expert or auditor to form an opinion on such related transactions to support decision makings of the Company's Board of Directors or shareholders, as the case may be.



Part 3

Financial Position and Operating Results

13. Key Financial Information

Consolidated and Separate Financial Statements of the Company from 2014 – 2016

Tipco Foods Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December

Assets

(Unit: Bah Thousand)	Consolidated Financial Statements						Separate Financial Statements					
	2016	%	2015	%	2014	%	2016	%	2015	%	2014	%
Current assets												
Cash and cash equivalents	58,983.26	0.9%	76,355.55	1.1%	41,657.23	0.8%	25,295.63	0.9%	39,155.49	1.5%	18,045.19	0.7%
Current investment	3,846.39	0.1%	3,800.86	0.1%	3,737.50	0.1%	-	0.0%	-	0.0%	-	0.0%
Trade and other receivables	689,864.25	10.1%	859,793.10	12.8%	485,733.41	8.8%	317,129.28	11.4%	251,367.42	9.5%	144,715.77	5.3%
Short-term loans to related parties	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	33,500.00	1.2%
Inventories	882,245.76	13.0%	778,357.56	11.6%	935,936.52	17.0%	433,586.62	15.6%	304,986.74	11.5%	352,607.85	12.8%
Biological assets	2,800.86	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Advanced payments	14,188.87	0.2%	14,860.94	0.2%	-	0.0%	7,583.34	0.3%	8,468.05	0.3%	-	0.0%
Forward exchange contracts	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other current assets	46,582.57	0.7%	20,879.91	0.3%	13,178.20	0.2%	13,031.94	0.5%	7,268.31	0.3%	3,771.05	0.1%
Total current assets	1,698,511.96	24.9%	1,754,047.91	26.1%	1,480,242.85	26.8%	796,626.81	28.7%	611,246.00	23.1%	552,639.86	20.1%
Non-current assets												
Available-for-sale investments	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Investments in associated company	2,894,859.58	42.5%	2,466,355.21	36.7%	1,431,925.24	25.9%	644,929.74	23.3%	644,929.74	24.3%	647,109.74	23.6%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%	465,336.90	16.8%	465,336.90	17.6%	465,336.90	16.9%
Restricted bank deposits	1,016.00	0.0%	1,016.00	0.0%	1,016.00	0.0%	-	0.0%	-	0.0%	-	0.0%
Investment property-Land awaiting sale	7,269.56	0.1%	7,269.56	0.1%	18,284.06	0.3%	7,269.56	0.3%	7,269.56	0.3%	18,284.06	0.7%
Property, plant and equipment	2,023,191.01	29.7%	2,314,494.37	34.5%	2,418,612.56	43.8%	761,469.26	27.5%	819,733.85	30.9%	962,650.39	35.0%
Intangible assets	68,099.84	1.0%	46,411.92	0.7%	39,319.72	0.7%	35,954.35	1.3%	35,654.91	1.3%	33,057.91	1.2%
Deposits and guarantees	-	0.0%	-	0.0%	11,938.60	0.2%	-	0.0%	-	0.0%	2,328.97	0.1%
Deferred tax assets-net	97,889.72	1.4%	106,684.27	1.6%	115,572.46	2.1%	54,217.11	2.0%	56,052.79	2.1%	62,473.02	2.3%
Other non-current assets	17,983.30	0.3%	18,664.47	0.3%	4,552.83	0.1%	6,117.22	0.2%	8,889.94	0.3%	3,789.75	0.1%
Total non-current assets	5,110,309.01	75.1%	4,960,895.80	73.9%	4,041,221.47	73.2%	1,975,294.13	71.3%	2,037,867.69	76.9%	2,195,030.74	79.9%
Total assets	6,808,820.97	100.0%	6,714,943.71	100.0%	5,521,464.31	100.0%	2,771,920.94	100.0%	2,649,113.69	100.0%	2,747,670.60	100.0%



2016 Annual Registration Form (56-1 Form) of Tipco Foods Public Company

Tipco Foods Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December

(Unit: Baht Thousand)

Liabilities and Shareholders' Equity

Liabilities and shareholders' equity

Current liabilities

Bank overdrafts and short-term loans from

financial institutions

Consolidated Financial Statements						Separate Financial Statements					
2016	%	2015	%	2014	%	2016	%	2015	%	2014	%
417,000.00	6.1%	1,320,288.28	19.7%	1,467,108.98	26.6%	120,000.00	4.3%	620,058.74	23.4%	990,000.00	36.0%
859,126.10	12.6%	720,540.42	10.7%	494,381.63	9.0%	241,296.03	8.7%	222,357.92	8.4%	124,679.67	4.5%
631.98	0.0%	1,563.98	0.0%	-	0.0%	-	0.0%	932.00	0.0%	-	0.0%
171,500.00	2.5%	92,950.00	1.4%	182,351.80	3.3%	91,500.00	3.3%	12,950.00	0.5%	80,922.73	2.9%
2,247.67	0.0%	3,044.17	0.0%	8,251.15	0.1%	-	0.0%	-	0.0%	-	0.0%
-	0.0%	-	0.0%	202.98	0.0%	-	0.0%	-	0.0%	156.44	0.0%
57,184.53	0.8%	19,507.43	0.3%	17,653.16	0.3%	35,285.35	1.3%	4,072.27	0.2%	3,867.50	0.1%
1,507,690.27	22.1%	2,157,894.28	32.1%	2,169,949.70	39.3%	488,081.38	17.6%	860,370.92	32.5%	1,199,626.33	43.7%

Trade and other payables

Current portion of liabilities under

financial lease agreements

Current portion of long-term loans

Income tax payable

Forward exchange contracts

Other current liabilities

Total current liabilities

Non-current liabilities

Liabilities under finance lease agreements -

net of current portion

Long-term loans from financial institutions -

net of current portion

Interest rate swap contract

Provision for dismantling cost

Provision for long-term employee benefits

Total non-current liabilities

Total liabilities

Shareholders' equity

Registered share capital

500,000,000 ordinary shares of Baht 1 each

Issued and paid-up share capital

482,579,640 ordinary shares of Baht 1 each,

fully paid

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 associated company

Capital reserve for share-based payment transactions of

the associated company

Retained earnings

Appropriated - statutory reserve

Unappropriated

Other components of shareholders' equity

Equity attributable to owners of the Company

Non-controlling interests of the subsidiaries

Total shareholders' equity

Total liabilities and shareholders' equity



2016 Annual Registration Form (56-1 Form) of Tipco Foods Public Company

Tipco Foods Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December

(Unit: Baht Thousand)

