

**56-1 Form**



**Tipco Foods Public Company Limited**

**2018 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 company that leads the market and adds value for its stakeholders  
(Its stakeholders consist of employees, consumers, trading partners, shareholders, communities and members of society.)"**

To realize our mission, Tipco cannot only focus on the needs of the consumers but also needs to lead and drive changes in the 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 all stakeholders.

**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 processed fruits, fresh fruits, fruit juice, vegetable juice, natural mineral water, ready-to-drink beverages, food and drink shops, herbal extracts, and agricultural products for domestic and overseas markets.

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

- **Product research and development**

This goal is to create and maintain expertise in research and development of high quality healthcare products with focus on innovative and unique ideas and registration of patents under the corporate brand.

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- Selection of raw materials, packages and business alliances

This goal is to pursue excellence in terms of selecting raw materials, packages, and business alliances with technologies and innovations that are aligned with business strategies of the organization.

- Marketing

This goal is to seek real and hidden needs of customers and gain a profound understanding of the processes of decision making and product and service consumption so that the organization can communicate outstanding and different features of its products to the consumers with creative and cost-effective means in order to maintain the existing customer base and gain new customers on a continuous basis.

### Significant changes and developments

**1976:** The Company was established under the name of “Thai Pineapple Company Limited” with the initial registered capital of Baht 10 million.

**1978-1988:** The Company started its production and export of canned pineapple to other countries. It achieved continuous business growth and increased its registered capital gradually until reaching Baht 120 million. Each capital increase was for the purpose of improving production capacity through investing in modern machinery and expansion of product lines. Such investment improved quality of the Company’s products widely recognized by its customers and expanded lines of products to cover all types of canned pineapples and pineapple juice. Thus, the Company was able to extensively expand its presence to overseas markets in the United States, Europe and Middle East.

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

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

**2003:** The Company changed its name to Tipco Foods (Thailand) Public Company Limited.

**2004:** The Company entered the retail business segment by launching Tipco’s Squeeze Juice Bar shops offering smoothies.

**2007:**

- Tipco Retail Company Limited was established to receive the transfer of the retail business of Tipco’s Squeeze Juice Bar shops offering smoothies.

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

2009: Tipco Biotech Company Limited started selling the Tipco Homsuwan pineapples developed by the Tissue Culture Lab.

2011: The Company changed its name to Tipco Foods Public Company Limited.

2013: Tipco Biotech Company Limited received the Good Manufacturing Practice (GMP) certificate from the National Food Institute (NFI).

2014: The Company doubled its Aura mineral water production capacity to the rate of approximately 120 million bottles per year.

2016:

- Tipco Pineapple Company Limited was established to receive the transfer of the processed fruit production and distribution business from the Company through the partial business transfer approach. The Company holds 100% shares in Tipco Pineapple Company Limited.
- The Company expanded its two retail businesses as follows:
  - The first branch of August Organic Eatery in Mercury Ville Building
  - The Homsuwan Pina Pina shop at Siam Paragon

2018:

- Tipco expanded the production capacity of Aura natural mineral water by unveiling the new source of natural mineral water “Phu Nam Yod” in Phu Kham Subdistrict, Wichienburi District, Phetchaboon Province. The total production capacity is approximately 140 million bottles per year.

- Tipco issued new products and expanded new businesses as follows:

- Tipco Fruit Mix (40% Mixed Fruit and Vegetable Juice) in 750 ml carton
- Tipco Fruit Mix (40% Mixed Fruit and Vegetable Juice) in 300 ml bottle
- Tipco drink with stevia ingredients containing low sugar and less calories in 225 ml bottle
- August Organic Eatery’s new branches at Central Plaza Rama 3 and Central World
- Squeeze Juice Bar by Tipco’s new shop at Icon Siam.

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**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) Limited.
- 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 meet KOSHER standard by Thai Kashurt Service Company Limited.
- 2002/2003: Tipco was certified to meet BRC standards developed by UK retailers to assess food products exported to the UK, by SGS (Thailand) and EFAIA (SAI GLOBAL).
- 2003: Tipco was certified to meet ISO 9001: 2000 by SGS (Thailand) Limited.
- 2004: Tipco was certified by SGS of Germany to meet International Food Standard (IFS) developed by German and French retailers to assess food products exported to Europe.
- 2006: Tipco was certified by SGS (Thailand) to comply with ISO 22000 for its food safety management, making it Thailand's first food producer to be certified for meeting 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) Limited. Subsequently, SGS (Thailand) used Tipco as a model for integrated audits of other companies worldwide. In the same year, the Company was certified to comply with the GMA-SAFE AUDIT (USA) system for its food safety by Food Audit International (FAI).
- 2007/2008: Tipco was certified for its organic aseptic aloe vera products (from plant cultivation to factory production) by the Department of Agriculture.

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- 2008/2009: Tipco was certified to meet IFOAM Organic Standards for its organic aseptic aloe vera products covering the processes from plant cultivation to factory production by the Office of Thai Organic Agriculture.
- 2009: Tipco was certified to comply with the Food Safety and Food Security Audit Program of the United States of America by FAI ( Thailand) with an “Excellent” rating.
- 2010: Tipco was certified to comply with ISO 9001: 2008 by SGS (Thailand) Limited.
- 2011: Tipco’s factory in Prachuap Khiri 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 the Outstanding Enterprise Award in the category of Labor Relations and Welfare.
- 2012: Tipco’s factory in Prachuap Khiri 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 products passed the GMP/HACCP/IFS standards; and its pineapple products passed the factory standards set by TESCO and YUM. Also, Tipco’s fruit cocktail, pineapple concentrate and aloe vera products obtained permits to display Kosher’s STARK logo with the whole production process being certified.
- 2013: Tipco was certified to meet the food safety standards set by the British Retail Consortium (BRC). Also, Tipco’s plant extract factory was certified to meet the Good Manufacturing Practice (GMP) standards by the National Food Institute.
- 2014: Tipco was certified to comply with the IFS standards for its canned coconut milk as well as aseptic and frozen pineapple single strength juice products. Additionally, the Company received Kosher’s certificate for its coconut water with pomegranate juice and coconut water with mango flavor products.

Tipco was certified as an authorized economic operator (AEO).

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- 2015: The Wang Noi factory passed the standards on workplace drug abuse prevention and solution in 2015. 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 meet the HALAL, FSSC22000, GMP Codex, and HACCP Codex standards.
- Tipco F&B Company Limited in Phra Nakhon Sri Ayutthaya Province was certified to comply with the FSSC22000 standard by UKAS Management System.
- 2017: Tipco F&B Company Limited was certified to meet the Halal Assurance System Status standards by Indonesia with the HAS Certification Status of “A” grade.
- 2018: The natural mineral water factory in Mae Rim District, Chiang Mai Province was certified to meet the standards of Food Safety System Certification (FSSC) 22000 Version 4.1 developed by the Foundation for Food Safety Certification. It was the representative of the new guideline for managing food safety risks in the food supply chain. FSSC 22000 was a complete standard certification program based on ISO 22000, the universal standards for food safety management system. The Aura natural mineral water factory in Wichienburi District, Phetchaboon Province was granted the Halal sign and the FDA certificate.
- Tipco Pine Apple Co., Ltd. was certified to meet the standards of food safety and quality such as BRC (Unannounced audit) (at A+ level) by TUV SUD , IFS (Unannounced audit) (at Higher level) by TUV SUD. Its organic coconut products including canned coconut water, canned coconut milk and organic pineapple juice concentrate were certified by Control Union to meet HALAL standards. Additional products being certified included the Homsuwan pineapple juice in glass bottle. The products met various standards similar to those of last year, i.e. ISO22000, GMP,



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HACCP, SGF, HALAL, Kosher, Fairtrade USA (Coconut water, Coconut milk),  
IPM, BSCI, and SMETA 4 Pillars.

**Awards in 2018**

In 2017, the Company achieved several awards as a testimony to its success as follows:

· The “Tipco” brand won the Marketeer No.1 Brand Thailand 2017-2018 award in the categories of Fruit Juice (100%) and Fruit Juice (Non 100%) hosted by the Marketeer magazine. The award winners were considered based on the survey conducted by the Marketter magazine and Video Research International (Thailand) Company Limited with the headquarters situated in Japan. The survey of the popularity of the products and services among Thai consumers was conducted based on 4,000 samples.

● The “Tipco” brand achieved the Superbrands Thailand’s Choice 2018 award for the 3rd consecutive year. The award was chosen by a number of strongest brands in the world. The Superbrands was internationally recognized as the only independent organization in the world that chose winners based on their excellence in building brands in many fields, including marketing and communication. Over 1,450 leading brands were considered based on specified criteria including market leadership, brand sustainability, customer trust in the brand, brand popularity, and overall response in the market. The selection results will also focus on brand image and reputation, brand uniqueness, brand purposes, customer loyalty, and the feeling of confidence and engagement in the products.

● “Tipco” achieved “The most powerful brands of Thailand 2018” award in the category of fruit juice. The award winners were chosen based on the survey and research of product buyers and product and service users of 12,400 samples. The survey was related to the popularity of the brands and products and conducted in a systematic manner covering all dimensions. The research results concluded that there were 3 key elements, customer orientation, corporate competency, and creating shared value.

These elements helped explain the guidelines for developing marketing strategies and building up brands to be successful for the Thai market.

● The Prachuap Khiri Khan factory achieved the Outstanding Enterprise Award in the category of Labour Relations and Welfare for the 8<sup>th</sup> consecutive year from the Governor of Prachuap Khiri Khan Province at the Koh Lak Room, Prachuap Khiri Kan City Hall.

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- The Prachuap Khiri Khan factory won the first place in the competition of a project under the To Be Number One club at the provincial level at Hat Thong Hotel, Prachuap Khiri Khan Province.
- The Ayutthaya factory was granted the award for workplace drug abuse prevention and solution for 2018.
- The Ayutthaya factory was granted the “Outstanding Industry” award in the category of quality management for 2018.
  - The Ayutthaya factory received the “2018 Role Model Workplace” award in the category of Safety, Occupational Health and Workplace Environment at the national level at the golden level for the second year.

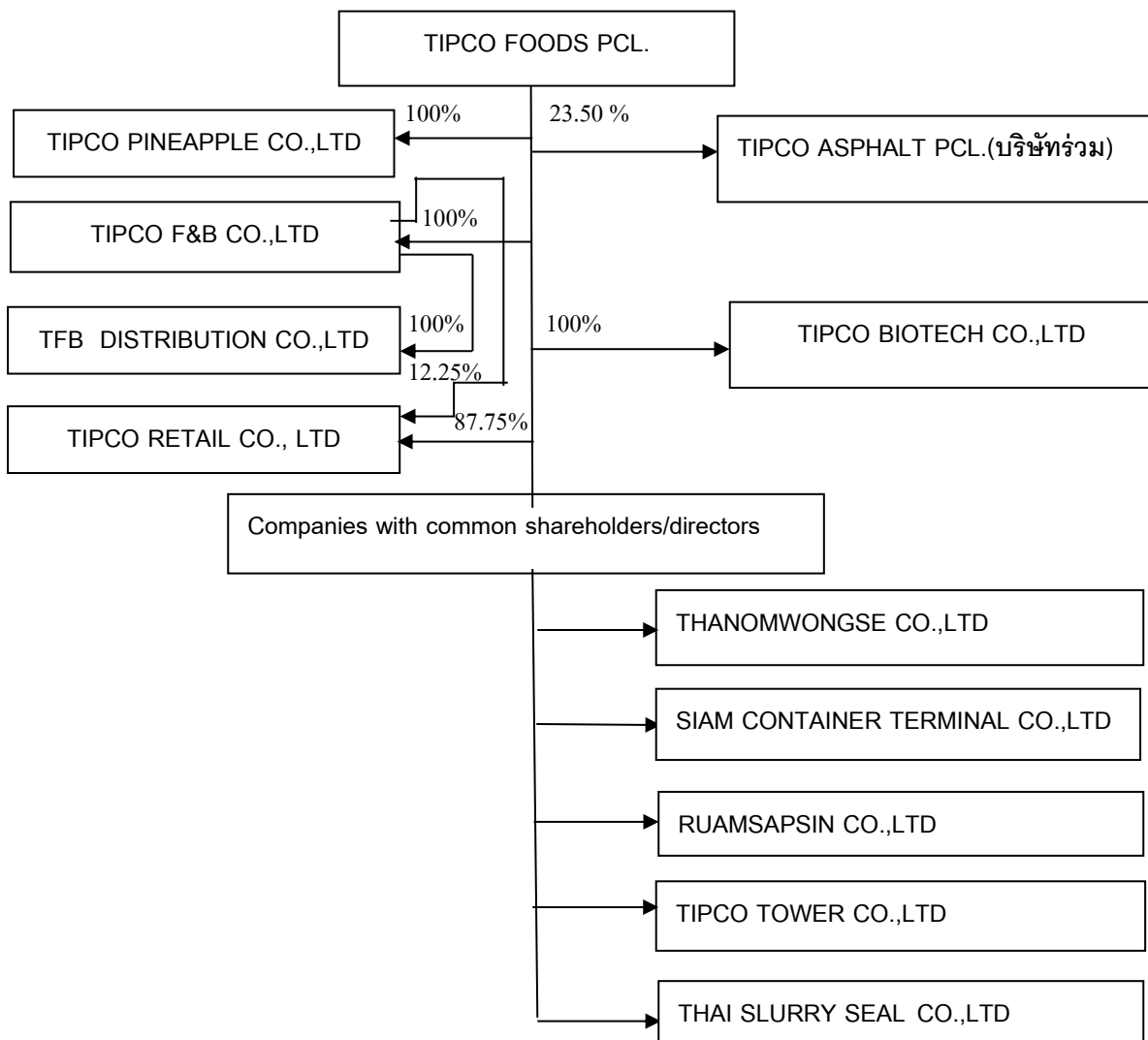
### **1.3 Shareholding Structure of Companies in the Group**

#### **Policy on Segregation of Operations of Group Companies**

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

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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:** Production and distribution of 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, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone: 0-2273-6000.

**Registered capital:** Baht 1,579.34 million at par value of Baht 1 per share

**Paid-up capital :** Baht 1,574.82 million

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

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Board of Directors:

Miss Laksana Supsakorn	Chairman
Mr. Somchit Serththin	Chief Executive Officer
Mr. Chaiwat Srivalwat	Managing Director
Mr. Sitilarb Supsakorn	Director
Mr. Herve Le Bouc	Director
Mr. Jacques Pastor	Director
Mr. Jacques Marcel	Director
Mr. Chainoi Puankosoom	Independent Director
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
Mr. Frederick Jean Pierre Guard	Independent Director

**2. Siam Container Terminal Co., Ltd.**

**Business:** Provision of 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, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone: 0-2273-6000.

**Registered Capital:** Baht 105 million at par value of Baht 10 per share

**Paid-up Capital:** Baht 105 million

**Board of Directors:**

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

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**3. Thanomwongse Service Co., Ltd.**

**Business:** Provision of services related to construction of buildings and roads, repairs and maintenance, and transportation.

**Headquarters Address:** 118/1 Rama VI Road, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone: 0-2273-6000.

**Registered Capital:** Baht 2,500 million at par value of Baht 1,000 per share

**Paid-up Capital:** Baht 2,500 million

**Board of Directors:**

Miss Laksana Supsakorn	Chairman
Mr. Chaiwat Srivalwat	Director
Mr. Somchit Serthin	Director
Mr. Sitilarb Supsakorn	Director
Mr. Surachet Supsakorn	Director
Mr. Fabien Stephane Luc Gil	Director
Mr. Hugues Emmanuel Marie De Champs De Saint Leger	Director
Mr. Jacques Leost Eve Marie Marseille	Director
Mr. Jacques Marcel Pastor	Director

**4. Ruamsapsin Co., Ltd.**

**Business:** Purchase, procurement, receipt, rent, hire purchase, owning, possession, improvement, or use or other form of management of any assets as well as any interests/dividends of such assets

**Headquarters Address:** 118/1 Rama VI Road, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone: 0-2273-6000.

**Registered Capital:** Baht 80 million at par value of Baht 100 per share

**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, procurement, receipt, rent, hire purchase, owning, possession, improvement, or use or other form of management of any assets as well as any interests/dividends of such assets

**Headquarters Address:** 118/1 Rama VI Road, Phaya Thai, Phaya Thai, Bangkok, Telephone: 0-2273-6000.

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*Registered Capital:* Baht 400 million at par value of Baht 100 per share

*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* : Provision of services related to construction of buildings and roads, repairs and maintenance, and transportation.

*Headquarters Address:* 118/1 Rama VI Road, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone: 0-2273-6200.

*Registered Capital:* Baht 497.33 million at par value of Baht 100 per share

*Paid-up Capital:* Baht 497.33 million

*Board of Directors:*

Miss Laksana Supsakorn	Chairman
Mr. Somchit Sertthin	Director
Mr. Sitilarb Supsakorn	Director
Mr. Chaiwat Srivalwat	Director
Mr. Hugues Emmanuel Marie De Champs De Saint Leger	Director
Mr. Fabien Stephane Luc Gil	Director
Mr. Jacques Leost Eve Marie Marseille	Director
Mr. Jacques Marcel Pastor	Director

**7. Tipco F&B Co., Ltd.**

*Business:* Production and distribution of ready-to-drink beverages

*Headquarters Address:* 118/1 Rama VI Road, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone: 0-2273-6200.

*Registered Capital:* Baht 600 million at par value of Baht 10 per share

*Paid-up Capital:* Baht 600 million

*Board of Directors:*

Miss Laksana Supsakorn	Chairman
Mrs. Anurat Tiamtan	Director
Mr. Somchit Sertthin	Director

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Mr. Ekaphol Pongstabhon	Director
Mr. Chokchai Tocharoentanaphol	Director
Mr. Sittilarb Supsakorn	Director
Mr. Leuchar Pisitthakarn	Director

**8. Tipco Retail Co., Ltd.**

*Business:* Food and beverage retailer

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

Telephone: 0-2273-6200

*Registered Capital:* Baht 200 million

*Paid-up Capital:* Baht 200 million

*Board of Directors:*

Mrs. Anurat Tiamtan	Chairman
Mr. Somchit Sertthin	Director
Mr. Ekaphol Pongstabhon	Director
Mr. Chokchai Tocharoentanaphol	Director
Mr. Sittilarb Supsakorn	Director
Mr. Leuchar Pisitthakarn	Director

**9. Tipco Biotech Co., Ltd.**

*Business:* Farming of plants and herbs used 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, Phaya Thai, 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	Chairman
Mr. Somchit Sertthin	Director
Mr. Ekaphol Pongstabhon	Director
Mr. Chokchai Tocharoentanaphol	Director
Mr. Sittilarb Supsakorn	Director
Mr. Leuchar Pisitthakarn	Director

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**10. TFB Distribution Co., Ltd.**

*Business:* Wholesale and retail distribution

*Headquarters Address:* 118/1 Rama VI Road, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone 0-2273-6200.

*Registered Capital:* Baht 1 million

*Paid-up Capital:* Baht 0.25 million

<i>Board of Directors:</i>	Mr. Ekaphol Pongstabhon	Director
	Mr. Leuchar Pisitthakarn	Director
	Mr. Sittilarb Supsakorn	Director

**11. Tipco Pineapple Co., Ltd.**

*Business:* Production and distribution of canned pineapple, pineapple juice, and mixed fruit juice products

*Headquarters Address:* 118/1 Rama VI Road, Phaya Thai, Phaya Thai, Bangkok 10400, Telephone 0-2273-6200.

*Registered Capital:* Baht 700 million at par value of Baht 10 per share

*Paid-up Capital:* Baht 700 million

*Board of Directors:*

Miss Laksana Supsakorn	Director
Mrs. Anurat Tiamtan	Director
Mr. Sittilarb Supsakorn	Director
Mr. Ekaphol Pongstabhon	Director
Mr. Chokchai Tocharoentanaphol	Director
Mr. Leuchar Pisitthakarn	Director

**1.4 Relationships with the Business Group of Major Shareholders**

**Persons with mutual interest**

Some of subsidiary, associated, and related companies are clients of Tipco Foods Public Company Limited. Some are suppliers of the Company, providing services related to transportation of goods or raw materials at market prices according to the transfer pricing policy as stated in Notes 6 to the Financial Statements with no contractual obligations. The list of directors of the Company with mutual interest in the capacity of directors or shareholders is as follows:

1. Miss Laksana Supsakorn
2. Mrs. Anurat Tiamtan
3. Mr. Surachet Supsakorn



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4. Mr. Somchit Sertthin
5. Miss Roumsin Supsakorn
6. Mr. Sitilarb Supsakorn

Table of relationships between the Company's directors and related companies is shown below.