	Consolidated Financial Statements						Separate Financial Statements					
	2016	%	2015	%	2014	%	2016	%	2015	%	2014	%
Revenues from the sales of goods and the rendering of services	5,273,207	100.0%	4,677,508	100.0%	4,848,448	100.0%	2,773,320	100.0%	2,266,844	100.0%	2,113,300	100.0%
Cost of the sales of goods and the rendering of services	3,816,733	72.4%	3,611,178	77.2%	3,735,894	77.1%	2,315,030	83.5%	2,075,497	91.6%	2,009,079	95.1%
Gross profit	1,456,474	27.6%	1,066,330	22.8%	1,112,555	22.9%	458,290	16.5%	191,347	8.4%	104,222	4.9%
Other incomes	93,760	1.8%	221,527	4.7%	250,539	5.2%	327,559	11.8%	332,814	14.7%	97,527	4.6%
Profit before expenses	1,550,234	29.4%	1,287,857	27.5%	1,363,094	28.1%	785,849	28.3%	524,161	23.1%	201,748	9.5%
Selling expenses	(824,976)	(15.6%)	(877,248)	(18.8%)	(830,798)	(17.1%)	(106,328)	(3.8%)	(96,014)	(4.2%)	(75,081)	(3.6%)
Administrative expenses	(457,733)	(8.7%)	(375,682)	(8.0%)	(518,108)	(10.7%)	(271,566)	(9.8%)	(202,884)	(9.0%)	(215,078)	(10.2%)
Allowance for doubtful accounts	(420)	(0.0%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Loss on impairment of investment	(186,472)	(3.5%)	(1,341)	0.0%	(229,273)	(4.7%)	-	0.0%	(1,341)	(0.1%)	(37,629)	(1.8%)
Profit (loss) before share of profit from investment in associated company	80,634	1.5%	33,587	0.7%	(215,085)	(4.4%)	407,954	14.7%	223,922	9.9%	(126,039)	(6.0%)
Share of profit from investment in associated company	740,750	14.0%	1,216,173	26.0%	283,450	5.8%	-	0.0%	-	0.0%	-	0.0%
Profit (loss) before finance cost and income tax	821,384	15.6%	1,249,760	26.7%	68,365	1.4%	407,954	14.7%	223,922	9.9%	(126,039)	(6.0%)
Finance cost	(39,536)	(0.7%)	(59,019)	(1.3%)	(83,415)	(1.7%)	(21,719)	(0.8%)	(34,981)	(1.5%)	(50,891)	(2.4%)
Profit (loss) before income tax	781,848	14.8%	1,190,742	25.5%	(15,050)	(0.3%)	386,235	13.9%	188,942	8.3%	(176,930)	(8.4%)
Income tax	(16,003)	(0.3%)	(11,805)	(0.3%)	68,777	1.4%	(5,315)	(0.2%)	(5,975)	(0.3%)	43,918	2.1%
Net profit (loss) for the years	765,846	14.5%	1,178,936	25.2%	53,727	1.1%	380,920	13.7%	182,967	8.1%	(133,013)	(6.3%)
Other comprehensive income												
Items to be reclassified to profit or loss in subsequent periods:												
Change in fair value of interest rate swap contract	-	0.0%	1,782	0.0%	1,264	0.0%	-	0.0%	1,782	0.1%	1,264	0.1%
Exchange differences on translation of financial statements in foreign currencies	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Actuarial gain (losses)	-	0.0%	-	0.0%	(9,808)	(0.2%)	-	0.0%	-	0.0%	(3,813)	(0.2%)
Share of comprehensive income (loss) in associated company	(9,326)	(0.2%)	35,541	0.8%	(15,052)	(0.3%)	-	0.0%	-	0.0%	-	0.0%
Income tax effect	-	0.0%	-	0.0%	1,272	0.0%	-	0.0%	-	0.0%	510	0.0%
	(9,326)	(0.2%)	37,323	0.8%	(22,325)	(0.5%)	-	0.0%	1,782	0.1%	(2,039)	(0.1%)
Items not to be reclassified to profit or loss in subsequent periods:												
Actuarial losses - net of income tax	(14,566)	(0.3%)	-	0.0%	-	0.0%	(13,918)	(0.5%)	-	0.0%	-	0.0%
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(14,566)	(0.3%)	-	0.0%	-	0.0%	(13,918)	(0.5%)	-	0.0%	-	0.0%
Items to be reclassified to profit or loss:												
Losses on revaluation of available-for-sale investment	-	0.0%	-	0.0%	(518)	(0.0%)	-	0.0%	-	0.0%	(518)	(0.0%)
Income tax effect	-	0.0%	-	0.0%	104	0.0%	-	0.0%	-	0.0%	104	0.0%
	-	0.0%	-	0.0%	(414)	(0.0%)	-	0.0%	-	0.0%	(414)	(0.0%)
Other comprehensive income (loss) for the years	(23,892)	(0.5%)	37,323	0.8%	(22,739)	(0.5%)	(13,918)	(0.5%)	1,781.9	0.1%	(2,453)	(0.1%)
Total comprehensive income (loss) for the years	741,954	14.1%	1,216,260	26.0%	30,988	0.6%	367,003	13.2%	184,749	8.2%	(135,466)	(6.4%)
Profit (loss) attributable to:												
Equity holders of the parent	813,638	15.4%	1,188,468	25.4%	77,693	1.6%	380,920	13.7%	182,967	8.1%	(133,013)	(6.3%)
Non-controlling interests	(47,793)	(0.9%)	(9,532)	(0.2%)	(23,965)	(0.5%)	-	0.0%	-	0.0%	-	0.0%
	765,846	14.5%	1,178,936	25.2%	53,727	1.1%	380,920	13.7%	182,967	8.1%	(133,013)	(6.3%)
Total comprehensive income (loss) attributable to:												
Equity holders of the parent	789,211	15.0%	1,225,791	26.2%	56,923	1.2%	367,003	13.2%	184,749	8.2%	(135,466)	(6.4%)
Non-controlling interests	(47,258)	(0.9%)	(9,532)	(0.2%)	(25,934)	(0.5%)	-	0.0%	-	0.0%	-	0.0%
	741,954	14.1%	1,216,260	26.0%	30,989	0.6%	367,003	13.2%	184,749	8.2%	(135,466)	(6.4%)
Basic earnings (loss) per share												
Profit of shareholders' equity-parent company	1.69		2.46		0.16		0.79		0.38		(0.28)	



2016 Annual Registration Form (56-1 Form) of Tipco Foods Public Company

Tipco Foods Public Company Limited and its subsidiaries

Cash Flow Statements

For the years ended 31 December

(Unit: Baht Thousand)