Related company	Type and Nature of Business	Relationship with the related company	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 Subsakorn Director Mr. Surachet Supsakorn Director Mr. Somchit Sertthin Director	<u>%</u> 1 share held by Miss Laksana Supsakorn 1 share held by Mr. Sitilarb Supsakorn  -None-  -None-
Tipco Asphalt PCL.	Producer and distributor of asphalt emulsion and distributor of fuel products	Ms. Laksana Supsakorn Director Mr. Somchit Sertthin Director Mr. Sitilarb Supsakorn Director	<u>%</u> 23.50% held by Tipco Foods Pcl.
Siamcontainer Terminal Co., Ltd.	Provider of container terminal, transportation, and shipping services	Miss Laksana Supsakorn Director Mrs. Anurat Tiamtan Director Miss Roumsin Supsakorn Director Mr. Sitilarb Supsakorn Director	<u>%</u> 16.67% held by Miss Laksana Supsakorn 16.67% held by Mrs. Anurat Tiamtan 16.67% held by Miss Roumsin Supsakorn 16.67% held by Mr. Sitilarb Supsakorn
Ruamsapsin Co., Ltd.	Purchase, procurment, receipt, rent, hire purchase,	Miss Laksana Supsakorn Director	<u>%</u> 20.00% held by Miss Laksana Supsakorn

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	possession, improvement, use, and other form of management of any assets as well as interests and dividends of such assets	<p>Mrs. Anurat Tiamtan Director</p> <p>Ms. Roumsin Supsakorn Director</p> <p>Mr. Sitilarb Supsakorn Director</p> <p>Mr. Surachet Supsakorn Director</p>	<p>20.00% held by Mrs. Anurat Tiamtan</p> <p>20.00% held by Miss Roumsin Supsakorn</p> <p>20.00% held by Mr. Sitilarb Supsakorn</p> <p align="center">-None-</p>
Tipco Tower Co., Ltd.	Services related to rent and office; construction of buildings and roads; and civil works of all types	<p>Miss Laksana Supsakorn Director</p> <p>Mrs. Anurat Tiamtan Director</p> <p>Ms. Roumsin Supsakorn Director</p> <p>Mr. Sitilarb Supsakorn Director</p> <p>Mr. Surachet Supsakorn Director</p>	<p align="center">%</p> <p>20.00% held by Miss Laksana Supsakorn</p> <p>20.00% held by Mrs. Anurat Tiamtan</p> <p>20.00% held by Miss Roumsin Supsakorn</p> <p>20.00% held by Mr. Sitilarb Supsakorn</p> <p align="center">-None-</p>
Thai Slurry Seal Co., Ltd.	Road construction and repairs services	<p>Ms. Laksana Supsakorn Director</p> <p>Mr. Sitilarb Supsakorn Director</p> <p>Mr. Somchit Sertthin Director</p> <p>-</p> <p>-</p>	<p align="center">%</p> <p>7.50% held by Miss Laksana Supsakorn</p> <p>7.50% held by Mr. Sitilarb Supsakorn</p> <p align="center">-None-</p> <p>7.50% held by Miss Roumsin Supsakorn</p> <p>0.84% held by Mrs. Anurat Tiamtan</p>

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## 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	2016		2017		2018	
			Income	%	Income	%	Income	%
Products from plants, vegetables & fruits	Tipco Biotech Co., Ltd.	100						
	Tipco Pineapple Co., Ltd.	100	2,394	45%	2,092	43%	1,697	40%
Beverages	Tipco Foods Pcl.							
	Tipco Retail Co., Ltd.	100						
	Tipco F&B Co., Ltd.	100	2,788	53%	2,674	55%	2,429	57%
Others			91	2%	104	2%	122	3%
<b>Total</b>			<b>5,273</b>	<b>100%</b>	<b>4,870</b>	<b>100%</b>	<b>4,248</b>	<b>100%</b>

### Consumer Business

#### Nature of Products

The core products are as follows:

- Ready-to-drink fruit juice and vegetable juice products
  1. Tipco 100% fruit juice in 200-ml and 1-liter cartons
  2. Tipco Squeeze – 100% pasteurized fruit juice and mixed vegetable and fruit juice in 300-ml and 1-liter cartons
  3. Tipco Veggie - 100% mixed vegetable and fruit juice in 200-ml and 1-liter cartons
  4. Tipco Superkid - 100% fruit juice/mixed vegetable and fruit juice for kids in 110-ml cartons
  5. Tipco Super Fruit Essence – Pomegranate juice concentrate in 110-ml cartons
  6. Tipco Cool Fit - 40% mixed vegetable and fruit juice in 200-ml and 1-liter cartons
  7. Tipco Profiber - 100% mixed vegetable and fruit juice plus high fiber in 1-liter cartons
  8. Tipco Fruity Mix – 40% mixed vegetable and fruit juice in 225-ml cartons
  9. Tipco Fruity Mix – 40% mixed vegetable and fruit juice in new 750-ml cartons
  10. Tipco Fruity Mix – 40% mixed vegetable and fruit juice in 300-ml bottles
  11. Tipco Me - Berry mix and mixed apple juice and grape juice in 1-litre cartons
  12. Tipco fruit drinks will stevia ingredients with low sugar and less calories in 250-ml bottles

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■ Natural mineral water

Aura 100% natural mineral water is available in different bottle sizes, 300 ml, 500 ml and 1.5 liters. The Aura natural mineral water is currently from 2 different sources:

1. The natural mineral water source (cold spring) in Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province. This cold spring is a natural large reservoir. The production capacity is approximately 120 million bottles per year.

2. The natural mineral water source in Phu Kham Subdistrict, Wichienburi District, Phetchaboon Province. The location here is called Phu Nam Yod. The production capacity is approximately 140 million bottles per year. The production started in Q4 of 2018.

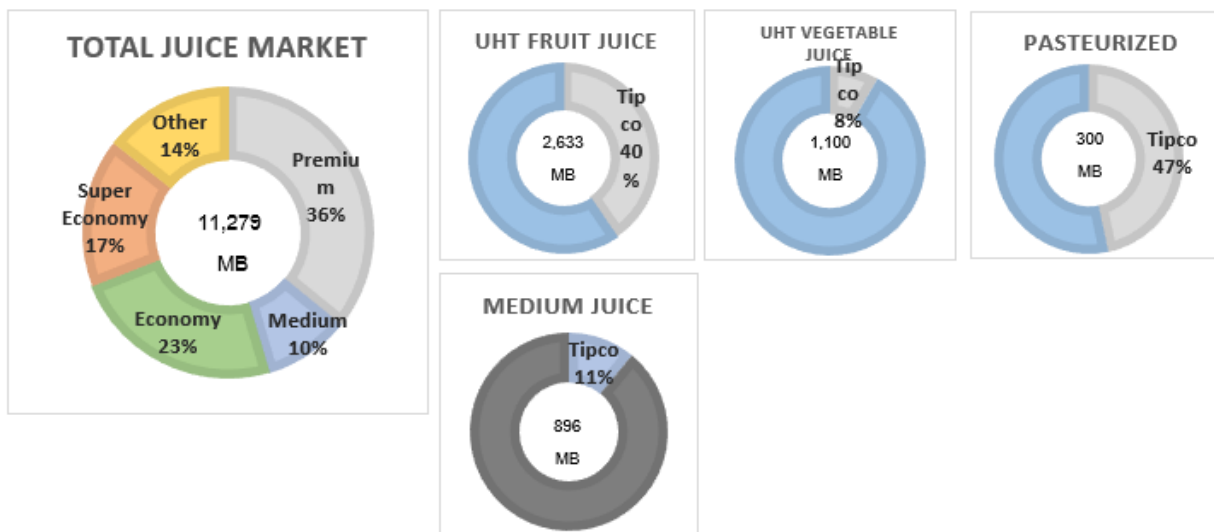
**Marketing and Business Competition of the Consumer Business**

Industry outlook and competition

■ Ready-to-drink fruit juice and vegetable juice

In 2018, the market continued to see the upward trends of healthy organic food and drink products as consumers gave great importance to maintaining their health. Also, nowadays, consumers pay high attention to information about nutrition and health benefits as they want to ensure the quality of foods and drinks they consume.

The overview of the domestic ready-to-drink fruit juice and vegetable juice market in 2018 and the market share were as follows:



Source: The Nielsen Company (Thailand) Limited

## 2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited

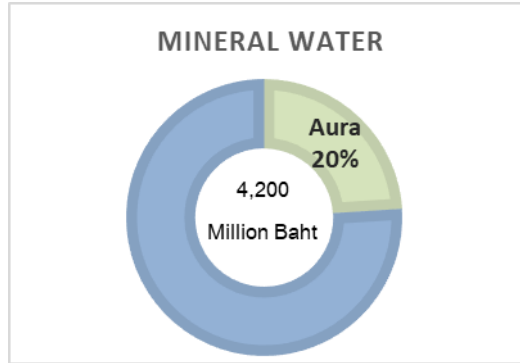
In 2018, Thailand's ready-to-drink fruit juice and vegetable juice market was Baht 11,279 million, a decrease of 11% due to the unrecovered purchasing power of the domestic consumers and the fierce competition in the beverage market as a result of the impact from the higher tax rate on sweeteners. However, the Company was able to maintain its leader position in the 100% fruit and vegetable juice market due to the Company's ability to maintain product quality and the consumers' continued trust in its products. The Company also continued to launch new products to the markets to offer a variety of choices for the consumers such as Tipco Fruity Mix in new 750-ml cartons and Tipco Fruity Mix in 250-ml bottles,

With the increasing trends of health-conscious behaviors, consumers still want the products that fully respond to their needs. The Company believes that the ready-to-drink fruit and vegetable juice market in 2019 will bounce back. With that, the Company will continue to conduct research and development to create new innovative products with high quality for the consumers.

### ■ Natural mineral water

In 2018, the mineral water market value was approximately Baht 4,200 million with 6% market growth. The Aura mineral water secured the market share of 20% or the second rank in the market. The mineral water market is likely to see ongoing growth. With the consumers paying more attention to their health, mineral water has become a more popular choice as compared to other general drinks. The Company believes that the mineral water market in 2019 will continue to grow. The Company has expanded its production capacity for the natural mineral water through a new natural water source called "Phu Nam Yod" in Phu Kham Subdistrict, Wichienburi District, Phetchaboon Province with the production capacity of 140 million bottles per year. Currently, the Company utilizes its full production capacity of Aura mineral water at around 120 million bottles per year at the natural mineral water source in Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province.

### Overview of Thai mineral water market in 2018 and the Company's market share



Source: The Nielson Company (Thailand) Limited

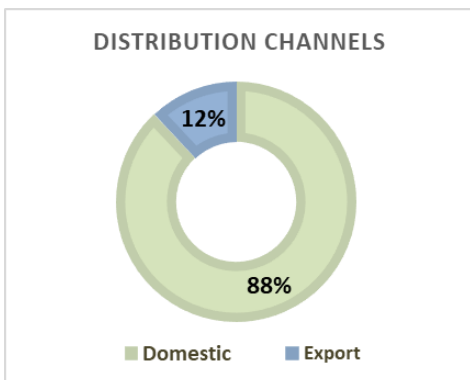
Competition strategies

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

Main markets for product distribution

**Domestic distribution channels:** There are 2 main domestic distribution channels as follows:

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

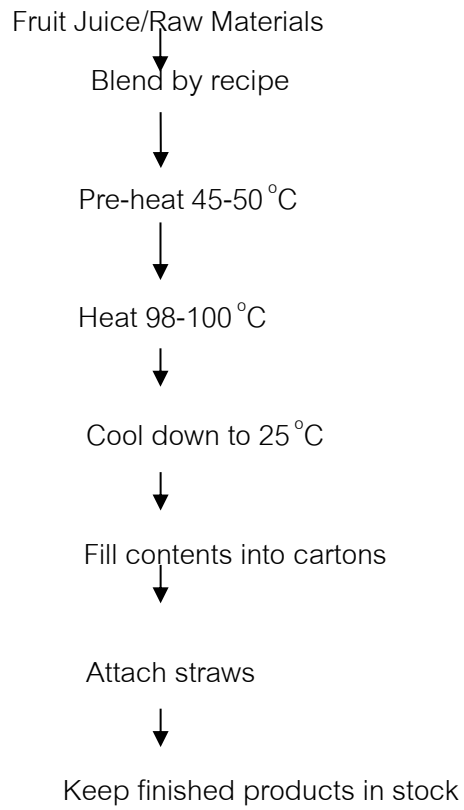


The domestic sales channels accounted for 88% of total sales.

**Overseas sales channels** are being expanded. The Company's products have received a warm welcome from international markets. The overseas sales channels represented 12% of total sales.

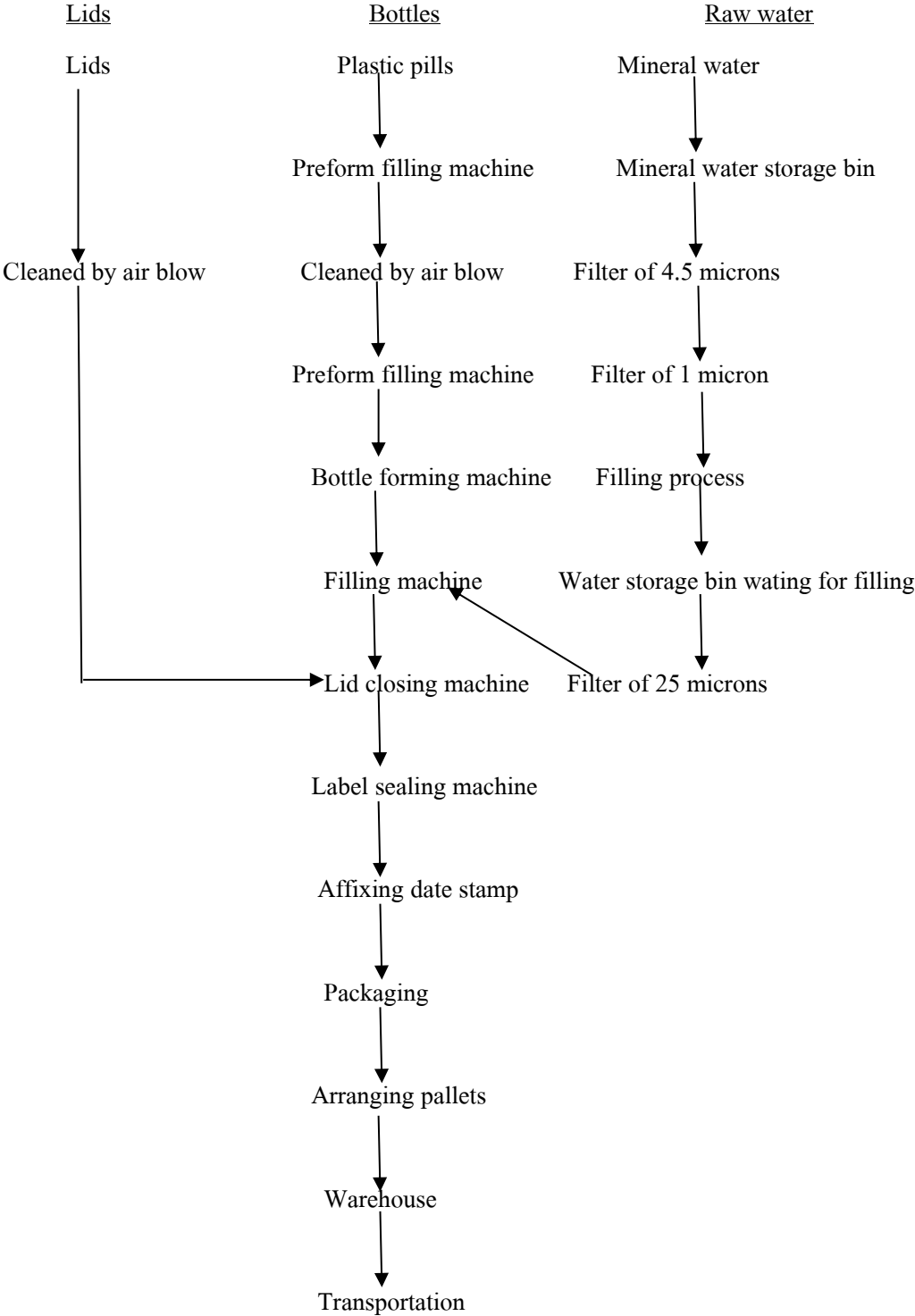
*Production Procedure and Technology*

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



***Production Procedure and Technology***

**Brief Flowchart of Natural Mineral Water Production Process**





## **Fruit Processing Business**

### **Nature of Products**

The core products are as follows:

1. Canned pineapple products
2. Pineapple juice concentrate products
3. Aseptic crushed pineapple products
4. Pineapple in plastic cup products .
5. Pineapple in retort pouch products
6. Canned tropical fruit salad products
7. Tropical fruit salad in plastic cup products
8. Canned aloe vera products
9. Aseptic crushed aloe vera products
10. Aloe vera in retort pouch products
11. Coconut milk products in cans and coconut juice products in cans

### **Marketing and Business Competition (Fruit Processing Business)**

#### Industry Outlook and Competition

##### **Trends of export market demands and product selling prices**

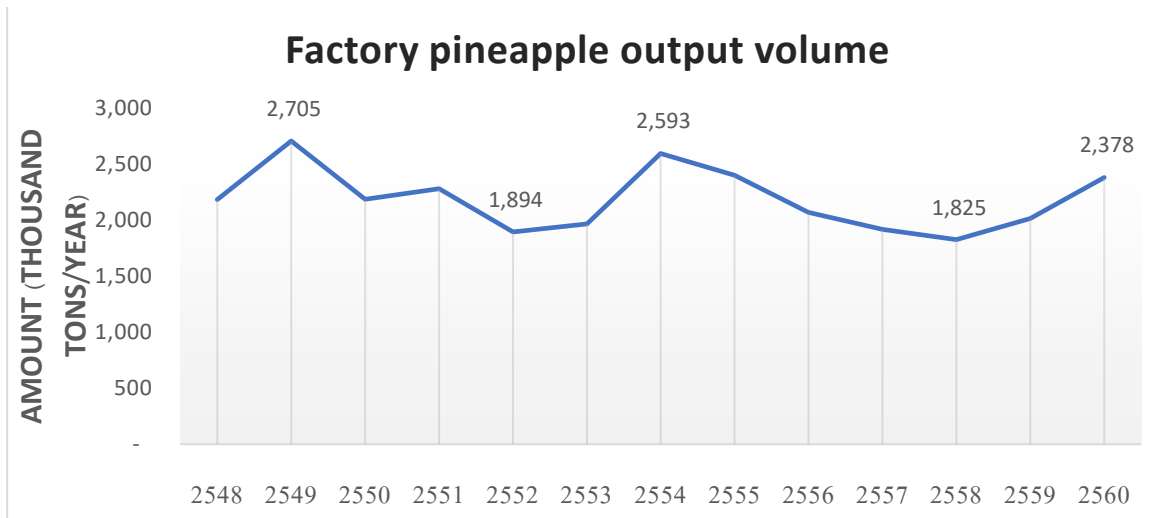
In 2019, the Company expects that the overseas fruit processing markets will continue to remain unchanged. In Q1, delays in purchases of processed fruits were experienced, especially canned pineapples and pineapple concentrate products. This was because the importers still kept the goods in their stock which were bought during the end of last year, a period in which product prices were generally lower than usual. Also, the operators in the Philippines and Indonesia increased their production capacity. However, the Company believes that the processed fruit export volume will increase in Q2 of 2019 going forward.