	Consolidated Financial Statements			Separate Financial Statements		
	2016	2015	2014	2016	2015	2014
Cash flows from operating activities						
Profit (loss) before income tax	781,848.18	1,190,741.56	(15,050.07)	386,235.38	188,941.78	(176,930.34)
Adjustments to reconcile profit (loss) before income tax to net cash						
-provided by operating activities						
†Depreciation and amortization	258,220.97	232,371.66	250,991.74	115,732.11	123,636.02	135,366.05
†Allowance for doubtful accounts	419.93	-	-	-	-	-
†Doubtful accounts	-	-	388.62	-	-	-
Reduction of cost of inventories to net realisable value (reversal)	15,621.90	(30,411.84)	39,888.62	988.49	(32,506.46)	38,521.84
Loss from inventory destruction	33,316	-	-	21,698	-	-
†Loss on decline in invalue of inventories (reversal)	-	-	(7,210.02)	-	-	(7,210.02)
†Gain on fair value of biological assets	2,800.86	-	-	-	-	-
(Gain) loss on exchange	-	-	(12,146.59)	-	-	(7,154.13)
Unrealized (gain) loss on exchange	97	(325.24)	-	(487.48)	(209.94)	-
Changes in fair value of forward exchange contracts						
forward exchange contracts	232	-	-	337	-	-
Loss from liquidation of subsidiary	-	-	-	-	-	-
(Gain) on sale of available-for-sale investments	-	-	(4,770.43)	-	-	(4,770.43)
(Gain) on sale of associated company investment	-	(7,671.25)	-	-	(10,313.75)	-
(Gain) loss on sales and write-off of fixed assets	-	-	2,751.17	-	-	(513.48)
(Gain) loss on sales and write-off of machine and equipment	(22,337.95)	(30,956.92)	-	934	(10,766.81)	-
Loss on write-off of intangible assets	246	-	-	246	-	-
Gain on sales of investment properties	-	(37,719.87)	-	-	(37,719.87)	-
Allowance for impairment loss on equipment	186,471.52	1,340.66	229,272.68	-	1,340.66	37,628.71
Provision for long-term employe benefits	9,432.06	20,312.70	8,184.79	5,717.07	17,021.12	5,284.91
†Provision for dismantling cost	334.33	-	-	-	-	-
†Dividend income from associated company	-	-	-	(258,917.16)	(222,004.00)	(46,917.16)
†Share of profit from investment in associated company	(740,749.86)	(1,216,173.25)	(283,450.21)	-	-	-
†Interest income	(157.22)	(65.57)	(94.66)	(133.68)	(725.42)	(1,549.24)
Interest expense	38,837.94	59,018.77	85,957.01	21,146.28	34,980.51	50,891.33
	564,633.41	180,461.40	294,712.66	293,496.01	51,673.86	22,648.03
Changes in operating assets						
(Increase) decrease in operating assets						
Trade and other receivables	170,123	(391,948.89)	275,209.19	(65,250.82)	(122,065.25)	58,673.80
Inventories	(156,416.04)	156,547.56	370,865.36	(151,286.44)	79,760.71	386,474.17
Other current assets	(32,836.53)	2,712.15	2,108.94	(7,186.84)	772.52	73.63
Deposits and guarantees	-	-	(1,688.55)	-	-	-
Other non-current assets	681.18	357.65	919.75	2,772.72	(572.35)	269.25
Increase (decrease) in operating liabilities						
Trade and other payables	167,560.48	113,970.67	(338,296.82)	24,482.77	97,094.70	(68,815.71)
Other current liabilities	35,984.02	76,038.68	2,450.47	31,213	(1,045.49)	(656.60)
Other non-current liabilities	(4,920.32)	(3,409.07)	(17,242.51)	(4,686.08)	(3,254.79)	(17,242.51)
Cash flows from operating activities	744,809.43	134,730.13	589,038.49	123,554.42	102,363.90	381,424.06
Cash paid for interest expense	(39,567.99)	(60,251.67)	(87,388.82)	(21,545.56)	(35,714.55)	(52,328.50)
Cash received for corporate income tax	-	-	2,255.54	-	-	2,255.54
Cash (paid) for corporate income tax	(3,065.82)	(14,846.33)	(6,874.52)	1,971	(1,474.41)	(2,086.83)
Net cash flows from operating activities	702,175.61	59,632.12	497,030.69	103,979.47	65,174.94	329,264.27



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Tipco Foods Public Company Limited and its subsidiaries

Cash Flow Statements (continued)

For the years ended 31 December

(Unit: Baht Thousand)

	Consolidated Financial Statements			Separate Financial Statements		
	2016	2015	2014	2016	2015	2014
Cash flows from investing activities						
Increase in current investment	(45.53)	(63.36)	(79.83)	-	-	-
Increase in short-term loans to related parties	-	-	-	-	33,500.00	17,500.00
Sale of available-for-sale investments	-	12,493.75	4,972.92	-	12,493.75	4,972.92
Cash received from sale of equipment	23,361.24	87,290.94	3,469.74	1,316.62	63,569.92	2,064.92
Sale of investment properties	-	48,734.37	-	-	48,734.37	-
Cash paid for acquisition of machine and equipment	(165,695.03)	(114,867.38)	(270,092.02)	(58,201.96)	(27,897.06)	(168,166.06)
Cash paid for acquisition of intangible assets	(39,606.80)	(6,167.23)	(214.40)	(7,230.20)	(4,051.04)	(170.90)
Dividend received	258,917.16	222,004.00	37,113.17	258,917.16	222,004.00	46,917.16
Interest received	157.22	65.57	94.66	133.68	725.42	1,549.24
Net cash flows from (used in) investing activities	77,088.26	249,490.67	(224,735.76)	194,935	349,079.35	(95,332.71)
Cash flows from financing activities:						
Decrease in bank overdrafts and short-term loans financial institution	(903,288.28)	(164,545.31)	(2,645.10)	(500,058.74)	(369,941.26)	(4,754.08)
Cash paid under finance lease agreements	(1,563.98)	(4,609.93)	-	(932.00)	(3,702.73)	-
Increase (decrease) in loans from financial institutions	-	-	(265,000.00)	-	-	55,000.00
Repayment for long-term machinery payable	-	-	(5,863.58)	-	-	-
Repayment for liabilities under finance lease	-	-	(4,687.98)	-	-	(3,621.80)
Cash receipts from long-term loans	480,500.00	129,500.00	500,000.00	480,500.00	129,500.00	-
Repayment of long-term loans	(141,550.00)	(234,769.23)	(479,538.46)	(61,550.00)	(149,000.00)	(278,000.00)
Dividend paid	(230,733.91)	-	(9,804.00)	(230,733.91)	-	-
Net cash flows from (used in) financing activities	(796,636.16)	(274,424.47)	(267,539.12)	(312,774.64)	(393,143.99)	(231,375.88)
Effect from exchange rate in cash and cash equivalents	-	-	(12.56)	-	-	(6.43)
Net increase in cash and cash equivalents	(17,372.29)	34,698	4,743.24	(13,859.86)	21,110.30	2,549.26
Cash and cash equivalents as at 1 January	76,355.55	41,657.23	36,913.99	39,155.49	18,045.19	15,495.93
Cash and cash equivalents as at 31 December	58,983.26	76,355.54	41,657.23	25,295.63	39,155.49	18,045.19
Supplemental cash flows information						
Non-cash transactions						
Purchase of equipment for which cash has not been paid	18,217.32	35,723.96	32,395.95	2,576.84	4,056.31	379.10
Purchase of intangible assets for which cash has not been paid	62.52	12,430.51	2,148.80	56.26	3,745.73	57.20
Liabilities under finance lease	-	-	-	-	-	-