##### **Trends of pineapple supply and raw material prices**

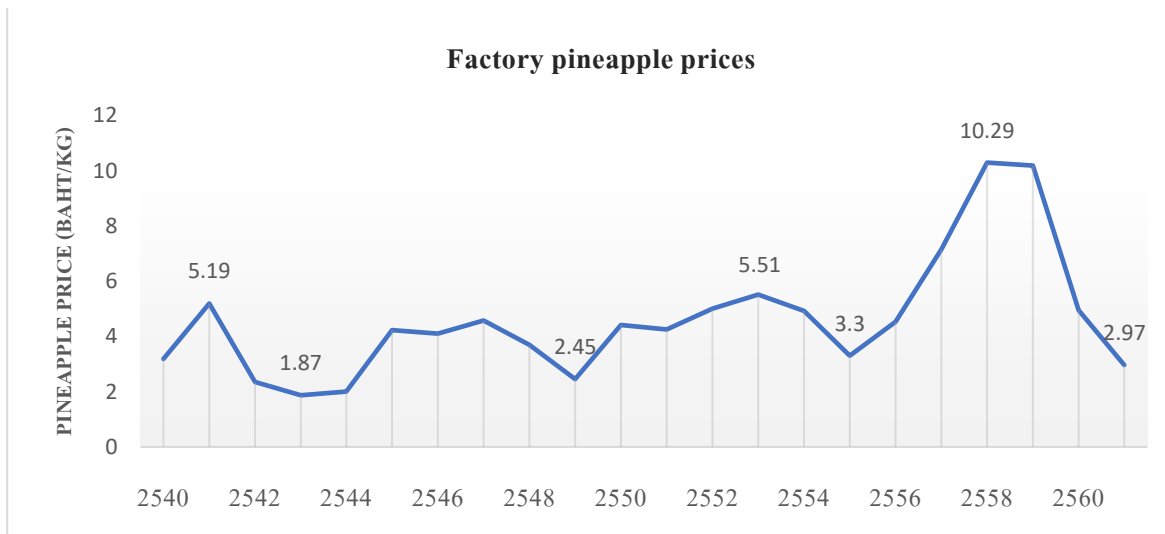
At the end of 2015, the pineapple undersupply in the market led to the increases in the prices. Most farmers turned to grow more pineapples and there was the increasing productivity in Indonesia and the Philippines. Plus, the global demand for the pineapple products, especially concentrate pineapple juice, decreased significantly. Hence, in 2018, the delays in the purchases of the pineapple products by the overseas customers were experienced. Thus, the pineapple prices hit the lowest record in the past 10 years.

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In 2019, the Company expects that the pineapple output to the market will be decreasing as compared to the prior year. However, the product level will still meet the market demand. It is also expected that the pineapple prices will slightly increase. This will lead to the higher cost of production. So, it poses challenges in terms of control of production cost of the Company for enhanced efficiency to increase competitiveness in terms of pricing against competitors in the future.



Source: Office of Agricultural Economics



Source: Office of Agricultural Economics

Competition strategies

1. The raw material management under the “Contract Farming, Big Grower, Quality Grower” system. The system is to ensure specific volumes and continued flows of raw materials, lower transportation costs, and quality control.

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2. The wide-ranging products that cater to customers' needs. Tipco is capable of producing canned pineapple products in different sizes of cans and different styles of cuttings and liquid contents. This helps serve the different needs of various markets in all regions.
3. The maintenance of product quality and standards. The Company has been certified to pass several standards by internationally acclaimed organizations. Its longstanding reputation is a guarantee of its product and service quality.

Main markets for 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 of America, and Latin American countries. The United States is No.1 trading partner with the Company in terms of transaction value. Each year, the Company's export value to this country accounts for around 33% of the total export value. In the past, the Company used to have a competitive advantage in the US because of the implementation of the anti-dumping duty system of the United States Department of Commerce. However, after the cancellation of the said system in 2004, market competition has intensified.
2. Europe: This includes European and Eastern European countries as well as the Russian Federation. The export value to these countries is second to the United States, or about 33% 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 prices partly because customers welcome products of different levels of quality and so many producers of different kinds of products have entered this market.
3. Asia: This includes Australia and New Zealand. The customers in this group, particularly Japanese customers, require products of high quality and have mutual trust in conducting business. The transaction value with this market accounts for approximately 19% each year. Currently, Korea is the main market for crushed aloe vera in aseptic pouches with continuous purchase orders.
4. Middle East: The Middle Eastern market accounts for approximately 15%. This market has high potential due to high income per capita and consumer demand for canned pineapples. Due to the economic slowdown in European and Eastern European countries following the

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cross-region problems and conflicts, their purchasing power and consumer demand were affected. Middle Eastern countries have emerged as new target markets for many business operators in replacement of the European and Eastern European markets that are slowing down.

**Provision of Products and Services**

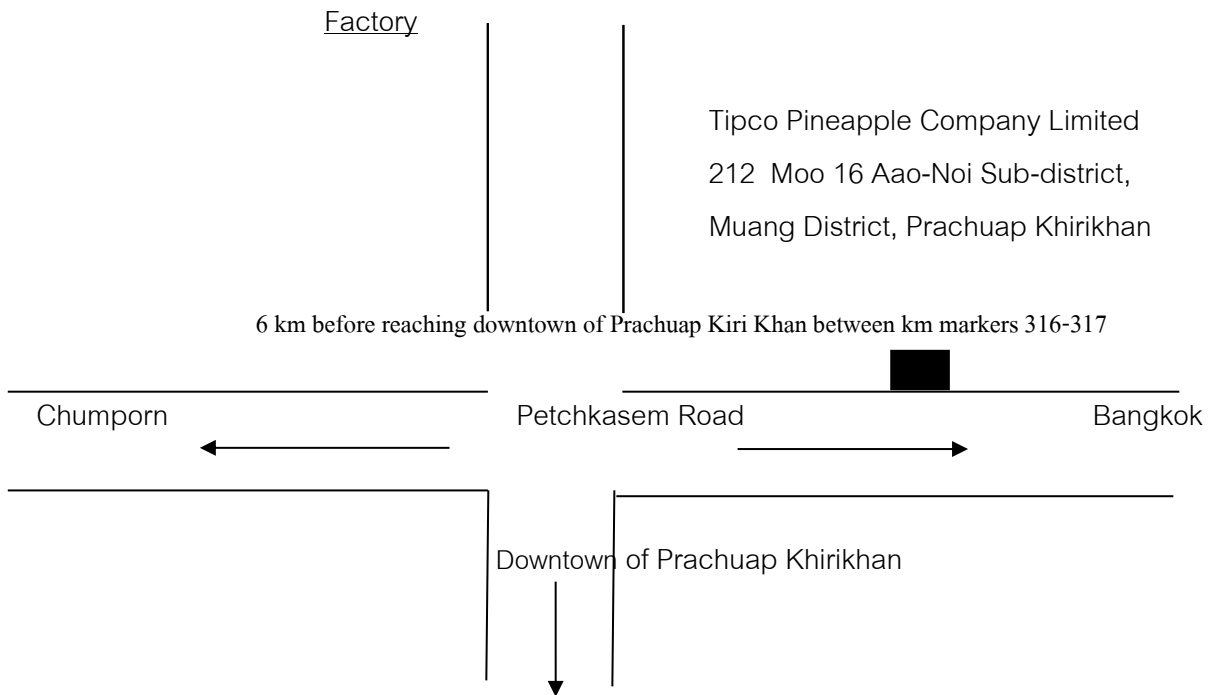
**Seasonal Characteristics or Business Cycles**

Generally, the Company conducts production for 11 months per year and reserves 1 month for machinery and equipment repairs and maintenance services. Over the production period of 11 months, there are two sub-production periods, i.e. summer (March – May) and winter (October – December). Prices of raw materials vary according to pineapple output levels 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 of the Factory of Tipco Pineapple 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. Most of other raw materials are purchased 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 all 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. 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 a 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. 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.

The second program provides a price per kilogram guarantee. The Company and a farmer will mutually agree to a guaranteed price.

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.

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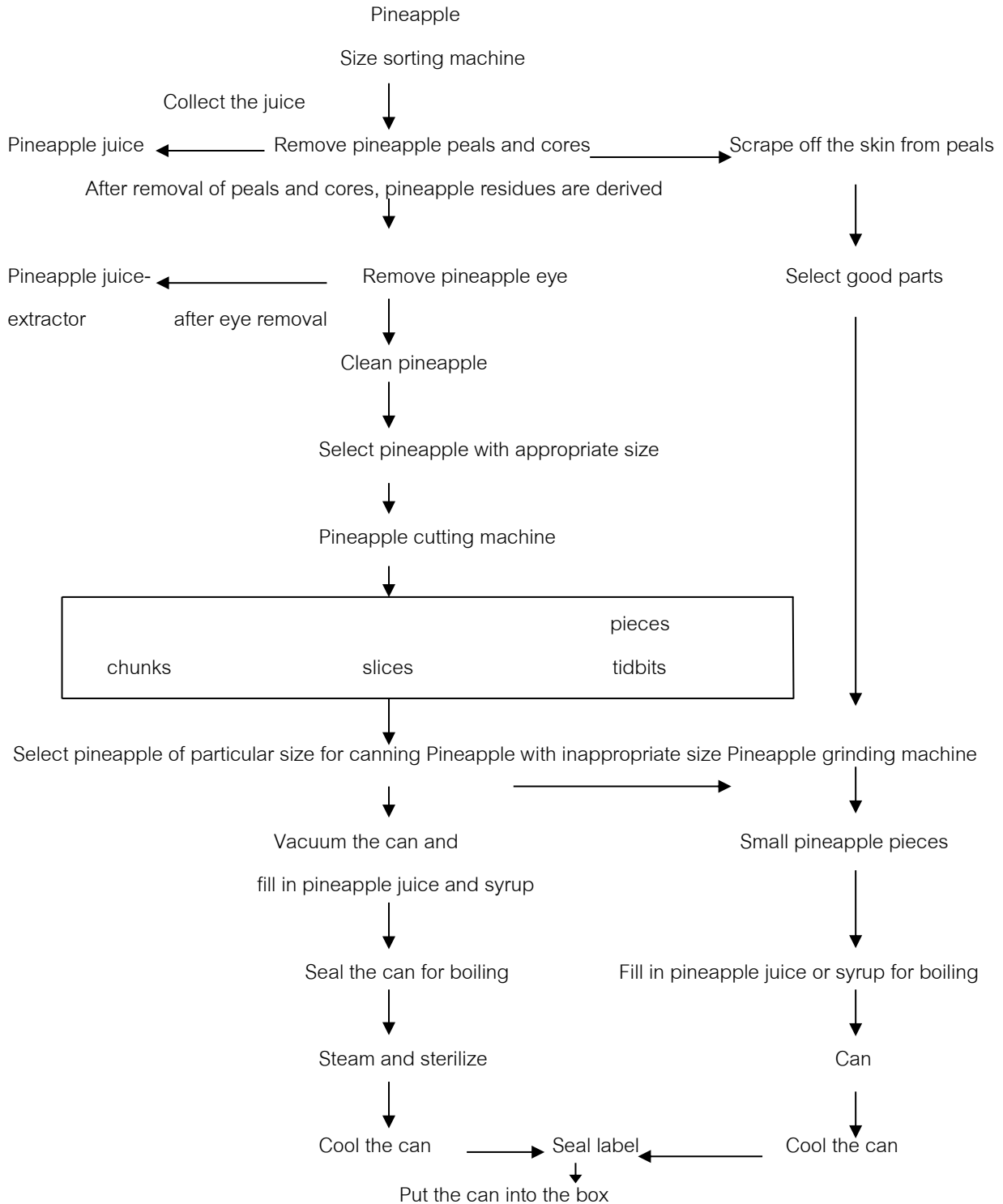
The third program is open widely for members who wish to independently use their own methods of plantation. The Company will insure purchases of the entire output provided that the participating farmers must provide plantation information and clear output. This program can be called “Market Guranatee”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

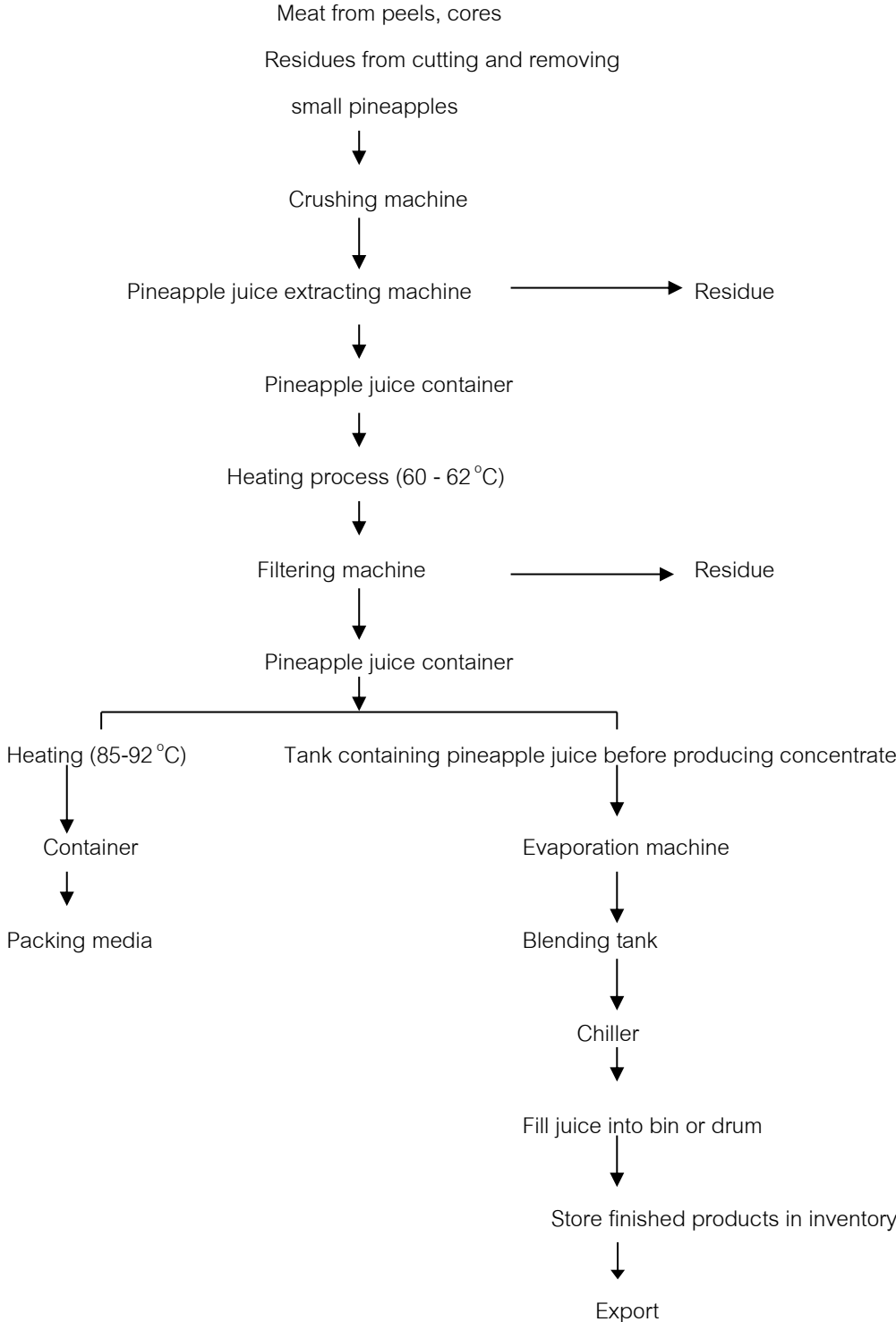
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Ratio of domestic and overseas purchases of raw materials	99.0:1.0	99.0:1.0	99.0:1.0

**Production Procedure and Technology**

**Brief flowchart of canned pineapple production process**

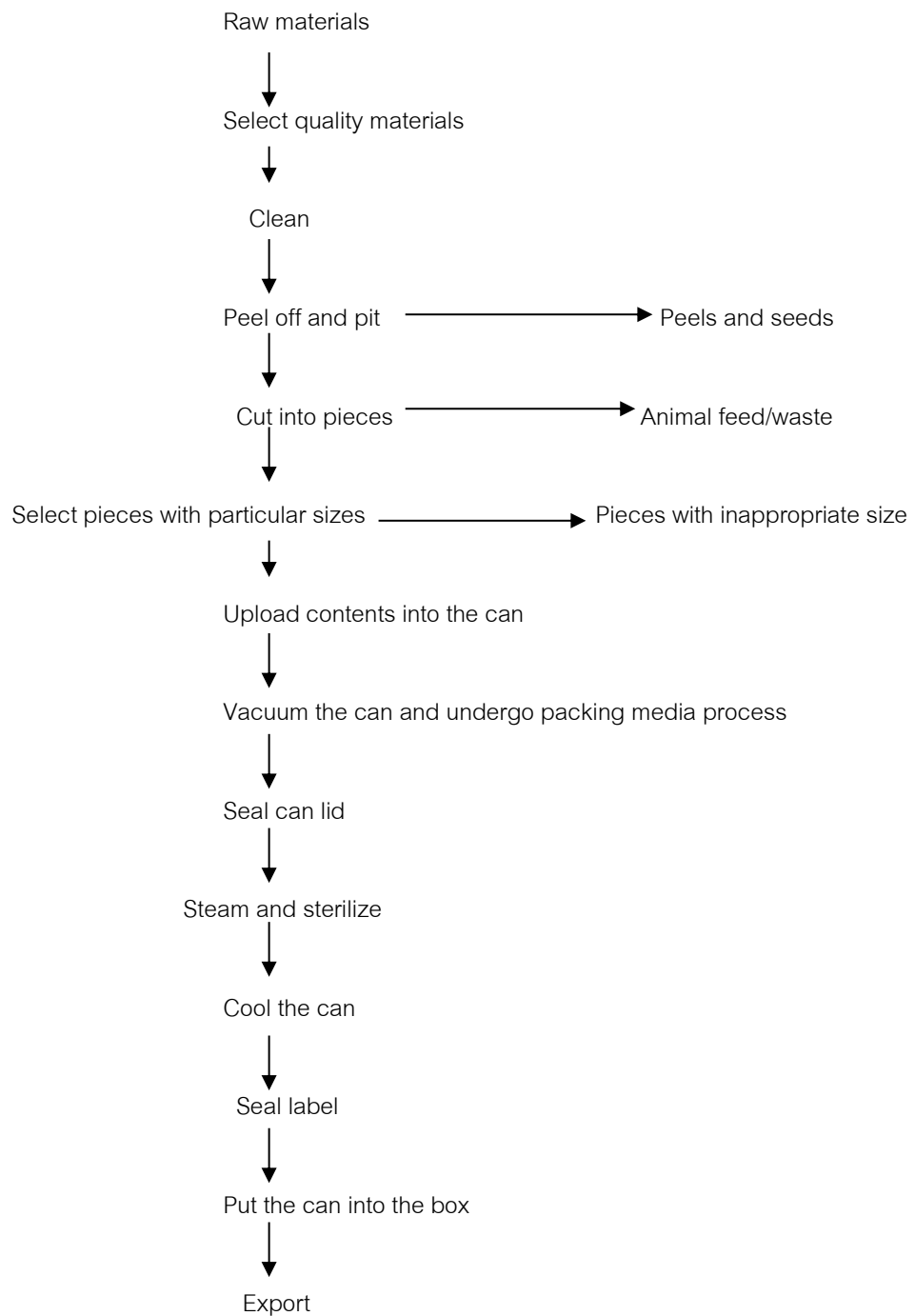


Brief flowchart of pineapple juice and pineapple juice concentrate process





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. Thailand's technology is considered 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 people from localities and nearby provinces. Sometimes, the Company may experience labour shortages. However, the problem is not much serious since the Company has pre-determined a production plan on a monthly basis and such a 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.

#### **Retail Business**

##### **Nature of Products**

The Company's retail business can be divided into 2 different business categories:

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1. Squeeze Juice Bar by Tipco

Brand	Squeeze Juice Bar by Tipco
Type of products	Smoothies and healthy drinks and foods. The Squeeze Juice Bar by Tipco shop is also a hub of distributing products of the companies in the Tipco Foods Group, including Tipco fruit juice, Homsuwan pineapples, Aura mineral water, etc. In addition, the shop provides snack box catering services for events.
Number of branches	There are a total of 46 Squeeze Juice Bar by Tipco shops. 18 Company's branches 28 franchise branches
Types of services	1. Dine In 2. Take Away 3. Delivery 4. Catering

2. "August"

Brand	August
Type of products	An organic food eatery for health lovers. The foods served here have rich flavors under the logo of "August Tasty Organic Eatery". The business is in the form of a full- service restaurant serving organic fusion cuisine with high-quality organic ingredients.
Number of branches	The Company has the following 3 branches. 1. Mega City Bangna 2. Central Praza Rama 3 3. Central World
Types of services	1. Dine In 2. Take Away 3. Delivery

## Marketing and Business Competition

### Industry outlook and competition

In 2019, the retail business in the category of healthy food and beverage grew rapidly, especially in Bangkok and major cities around the country. This is because consumers' behaviors have changed towards having more concerns for their health. Consumers are likely to consume organic foods and drinks or clean foods or foods with less processing and more natural ingredients.

Despite the higher growth rate of this segment, the business competition remains high as new players, both domestic and overseas, can easily enter the market. In 2018, the market value of cafés, bars and full-service restaurants accounted for approximately Baht 500,000 million (Source: Euro Monitor).

### Competition strategies

1. Squeeze Juice Bar by Tipco expands its business using the franchise system with appropriate locations in Bangkok and other provinces. New food and drink menus are added throughout the year, including seasonal food and drink menus. Focus is placed on healthy products and carefully selected high quality ingredients.
2. The highlights of the August eatery are organic toxic-free high quality ingredients used to create fusion menus with spicy flavors. The Company plans to consistently expand this business to potential areas.