	Consolidated Financial			Separate Financial			
	Statements			Statements			
	2016	2015	2014	2016	2015	2014	
Liquidity Ratio							
Current Ratio	(time)	1.1	0.8	0.7	1.6	0.7	0.5
Quick Ratio	(time)	0.5	0.5	0.6	0.7	0.3	0.2
Operating Cash Flow Ratio	(time)	0.3	0.5	0.3	0.2	0.1	0.3
Accounts Receivable Turnover	(time)	6.9	7.3	10.5	10.9	13.1	0.3
Average Collection Period	(days)	53	50	35	33	28	24
Inventory Turnover	(time)	4.6	4.2	4.0	6.3	5.6	5.7
Average Days Sales Ratio	(days)	79	87	91	58	65	64
Accounts Payable Turnover	(time)	4.4	5.0	7.6	9.6	9.3	16.1
Average Payment Period	(days)	82	73	48	38	39	23
Cash Cycle	(days)	50	64	78	54	54	65
Profitability Ratio							
Return on Equity Ratio	(%)	20.0%	33.3%	2.4%	21.5%	11.2%	(9.2%)
Gross Profit Margin	(%)	27.6%	22.8%	22.9%	16.5%	8.4%	4.9%
Net Profit Margin	(%)	14.3%	24.1%	1.1%	12.3%	7.0%	-
Efficiency Ratio							
Return on Assets Ratio	(%)	11.2%	17.6%	1.0%	13.7%	6.9%	(4.8%)
Return on Fixed Assets Ratio	(%)	15.0%	23.8%	1.3%	19.3%	9.0%	(6.1%)
Total Assets Turnover	(time)	0.8	0.7	0.9	1.0	0.9	0.8
Financial Policy Ratio							
Debt-Equity Ratio	(time)	0.5	0.7	1.0	0.6	0.6	0.9
Interest Coverage Ratio	(time)	17.7	1.0	5.7	4.8	1.8	6.3
Debt Service Coverage Ratio (cash basis)	(time)	0.5	0.1	0.7	0.1	0.1	0.7

**14. Explanation and Analysis of Financial Position and Operating Results****Operating Results for 2016**

In 2016, Tipco had the total sales and service income of Baht 5,273.21 million, an increase of Baht 595.70 million or a 12.74% increase year-on-year. The profit before share of profit from investment in associated company, finance costs, and income tax expenses, increased by Baht 47.05 million or 140.07% to Baht 80.63 million. Nevertheless, this year's share of profit from investment in associated company went down by Baht 475.42 million or 39.09% to Baht 740.75 million. Thus, the net profit attributable to the parent company decreased by Baht 374.83 million or 31.54% to Baht 813.64 million as compared to the previous year. This year's earnings per share decreased to Baht 1.69, as compared to Baht 2.46 in the previous year.

Income Analysis**Sales and Service Income Analysis****Sales and Service Income by Business Segment**

(Unit: Baht Thousand)

Sales and Service Income by Business Segment (Baht Thousand)	2016		2015		Changes in 2016/2015
	Income	% of total income	Income	% of total income	
Products from plants, vegetables, and fruits	2,393,617.42	45.39%	1,863,736.10	39.84%	28.43%
Beverages	2,787,646.90	52.86%	2,669,548.24	57.07%	4.42%
Others	91,942.35	1.74%	144,223.29	3.08%	-36.25%
Total	5,273,206.68	100.00%	4,677,507.63	100.00%	12.74%

Income by Business Segment

In 2016, 52.86% of the Company's sales and service income was from beverages, fruit and vegetable juices under the Tipco brand, the Auro natural mineral water, and the Oolong Tea+ drink. Compared to 2015, income from the beverage business in 2016 increased by 4.42%. The income from the products from plants, vegetables, and fruits accounted for 45.39%. The main products included canned pineapples, canned aloe vera, canned coconut water, and fresh Homsuwan pineapples. The income from the products from plants,



vegetables, and fruits increased from 2015 by 28.43% as a result of the increases in the selling prices based on the raw material cost situation and the increased purchase orders.

Sales and Service Income by Geographical Location

(Unit: Baht Thousand)

Sales and Service Income by Geographical Location (Baht Thousand)	2016		2015		Changes in 2016/2015
	Income	%	Income	%	
Overseas	2,648,229.89	50.22%	2,201,607.13	47.07%	20.29%
Domestic	2,624,976.78	49.78%	2,475,900.50	52.93%	6.02%
Total	5,273,206.67	100.00%	4,677,507.63	100.00%	12.74%

Income by Geographical Location

This year, the Company saw an increase in sales and service income in both the domestic and overseas markets. Domestic sales and service income increased by Baht 149.08 million or 6.02% to Baht 2,624.98 million, mainly because of the increase in the sales in the beverage business. Overseas sales and service income increased by Baht 446.62 million or 20.29% to Baht 2,648.23 million, largely due to the increase in the sales of processed fruits.

Explanation of Income Situation by Business Segment

Fruit Processing Business

In 2016, the supplies of pineapple raw materials in Thailand and other regions of the world were still not sufficient for the demand in the markets, especially Thailand where the drought was experienced and thus the pineapple prices remained at a high level. However, the global market demand for canned pineapples continued to be at a high level. Thus, the selling prices of canned pineapples and related products increased. In addition, the Company placed importance on the management of raw materials in terms of quantity and quality through various forms of contract farming; cost controls; and production performance improvement. These factors led to the significant improvement in the operating results of the Company's fruit processing business as compared to the year earlier.



Consumer Business

The domestic fruit juice market in the premium segment in 2016 was worth around Baht 5,200 million, a 7% growth from the previous year. The Tipco brand continued to be the market share leader and introduce new products to meet consumer needs such as Tipco Season’s Best and Tipco Plus. As for the mineral water market, in 2016 the market value was approximately Baht 3,888 million, an approximately 15% increase from the year earlier. The Auro mineral water sustained about 26% market share. For the healthy tea drink market, in 2016 the market value was around Baht 400 million. The Oolong T+ product represented about 18% market share.

Extract and Agricultural Business

In 2016, Tipco Biotech Co., Ltd. started its commercial operations of new extracts with overseas customers such as Agarwood and received next years’ purchase orders. This was another great milestone for the company in developing new products. As for the agricultural business, the Homsuwan pineapple achieved ongoing sales growth. The first frozen Homsuwan pineapples similar to “IFQ” were shipped to the overseas markets and received a warm welcome. Also, the Homsuwan Pina Pina shop was first opened to create a whole new experience of the Homsuwan brand to consumers.

Retail Business

The retail business of Tipco expanded through increased branches and new business opening. Squeeze Juice Bar’s 6 new branches were opened, including U House Tower, Fitness First Rama 3, The Nine, Don Mueng Airport, Fitness First Bangna, and The Jas Ramintra. Also, the Company opened two new businesses in 2016. The first business is August Organic Eatery, a full service restaurant offering organic fusion cuisine with organic ingredients. The first branch is located at the Mercury Ville Tower to respond to the healthy food trends. The second business is Homsuwan Pina Pina shop, selling snacks and drinks most of which are created from Homsuwan pineapples with the unique taste in various menus. The shop is located at the Siam Paragon shopping mall.

Analysis of Cost of Sales and Gross Profit

Unit: Baht Thousand

	2016		2015	
	Amount	%Sales	Amount	% Sales
Sales and service income	5,273,207	100.00%	4,677,508	100.00%
Cost of sales and services	3,816,733	72.38%	3,611,178	77.20%
Gross profit	5,273,207	27.62%	1,066,330	22.80%



In 2016, the Company posted a gross profit of Baht 1,456.47 million, up Baht 390.14 million or 36.59% from the previous year. This year, the Company saw an increase in the gross profit margin to 27.62% compared to 22.80% in the previous year, primarily because of the decrease in the cost of production in the fruit processing business.

Analysis of Selling and Administrative Expenses

Unit: Baht Thousand

	2016		2015	
	Amount	% Sales	Amount	% Sales
Selling and administrative expenses	1,282,709	23.90%	1,252,929	25.58%

In 2016, the Company had the total selling and administrative expenses of Baht 1,282.71 million, an increase of Baht 29.78 million or 2.38% year-on-year. The ratio of total selling and administrative expenses to total income in 2016 decreased from 25.58% in the previous year to 23.90%. The decrease in the selling and administrative expenses was mainly because of the decrease in the selling and promotion expense for the consumer business. Moreover, in 2016 the Company recorded impairment losses on machinery and equipment totaling Baht 186.47 million.

Analysis of Net Profit Attributable to the Parent Company

Unit: Baht Thousand

	2016		2015	
	Amount	% Sales	Amount	% Sales
Net profit attributable to the parent company	813,638	15.16%	1,188,468	24.26%

The net profit attributable to the parent company decreased by Baht 374.83 million from the previous year or 31.54% to Baht 813.64 million primarily because of the decrease in the share of profit from investment in associated company of Baht 475.42 million or 39.09%. The profit exclusive of the share of profit from investment in associated company significantly improved.

**Report of Cash Flow Analysis**

Expenses (Baht Million)	2016	2015
Cash flow from operating activities		
Net cash flow from (used in) operating activities	702,176	59,632
Net cash flow from investing activities	77,087	249,491
Net cash flow from financing activities	(796,636)	(274,424)
Increase (decrease) in cash and cash equivalents	(17,373)	34,699
Cash and cash equivalents brought forward	76,356	41,657
Cash and cash equivalents carried forward	58,983	76,356

In 2016, the Company had net cash flow from operating activities of Baht 702.2 million, higher than that in 2015, due to the increase in sales and the decrease in the accounts receivable as a result of payment of the accounts receivable of a subsidiary company outstanding at the end of 2015. Net cash flow from investing activities in 2016 consisted of net cash flow from the dividends received from an associated company of Baht 258.9 million. Additional investments were equipment and devices as well as IT systems to enhance operational efficiency. As for net cash flow from financing activities, the short-term loans decreased while the long-term loans increased by Baht 480.5 million whereas principal payments were gradually made starting from the beginning of 2016. The Company also paid the dividends of Baht 230.7 million.

Liquidity

Liquidity ratios	2016	2015
Current ratio (time)	1.1	0.8
Interest coverage ratio (time)	20.8	21.2
Debt to equity ratio (time)	0.5	0.7



In 2016, the Company's current ratio increased from 0.8 time in the previous year to 1.1 times due mainly to the decrease in overdraft and short-term facilities from financial institutions.

The interest coverage ratio decreased to 20.8 times from 21.2 times in the previous year because the decrease in the profit before finance costs and income tax expenses was higher than the decrease in the finance costs and income tax expenses.

The debt to equity ratio went down from 0.7 time to 0.5 time as a result of the increase in the unappropriated portion of the retained earnings to Baht 3,650.87 million from Baht 3,081.06 million in the previous year. This resulted in the increase in the shareholders' equity to Baht 4,442.43 million from Baht 3,980.78 million. Also, the total liabilities decreased to Baht 2,366.39 million from Baht 2,734.16 million.

Profitability

Ratios	2016	2015
Return on shareholders' equity	20.0%	33.3%
Gross profit margin	27.6%	22.8%
Net profit margin	14.3%	24.1%

The return on shareholders' equity for 2016 decreased to 20.0% since the net profit attributable to the parent company decreased to Baht 813.64 million.

The gross profit margin for 2016 increased to 27.62% primarily due to the better production cost control of the fruit processing business. Also, in 2016 the Company successfully negotiated for adjustments of selling prices to better reflect costs.

The net profit margin for 2016 decreased to 14.3% mainly as a result of the decrease in the share of profit from investment in associated company.



Certification of Information Accuracy

“After the prudent review of the information in this Annual Registration Form, the Company certifies that the said information is correct and complete, contains no false statement, and does not mislead others or does not lack essential information which should be reported. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this Annual Registration Form present all essential information correctly and completely with regard to financial position, operating results and cashflow of the Company and its subsidiaries.

(2) The Company has in place the effective information disclosure system to ensure that the Company has disclosed significant information of the Company and its subsidiaries correctly and completely and has controlled and supervised the compliance with the said system.

(3) The Company has in place the effective internal control system and has controlled and supervised the compliance with the said system. The Company has also reported the information of the internal control system assessment as at 19 February 2015 to the auditor and the Audit Committee of the Company including the details on faults and significant changes of the internal control system as well as misconduct which might affect the preparation of the financial reports of the Company and its subsidiaries.

To provide evidence that all pages of this document are of the same set of which the correctness has been certified by the Company, the Company has assigned Mr. Ekaphol Pongstabhon to affix signature to every page of this document. Any page without the signature of Mr. Ekaphol Pongstabhon will not be considered by the Company as the information of which the correctness has been certified by the Company as aforesaid.”

Name	Position	Signature
1. Miss Laksana Supsakorn	Director
2. Mr. Ekaphol Pongstabhon	Managing Director
Authorized Person Mr. Ekaphol Pongstabhon Acting Corporate Secretary.....		



Profile of Directors, Executives, Authorized Persons and Corporate Secretary of Tipco Foods Pcl.

1. Information of Directors, Executives and Corporate Secretary

1.1 Profile of directors, executives, authorized persons, and corporate secretary is shown in the table below.

Name-Last Name/ Position/ Date of Appointment	Age (years)	Education / Training Certification	Shareholding proportion (%)	Family Relationship with Directors and Executives	Work Experience		
					Duratio n	Position	Name of Organization/ Company/ Business
Miss Laksana Supsakorn * Appointed as a Director in 1992 Type of Director: Authorized Signatory Director	64 years	- MBA, Wharton Business School, University of Pennsylvania, USA - Bachelor in Accountancy (Hons), Chulalongkorn University - Role of director/Thai Institute of Directors -Director Accreditation Program (DAP) - Role of the Chairman Program (RCP) - Director Certification Examination Program (DCP)	37,861,267 shares, 7.85%	Younger sister of Mrs.Anurat Tiamtan and Mr. Sitalarb Supsakorn, elder sister of Miss Roumsin Supsakorn and elder sister of Mr. Somchit Sertthin's wife	2015 – Present	Chairman	Tipco Tower Co., Ltd.
					2014 – Present	Chairman	Ruamsapsin Co., Ltd.
					2013 – Present	Chairman	Tipco Foods Pcl.
					2013 – Present	Chairman	Tipco F&B Co., Ltd.
					2013 – Present	Chairman	Tipco Asphalt Pcl.
					2012 – Present	Director	Siam Container Terminal Co., Ltd.
					2012 – Present	Director	Piyanarongvit Co., Ltd.
					2011 – Present	Director	Vanichapark Co., Ltd.
							Thanomwongse Service Co., Ltd.
					Mrs.Anurat Tiamtan * Appointed as a Director in 1992	67 years	M.S. in Biochemistry, The American University, Washington D.C., USA
2014 – Present	Director	Ruamsapsin Co., Ltd.					