## Extract and Agricultural Business

### Nature of Products

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

- Extract Business: The company is the producer of extracts from natural substances that are used as ingredients for producing foods, beverages, cosmetics, dietary supplements, and medicines. The company's plant extract factory is equipped with the largest smelter in Thailand operating at the high level of efficiency and safety. The company provides a full range of services covering raw material procurement, de-hydration, grinding, and extract substance production. The company also works with customers in developing extracting processes from laboratory experiments to industrial production. Currently, the products and services of Tipco Biotech Company Limited can be divided into the following 2 main categories:

## 2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited

- Services according to customers' orders related to extraction of plant and herb substances used as ingredients for foods, dietary supplements, cosmetics, and medicines (OEM)

- Extraction and distribution of plant and herbal extract substances used as ingredients for foods, dietary supplements, cosmetics, and medicines (Ingredients)

■ Agricultural Business: The company conducts research and development of new plant varieties and cultivation. The key product is the Tipco Homsuwan pineapple with a unique taste and nutritional value developed through the company's consistent research and development effort. These pineapples are available at leading supermarkets and the Squeeze Juice Bar by Tipco branches.

### Marketing and Business Competition

#### Industry outlook and competition

■ Extract Business: During the past several years, the growth rate of healthcare and beauty products within the country was steadily high. This situation has yielded opportunities for Tipco Biotech Company Limited to expand its customer base and achieve sales growth as its products are main ingredients for domestic foods, beverages, dietary supplements, cosmetics, and medicines. In the mean time, the company strives to establish collaboration with foreign business alliances and trading partners who seek quality plant and herbal ingredients with lower costs.

■ Agricultural Business: Currently, Thai people consume fresh pineapples of about 300,000 tons per year, most of which are the Battavia (Sriracha) variety. As for the Tipco Homsuwan pineapples, their characteristics are different from those of others in terms of aroma, sweetness, tight and tender meat, smooth taste, and high vitamins. These unique and non-GMO features make the Homsuwan pineapples a popular choice among consumers. The prices of Tipco Homsuwan pineapples are relatively high as compared to those of others due to the need for high maintenance to ensure high quality. Because of the thin skins, extra caution is needed when harvesting and packaging these pineapples to avoid damage and a large number of workers are required. Nevertheless, Consumers find these pineapples easy to peel as they do not have to remove pineapple eyes. Thus, consumers can buy the whole fresh fruits back home and peel their skins by themselves.

#### Competition strategies

## 2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited

1. The extract business places importance on efficient production to satisfy customers' needs. Focus shall also be placed on development of high value ingredients used in the production of the products of the Tipco Foods Group.

2. The agricultural business develops, maintains, and controls the quality of the Homsuwan pineapples. The business also looks for opportunities to expand domestic and international distribution channels to support its plan to continuously increase cultivation areas.

### 3. Risk Management

Tipco Foods Public Company Limited conducted the Enterprise Risk Management (ERM) process for all businesses within its group to ensure uniformity of standards and alignment with its business expansion as well as to drive the group companies' business growth.

The Corporate Risk Management Committee (RMC) was appointed by the Board of Directors to supervise, support and develop the ERM process at all levels. The RMC consists of the Managing Director of the Tipco Foods Group, senior executives of each business segment, Chief Financial Officer, and chiefs of supporting departments including the Accounting and Internal Control Department, the Human Resources Department, and the Information Technology Department.

Risk Management Division



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The risk assessment process was conducted through analysis of the following 5 types of risk:

1. Strategic risk
2. Operational risk
3. Financial risk
4. Compliance risk
5. Information system risk

In the past year, the Company assessed key risks relating to its organization and proposed risk management measures to the Board of Directors for consideration based on the following 6 topics:

1. Fruit juice business growth risk

The fruit juice market growth saw a declining trend due to consumers' concerns regarding sugar and sweets. People had more choices such as fresh orange juice or other substitute drinks. Price competition was higher. Therefore, the Company had to adjust its product development practice by reducing the amount of sugar and sweet products to respond to the needs of today's consumers.

2. Retail business growth risk

The advancement of the Internet, high-speed telephones, e-payment, and cashless society generally affected the retail business growth. Thus, the Company had to adapt itself to the rapid change of technologies by increasing sales through the e-commerce system and upgrading its infrastructure to be user-friendly and quickly accessible to consumers. The Company should seek for more platform alliances.

3. Risk of rates of return on new business investment projects not as expected

With the increasingly competitive business environment and fast-changing consumers' behaviors, the rates of return on new business projects might not meet targets. The Company should have a process to monitor and compare actual results against plans as well as conduct analysis on a regular basis. The analysis results shall be submitted to the Investment Committee on an ongoing basis in order to determine preventive measures against possible impacts in a timely manner.

4. Risk of unavailability of key position successors

The Company set out clear policies and practices to determine frameworks and criteria for successors of high-level executives. As for executives at middle and entry levels, the Middle Management Development Committee was set up to consider, screen, and select appropriate successors for their further individual development planning.

5. Risk of profits from the fruit processing business not meeting targets

Pineapples are the main raw material item in the fruit processing business. As pineapples are agricultural commodities, their quality is affected by fluctuations of climate conditions and use of fertilizers. In the past year, the domestic fresh pineapple buying prices were relatively volatile. This affected their selling prices in the global market. The production cost reduction plan could not keep pace with the decreasing selling prices. Thus, the Company had to find other measures to mitigate risks such as increasing production capacity, improving efficiency of machinery use, and selecting more wide-ranging products to produce.

6. Risk of damage to the information system caused by cyber threats

Technology advancement has led to more cyber threats. The Company's current information security control policy might be incomprehensive and outdated. Thus, the Company had to expeditiously adapt itself and identify more measures to protect information such as prevention against access to important data, use of collaborative software such as "SharePoint" instead of computers to store information, and prevention against data submission via e-mails.



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#### 4. Operating Assets

##### Assets of the Company and Its Subsidiaries

As at 31 December 2018



Item	HQ	Prachuap Kiri Khan	Ayutthaya	Phetchaboon	Chiangmai
1.Land	5.48	*** 119.30	41.29	16.67	101.42 ***
2.Land development fee	-	7.34	1.72	0.06	-
3.Buildings	0.13	*** 154.40	286.73	289.25	46.65***
4.Office equipment	2.73	2.72	3.00	0.84	1.00
5.Vehicles	0.33	2.58	-	-	-
6.Machinery and equipment	-	*** 154.46	827.97	148.75	103.65***
7.Tools and equipment	28.75	29.45	18.29	1.96	8.06
8.Intangible assets	53.26	0.58	1.14	-	0.15
9.Work in process	2.28	42.73	15.17	-	17.92
10.Reserve for obsolete assets	-	-20.69	-173.84	-	-0.22
<b>Total</b>	<b>92.96</b>	<b>492.87</b>	<b>1,021.47</b>	<b>457.53</b>	<b>278.63</b>

2,343.47

\*\*\*Mortgages totaling Baht 747.71 million with financial institutions

Remark: 1. The head office building is situated on the rented floors, i.e. 24<sup>th</sup> and 27<sup>th</sup> – 29<sup>th</sup>, of Tipco Tower Co., Ltd., with the total rental and service fees of Baht 32.04 million per year.

##### Key trademarks

Trademark	Owner's Name	Types of Goods/Services	Registration No./Country	Valid Period
	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.	<ul style="list-style-type: none"> <li>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, and water</li> <li>Ready-to-drink green tea, ready-to-drink green tea with fruit juice, coffee, and tea</li> </ul>	Kor. 272041 / Thailand  Kor. 272789 / Thailand	10 years  10 years

**2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited**

	Tipco Foods Pcl.	Sales and services related to food and beverages	Bor. 6 1 0 7 0 / Thailand	10 years
	Tipco Foods Pcl.	Fresh fruits	Kor. 3 9 9 7 8 1 / Thailand	10 years
	Tipco Foods Pcl.	Food and beverage selling services	1 8 1 1 0 1 2 1 2 / Thailand	10 years

**Investment Policy**

As at 31 December 2018, the Company's investments in its subsidiary and associated companies consisted of investments of Baht 700 million in the fruit processing business; Baht 729.05 million in the consumer business; Baht 175.50 million in the retail business; Baht 160.79 million in the the extract and agricultural business; and Baht 644.93 million in the business of manufacture and distribution of asphalt products. The investments in the subsidiary and associated companies accounted for 34% 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**

**6.1 General Information**

**6.1.1 Company Information**

Tipco Foods Public Company Limited [formerly "Tipco Foods (Thailand) Public Company Limited"]

The Company is mainly engaged in the manufacture and export of canned pineapple, pineapple juice, and mixed fruit juice (subsequently, the business was transferred to another subsidiary company), as well as beverages with a paid-up capital of Baht 482.58 million.

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

## **2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited**

Company Registration No.: Bor Mor Jor. 0107535000052 Home Page [www.tipco.net](http://www.tipco.net)

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

The factory address is 205/1 Moo 2, Pong-Yaeng Sub-district, Mae-Rim District, Chiangmai 50180.

The factory address is 999 Moo 7, Srithep Sub-district, Wichienburi District, Phetchaboon 67180.

### **6.1.2 Subsidiary and Associated Companies**

#### **Tipco Asphalt Public Company Limited**

The company is principally engaged in the manufacture of asphalt and distribution of petroleum products. Currently, Tipco Foods Pcl. holds 23.50% of shares in the company. The company has a registered and paid-up capital of Baht 1,574.82 million.

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

#### **Tipco Pineapple Company Limited**

The company is engaged in the manufacture and exportation of canned pineapples, pineapple juice, and mixed fruit juice. Currently, Tipco Foods Pcl. holds 100% of shares in the company. The company has a registered and paid-up capital of Baht 700 million.

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

Factory Address: 212 Moo 16, Aownoi Sub-district, Muang District, Prachuap Kiri Khan 77210

#### **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 100% 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, Phayathai, Phayathai, Bangkok 10400

Factory Address: 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 100% of shares in the company. The company has a registered and paid-up capital of Baht 36.8 million.

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Headquarters Address: 118/1 Tipco Building, Rama 6 Road, Phayathai, 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 87.25% of shares in the company and holds 12.25% of shares through Tipco F&B Co., Ltd. The company has a registered and paid-up capital of Baht 200 million.