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<p>Type of Director: Authorized Signatory Director</p>		<p>B.S. in Chemistry (Hons), Kasetsart University Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): - 2004 Director Accreditation Program - 2011 Chairman Program 2000</p>		<p>Miss Roumsin Supsakorn and elder sister of Mr. Somchit Sertthin's wife</p>	<p>2008 – Present 2003 – 2013 2003 – 2013</p>	<p>Director Chairman Chairman</p>	<p>Tipco Foods Pcl., Thanomwongse Service Co., Ltd., Siam Container Terminal Co., Ltd. Tipco Foods Pcl., Tipco Asphalt Pcl., Thanomwongse Service Co., Ltd.</p>
<p>Mr. Surachet Supsakorn * Appointed as a Director on 14 August 2003 Type of Director: Authorized Signatory Director</p>	<p>55 years</p>	<p>M.B.A. (Finance), Kasetsart University 1988 B.B.A. (Accounting), Rajamangala University of Technology 1985 Director Accreditation Program (DAP)/Thai Institute of Directors (IOD):: - 2006 "Oil Outlook in 2006" program - 2006 Thailand's Economic Outlook - 2004 Director Certification Program (DCP), Diploma, IOD - 2003 Director Certification Program (DCP), Certificate of Completion, IOD</p>	<p>Nil</p>	<p>Relative of Mrs. Anurat Tiamtan, Mr. Sitararb Supsakorn, Miss Laksana Supsakorn, Miss Roumsin Supsakorn and cousin of Mr. Somchit Sertthin's wife</p>	<p>2015 – Present 2014 – Present 2011 – Present 2004 – Present 2001 – 2010 2000 1994 – 1999 1992 – 1997</p>	<p>Director Director Managing Director Chairman of the Audit Committee Deputy Managing Director Senior Manager - Administration Guest Lecturer Guest Lecturer</p>	<p>Tipco Tower Co., Ltd. Ruamsapsin Co., Ltd. Thanomwongse Service Co., Ltd. United Paper Pcl. Thanomwongse Service Co., Ltd. Thanomwongse Service Co., Ltd. School of Business Administration, Chandrakasem Rajabhat University Faculty of Business</p>



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							Administration, Rajamangala University of Technology
Mr. Somchit Serththin * Appointed as a Director on 28 September 2005 Type of Director: Authorized Signatory Director	64 years	B.B.A., Babson College, Wellesley, Massachusetts, USA Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): - 2003 Director Accreditation Program (DAP) - 2013 Director Certification Program (DCP) - 2014 Notional Director Conference - 2014 Anti- Corruption for Executive Program (ACEP)	11,599,846 shares, 2.4%	Younger brother-in-law of Mrs. Anurat Tiamtan, Miss Laksana Supsakorn, Mr. Sitilarb Supsakorn, and Miss Roumsin Supsakorn	2016 – Present 2007 – Present 2005 – Present 2001 – Present 1986 – Present 1980 – 1986	Director Director Director Managing Director Executive Director Credit Senior Manager	Thai Slurry Seal Co., Ltd. Tipco Biotech Co., Ltd. Tipco Foods Pcl. Tipco Asphalt Pcl. Tipco Asphalt Pcl. Chase Manhattan, Inc., Taipei Office
Miss Roumsin Supsakorn * Appointed as a Director in 1996 Type of Director: Authorized Signatory Director	63 years	B.S., Boston University, Boston, Massachusetts, USA M.B.A., The American university, Washington D.C. Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): - 2013 Director Accreditation Program (DAP)	48,500,000 shares, 10.05%	Younger sister of Mrs. Anurat Tiamtan, Mr. Sitilarb Supsakorn, Miss Laksana Supsakorn, and elder sister of Mr. Somchit Serththin's wife	2015 – Present 2014 – Present 2012 – Present 2012 – Present 1982 – Present	Director Director Director Director Director	Tipco Tower Co., Ltd. Ruamsapsin Co., Ltd. Tipco Foods Pcl. Siam Container Terminal Co., Ltd. Thanomwongse Service Co., Ltd.
Mr. Sitilarb Supsakorn * Appointed as a Director in 1992	65 years	B.S. Business Administration, Babson College, MA, USA	58,500,000 shares, 12.12%	Younger brother of Mrs. Anurat Tiamtan, Elder brother of Miss	2016- Present 2015 – Present	Director Director	Thai Slurry Seal Co., Ltd. Tipco Tower Co., Ltd.



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<p>Type of Director: Authorized Signatory Director</p>		<p>Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): Director Accreditation Program (DAP)</p>		<p>Laksana Supsakorn, and Miss Roumsin Supsakorn, and brother-in law of Mr. Somchit Sertthin</p>	<p>2014 – Present 2013 – Present 2012 – Present 2001 – Present 1996 – Present</p>	<p>Director Director Director Director</p>	<p>Ruamsapsin Co., Ltd. Tipco Foods Pcl. Siam Container Terminal Co., Ltd. Tipco Asphalt Pcl. Thanomwongse Service Co., Ltd.</p>
<p>Mr. Ekaphol Pongstabhon * Appointed as a Director on 1 May 2012 Type of Director: Authorized Signatory Director</p>	<p>52 years</p>	<p>M.B.A. (Finance/Marketing) Northwestern University, USA B.Eng. in Chemical Engineering, Chulalongkorn University Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): - Director Certificate Program - Collective Bargaining for Successful Labor Relations - AMF International Marketing Conference - Powerful Psychology in Branding & Marketing</p>	<p>Nil</p>	<p>Nil</p>	<p>2016- Present 2015 – Present 2012 – Present 2009 – 2012 2006 – 2012 2000 – 2006</p>	<p>Chairman Chairman Director (Managing Director) Managing Director Acting Managing Director Managing Director Regional Sales Manager National Sales Manager</p>	<p>Sun Express Logistics Pte Ltd. Singapore Wice Logistics Pcl. Tipco Foods Pcl. Thai Film Industries Pcl. Thai Copper Industries Pcl. DHL, Vietnam DHL, Singapore DHL, Thailand</p>



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		<ul style="list-style-type: none"> - Disclose the tips for success: "Retail Go Asian" - Thailand's Economic Outlook 2014 - Anti-Corruption for Executive Program (ACEP) - Advanced Retail Management Program 					
<p>Mr. Virat Phairatphiboon</p> <p>* Appointed as a Director on 7 September 2007</p> <p>Type of Director: Director with no signatory authority</p>	69 years	<p>Bachelor of Economics and Business Administration, Adam State College, Colorado, USA</p> <p>Executive Development Program, Princeton University, USA</p> <p>Director Accreditation Program (DAP)/Thai Institute of Directors (IOD):</p> <ul style="list-style-type: none"> - Role of the Compensation Committee Program (RCC) – 2008 - Audit Committee Program (ACP) – 2004 - Director Certification Program (DCP) – 2002 - Thai Institute of Directors Association IOD – 2002 	Nil	Nil	<p>2007 – Present</p> <p>2007 – Present</p> <p>2000</p> <p>1995</p> <p>1992</p>	<p>Independent Director and Chairman of the Audit Committee</p> <p>Member of the Nomination and Remuneration Committee, and Member of the Audit Committee</p> <p>Managing Director</p> <p>Senior Executive Vice President</p> <p>Vice President</p>	<p>Tipco Foods Pcl.</p> <p>Bank of Ayudhya Pcl.</p> <p>CIMIC Finance and Securities Co., Ltd.</p> <p>Siam Motors Co., Ltd.</p> <p>Chase Manhattan, Inc., Bangkok Office</p>



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<p>Mr. Chalit Limpanavech * Appointed as a Director on 24 April 2008 Type of Director: Director with no signatory authority</p>	<p>64 years</p>	<p>M.P.A., Faculty of Political Science, Chulalongkorn University B.B.A. (Marketing), Assumption University Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): - Director Certificate Program - Financial Statements for Directors - Audit Committee Program</p>	<p>Nil</p>	<p>Nil</p>	<p>2008 – Present 2011 – Present 2011 – Present 2003 – 2011 2003 – 2010 1975 – 1989</p>	<p>Independent Director Vice President, Academic Affairs Chairman of Marketing Management Group Independent Director and Audit Committee Member Dean Account Executive and Executive Director</p>	<p>Tipco Foods Pcl. Marketing Association of Thailand Thailand Management Association (TMA) Chuo Senko (Thailand) Pcl. School of Communication Arts, Assumption University Lintas Thailand</p>
<p>Mrs. Achara Pricha * Appointed as a Director on 1 May 2014 Type of Director: Director with no signatory authority</p>	<p>60 years</p>	<p>Master in Business Management, Asian Institute of Management Bachelor degree of Mass Communications Arts. Major in Journalism. Minor in Mass Communications Borpit Pimuk College. Major in French Language Seminars on Director Roles Responsibilities/Thai Institute of Directors:</p>	<p>Nil</p>	<p>Nil</p>	<p>2014 – Present 1995- Present 2013 – 2014 2010 - 2012</p>	<p>Independent Director, Member of the Nomination and Remuneration Committee Director Part Time Advisor on Export of Cosmetic Assistant Vice President</p>	<p>Tipco Foods Pcl. Sarnti Green Pack Co., Ltd. Pathawin Co., Ltd. Reno (Thailand) Co., Ltd. ICC</p>



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		-Directors Certification Program, IOD			2005 - 2010	Second Vice President, International Business Division	International Pcl. ICC International Pcl.
					1988 - 2005	Second Vice President, Perfume and Cosmetic Division	International Pcl.
Mr. Paisal Pongprayoon * Appointed as a Director on 2 April 2012 Type of Director: Director with no signatory authority	67 years	M.Eng. in Industrial Engineering, Fairleigh Dickinson, University, USA B.Eng. in Civil Engineering, Villanova University, USA Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): - 2012 Directors Accreditation Program - 2014 Role of the Chairman Program (DAP) - 2014 Director Certification Program (DAP)	Nil	Nil	2012 – Present	Independent Director and Member of the Nomination and Remuneration Committee	Tipco Foods Pcl.
					2000 – 2010	Head of Business Partner	True Corporation Pcl.
					1997 – 1999	Managing Director	Samart Cable System Pcl.
					1993 – 1997	Director in Commercial Section	Telecomasia Corporation Pcl.
					1992 – 1993	Property Development Project Manager	Thaiwa Engineering Co., Ltd.
					1991 – 1992	Assistant Managing Director	Hi-Tech Industry Estate Pcl.
					1989 – 1991	Special Project Manager	Sino-Thai Engineering & Construction Pcl.
Mr. Phicharn Sluckpetch * Appointed as a Corporate Secretary on 25 March 2004	60 years	Master and Bachelor in Accountancy, Thammasat University Director Accreditation	Nil	Nil	2004 – Present	Corporate Secretary	Tipco Foods Pcl.
					2006 – 2014	VP-Accounting and Internal	Tipco Foods Pcl.



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		<p>Program (DAP)/Thai Institute of Directors (IOD):</p> <ul style="list-style-type: none"> - Company Secretary Program -Effective Minute Taking - The new Anti-Corruption law 2011 - Improving Corporate Governance : Key to Advancing Thailand 2014 - Strengthening Anti-Corruption Practices in Your Boardroom 2014 			<p>1990 – 2005</p> <p>1989</p> <p>1980 – 1988</p>	<p>Control Department</p> <p>Accounting and Finance Manager</p> <p>Administration Manager</p> <p>Accounting and Budgeting Officer</p>	<p>Tipco Foods Pcl.</p> <p>Dhara Pipe Co., Ltd.</p> <p>Siam Cement Pcl.</p>
Mr. Seishi Ueno	64 years	<p>M.B.A., New York University, Leonard N. Stern School of Business, USA</p> <p>Bachelor of Commerce, Doshisha University, Kyoto, Japan</p>	Nil	Nil	<p>2013 – Present</p> <p>2011 – 2013</p> <p>2010 – 2011</p> <p>2007 – 2010</p> <p>2002 – 2007</p>	<p>Chief Operating Officer</p> <p>Executive Officer, Overseas Business Division II</p> <p>Executive General Manager, International Strategy Division</p> <p>President and CEO</p> <p>Executive General Manager, Food and Beverage Division</p>	<p>Tipco F&B Co., Ltd.</p> <p>Calbee, Inc., Tokyo, Japan</p> <p>Suntory Limited, Tokyo, Japan</p> <p>Suntory International Corporation, New York, U.S.A.</p> <p>Suntory Limited, Tokyo, Japan</p>



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					1997 – 2002	Vice President, Sales and Marketing	Suntory International Corporation, New York, U.S.A.
Mr. Peerapong Archawapongsawat	46 years	Master in International Business, University of New Orleans, USA. Bachelor in Marketing, Assumption University	Nil	Nil	2015 - Present	Managing Director	Tipco Retail Co., Ltd.
					2012 – Present	Commercial Director – Beverage & Retail	Tipco F&B Co., Ltd.
					2005 – 2012	Senior Manager – Retail Business & Food Services	Tipco Retail Co., Ltd.
					2003 – 2005	Retail Business Manager	Tipco Foods Pcl.
					2002 – 2003	Business Development Manager	Tipco Foods Pcl.
					2000 – 2001	Channel Manager – QSR	Nestle Co, Ltd.
1998 – 2000	Brand Manager – Carnation	Nestle Co, Ltd.					
Miss Nitima Aungaticharts	50 years	M.B.A., Thammasat University Advanced Internal Auditing Certificate, Thammasat University Bachelor in Faculty of Commerce and Accountancy, Thammasat University	1,645 shares accounting for 0.0003%	Nil	2013 – Present	Chief Financial Officer	Tipco F&B Co., Ltd.
					2005 – 2013	Treasurer	Tipco Foods Pcl.
					1999 – 2005	Finance and Planning Manager	Tipco Foods Pcl.
					1998 – 1999		Media Trans Asia (Thailand)



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		Director Accreditation Program (DAP)/Thai Institute of Directors (IOD): - Corporate Secretary - Investor Relations				Financial Controller (Thailand)	and its affiliated companies
Mr. Chokchai Tocharoentanaphol	53 years	Bachelor's Degree, Department of Chemistry, Faculty of Science, Chulalongkorn University Master's Degree, Department of Marketing, Faculty of Commerce, Thammasat University	Nil	Nil	2015-Present	Chief Operations Officer Product Manager Sales and Marketing Director Sales and Marketing Director Managing Director	Tipco Foods Pcl. General Electric, (Asia Pacific) Guardian Industry Ocean Glass Kuiburi Fruit Cannery

1.2 Roles and Responsibilities of the Corporate Secretary

Qualifications

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

Responsibilities

- Oversee operations related to the meetings of the Board of Directors, the Audit Committee, and the Nomination and Remuneration Committee, including the shareholders' meetings
- Prepare and retain minutes of the Board of Directors meetings
- Oversee the disclosure of information and reporting in accordance with relevant laws, regulations, and the good corporate governance principle



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- Provide preliminary recommendations and advice on legal issues, operating procedures, and good corporate governance practices for the Board of Directors
- Circulate resolutions and policies of the Board of Directors to relevant parties as well as follow up on progress and report the progress to the Board of Directors
- Communicate with and provide for directors information concerning the Company's business
- Arrange orientation sessions for new directors and provide support for continuous development of directors
- Coordinate matters with external consultants such as legal counsel

1.3 The company whose main business is holding shares of other companies (Holding Company)

- Nil -

2. Details Regarding the Management and Authorized Persons

The appointed positions of the management and authorized persons of the subsidiaries, affiliated companies, related companies, and other companies are as follows:

Company Name	Company	Subsidiaries				Affiliated Company	Other or Related Companies				
		1	2	3	4		1	2	3	4	5
Management											
Miss Laksana Supsakorn	X	X				/	X	X	X	X	X
Mrs. Anurat Tiamtan	/			X			/	/	/	/	
Mr. Somchit Serththin	/	/		/		///					/
Miss Roumsin Supsakorn							/	/	/	/	
Mr. Sitilarb Supsakorn	/					/	/	/	/	/	/
Mr. Surachet Supsakorn	/						/		/	/	
Mr. Ekaphol Pongstabhon	//	//	//	//	//						
Mr. Virat Phairatphiboon	/										
Mr. Chalit Limpanavech	/										
Mrs. Achara Pricha	/										
Mr. Paisal Pongprayoon	/										

Remark: Company refers to Tipco Foods Pcl.



Subsidiaries

- 1: Tipco F&B Co., Ltd.
- 2: Tipco Retail Co., Ltd.
- 3: Tipco Biotech Co., Ltd.
- 4: TFB Distribution Co., Ltd.

Associated Company

- 1: Tipco Asphalt Co., Ltd.

Other Companies and Related Companies

- 1: Thanomwongse Service Co., Ltd.
- 2: Siam Container Terminal Co., Ltd.
- 3: Ruamsapsin Co., Ltd.
- 4: Tipco Tower Co., Ltd.
- 5: Thai Slurry Seal Co., Ltd.

X = Chairman / = Director // = Managing Director /// = Chief Executive Officer (CEO)

3. Profile of Directors, Executives, and Authorized Persons who were penalized by violating the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546, in the last 5 years.

-Nil -

Profile of Directors of the Subsidiaries

Names of the directors of the subsidiaries are listed below.

Subsidiaries Directors	Tipco F&B Co., Ltd.
Ms. Laksana Supsakorn	X
Mr. Somchit Serththin	/
Mr. Ekaphol Pongstabhon	//
Mr. Prasong Aimmanoj	/
Ms. Lackana Leelayouthayotin	/
Mr. Kato Katsuyasu	/
Mr. Kazuhiro Saito	/
Mr. Chandrashekhar Arvind Mundlay	/

Remark

1. / = Director X = Chairman // = Managing Director
2. A subsidiary refers to a subsidiary that is of significance, e.g. its revenues exceeding 10% of total revenue according to the income statement of the recent year.



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

1. Details Regarding Head of Compliance Function

The Board of Directors has appointed Mr. Phicharn Sluckpetch, Corporate Secretary, as head of compliance function. He shall be responsible for acting as a center for supervision of business operations of companies in the group to ensure compliance with laws, rules, regulations and requirements of concerned supervisory bodies such as the Bank of Thailand, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand or other relevant agencies governing the Company's business operations. 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 is as per Attachment 1.)

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, an internal auditor, to be mainly responsible for internal audit works of the Company.

Profile of Mrs. Pilai Piampongsarn

Education and Professional Certificates

- B.A. in Accountancy, Chulalongkorn University
- Mini MBA, Chulalongkorn University
- Certified Public Account (Thailand) – (CPA Registration No.2336)
- Honorary Certified Internal Auditor, Institute of Internal Auditors – (CIA No.30861)
- Director Certification Program (DCP) – IOD Batch 9/2001



Work Experiences

1981 – 1994: Director of Internal Audit Department, Electricity Generating Authority of Thailand

1994 – 1996: Assistant Governor of Finance and Accounting, Electricity Generating Authority of Thailand

1995 – 1997: Chairman of the Institute of Internal Auditors of Thailand

1999 – Current: President of Audit and Management Consultant Co., Ltd.

Internal Audit

2004 – Current: Tipco Foods Group

2000 – Current: Erawan Group Pcl. and its subsidiaries

2003 – Current: United Paper Pcl.

2003 – Current: Park Nai Lert Co., Ltd.

Internal Control and Internal Audit Assessment

2011 – 2014: Budget control, procurement, control of rental fee revenue, rental contract and fixed asset, etc. of the Property Fund and Leasehold Property Fund of Siam Commercial Bank Asset Management Co., Ltd.

Training

1994 – 1997: The Institute of Internal Auditors of Thailand – Establish the training course and acting as a speaker

1998 – 2001: American Corporation for Thailand Internal Auditor Training Program, in collaboration with the Ministry of Labor, the Stock Exchange of Thailand, KENAN Institute, Price Waterhouse Coopers, TRIS and the Institute of Internal Auditors, etc.

- Training Program Committee: Establish and act as a speaker in the course of “Internal Auditing for New Internal Auditor” for the unemployed graduates during the economics crisis in 1998 for 22 classes, with approximately 1,000 participants in total



Details of Asset Valuation

-Nil-



Other Information

-Nil-