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

**TFB Distribution Co., Ltd.**

The company is engaged in the business of retail and wholesale distribution. Currently, Tipco Foods Pcl. holds 100% 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, Phayathai, Phayathai, Bangkok 10400

**6.1.3 Other References**

**Registrar: Thailand Securities Depository Co., Ltd.**

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

**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 10110

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

**6.2 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 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 list of top 10 shareholders with the number of shares held and % shareholding as at 31 December 2018 is as follows:

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	39,061,267	8.094
4	Mrs. Anurat Tiamtan	32,166,765	6.666
5	Miss Piyaratana Supsakorn	30,379,328	6.295
6	Miss Natalie Supsakorn	16,500,000	3.008
7	Thai NVDR Co., Ltd.	14,516,856	3.008
8	Mr. Somchit Sertthin	11,599,846	2.404
9	Ms. Vanissa Dhupchinda	9,143,074	1.895
10	Mr. Udom Jirasirikul	9,033,300	1.895

The list of family names of the major shareholders according to % shareholding as at 31 December 2018 is as follows:

Family name	No. of shares	Shareholding (%)
Supsakorn Family	188,587,394	39.08
Tiamtan Family	30,966,841	6.29
Sertthin Family	16,958,070	3.51
Dhupchinda Family	14,943,074	3.10

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**Report on the Shareholding of Directors and Executives**

Unit: Share

No.	Director	Position	Balance as at 1 January 2018	Purchase/ Transfer/ (Sales)	Balance as at 31 December 2018	%
1	Miss Laksana Supsakorn	Chairman	37,861,267	-	39,061,267	8.09
2	Mrs. Anurat Tiamtan	Director	30,966,765	-	32,166,765	6.67
3	Mr. Somchit Serththin	Director	11,599,846	-	11,599,846	2.40
4	Miss Roumsin Supsakorn	Director	48,500,000	-	48,500,000	10.05
5	Mr. Sitilarb Subsakorn	Director	55,000,000	-	55,000,000	11.40
6	Mr. Surachet Supsakorn	Director	-	-	-	
7	Mr. Virat Phairatphiboon	Independent Director	-	-	-	
8	Mr. Chalit Limpanavech	Independent Director	-	-	-	
9	Mr. Paisal Pongprayoon	Independent Director	-	-	-	
10	Mrs. Achara Pricha	Independent Director	-	-	-	
11	Mr. Ekaphol Pongstabhon	Managing Director	-	-	-	

No.	Executive	Position	Balance as at 1 January 2018	Purchase/ Transfer/ (Sales)	Balance as at 31 December 2018	%
1	Mr. Chokchai Tocharoentanaphol	Managing Director – Tipco Pineapple Co., Ltd.	-	-	-	
2.	Mr. Leuchar Pisitthakarn	Chief Financial Officer	-	-	-	
3	Mr. Phol Sridaeng	Managing Director – Tipco Retail Co., Ltd.	-	-	-	
4	Mrs. Pornanong Yoocha	Director - Corporate Accounting & Internal Control	-	-	-	
5	Mrs. Saranya Borisuitsawat	Director – Financial Management	-	-	-	
6	Mr. Pongtorn Kanchana-akradet	Department Manager - Corporate Planning	-	-	-	

**7.3 Issuance of other securities**

- None –

## 2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited

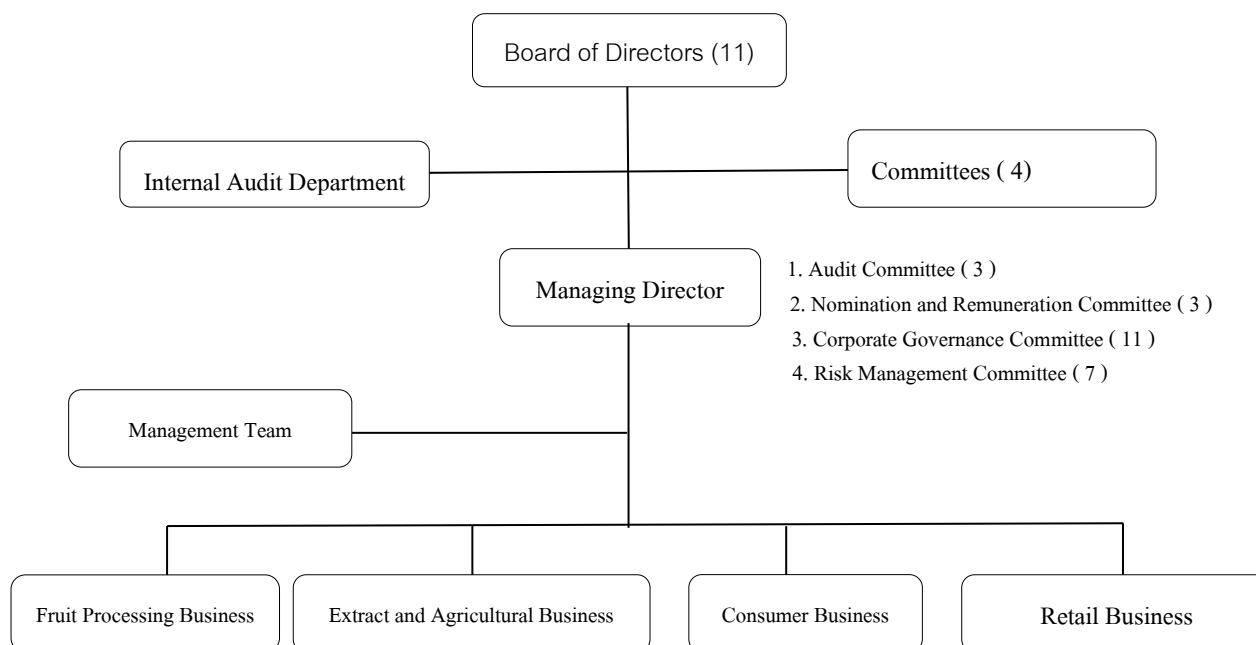
### 7.4 Dividend Payment Policy

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 but shall not be less than one third of net profits recorded in the separate financial statements.

Year	2018	2017	2016	2015	2014
Net profit/share	0.73	0.98	0.79	0.38	(0.28)
Dividend/share	0.25	0.75	0.39	0.25	0.00
Dividend/net profit (%)	35%	77%	49%	66%	0%

## 8. Management Structure

### Organization Chart



#### 8.1 Board of Directors

- |                           |          |
|---------------------------|----------|
| 1. Miss Laksana Supsakorn | Chairman |
| 2. Mrs. Anurat Tiamtan    | Director |
| 3. Mr. Somchit Serthin    | Director |
| 4. Miss Roumsin Supsakorn | Director |
| 5. Mr. Sitilarb Supsakorn | Director |
| 6. Mr. Surachet Supsakorn | Director |

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- |                             |                      |
|-----------------------------|----------------------|
| 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. Miss Kullakarn Cheenpun | 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. Virat Phairatphiboon | Chairman |
| 2. Mr. Paisal Pongprayoon   | 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. Phol Sridaeng           | Member               |
| 3. Mr. Leuchar Pisitthakarn    | Member               |
| 4. Mr. Tatiya Embut            | Member               |
| 5. Mrs. Karnchana Warotemaporn | Member               |
| 6. Mrs. Pornanong Yoocha       | Member and Secretary |



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Member's Name	Position	Committee Meetings	
		Number of meetings	Number of attended meetings
<i>Ms. Laksana Supsakorn</i>	Chairman of the Board of Directors	5	5
<i>Mrs. Anurat Tiamtan</i>	Director	5	4
<i>Mr. Surachet Supsakorn</i>	Director	5	5
	Member of the Nomination and Remuneration Committee	2	2
<i>Mr. Somchit Sertthin</i>	Director	5	5
<i>Ms. 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	4	4
<i>Mr. Paisal Pongprayoon</i>	Independent Director	5	5
	Member of the Audit Committee	4	4
	Chairman of the Nomination and Remuneration Committee	2	2
<i>Mrs. Achara Pricha</i>	Independent Director	5	5
	Member of the Audit Committee	4	4
	Member of the Nomination and Remuneration Committee	2	2
<i>Mr. Chalit Limpanavech</i>	Independent Director	5	2
<i>Mr. Ekaphol Pongstabhon</i>	Managing Director	5	5

**8.2 Management Team-Tipco Foods Group**

1. Mr. Ekaphol Pongstabhon                      Managing Director
2. Mr. Phol Sridaeng                              Managing Director – Tipco Retail Co., Ltd. \*\*\*

3. Mr. Chokchai Tocharoentanaphol      Managing Director – Tipco Pineapple Co., Ltd.
4. Mr. Leuchar Pisitthakarn              Chief Financial Officer

\*\*\*Appointed on 16 September 2018

### **8.3 Corporate Secretary**

The Board of Directors passed a resolution to appoint Miss Kullakarn Cheenpun as corporate secretary starting from 1 April 2017 to replace the former corporate secretary who retired. The Company has assigned an individual possessing suitable qualifications and experience to assume the position of corporate secretary. The requisite 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
  - Communicate 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.

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

#### **Principles**

1. The Board of Directors shall consider the remuneration rates of the Managing Directors and high-level executives which have been considered by the Nomination and Remuneration Committee according to the criteria stipulated in the policy.
2. The Managing Director shall consider the remuneration rates of subordinates based on their performance according to the line of command within the budget limit approved by the Board of Directors.

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3. The performance appraisal process shall be based on clear and concrete targets to ensure fair consideration of compensation and adjustments of wages, salaries, welfare schemes, and other benefits for all employees.

In 2018, 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.)

**8.4.1 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	1,200,000			1,200,000
Mrs. Anurat Tiamtan	Director	960,000			960,000
Miss Roumsin Supsakorn	Director	960,000			960,000
Mr. Somchit Sertthin	Director	960,000			960,000
Mr. Sitilarb Supsakorn	Director	960,000			960,000
Mr. Surachet Supsakorn	- Director - Member of the Nomination and Remuneration Committee	960,000		40,000	1,000,000

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Mr. Virat Phairatphiboon	- Independent Director - Chairman of the Audit Committee	960,000	280,000		1,240,000
Mr. Chalit Limpanavech	Independent Director	960,000			960,000
Mr. Paisal Pongprayoon	- Independent Director - Chairman of the Nomination and Remuneration Committee - Member of the Audit Committee	960,000	200,000	60,000	1,220,000
Mrs. Achara Pricha	- Independent Director - Member of the Nomination and Remuneration Committee - Member of the Audit Committee	960,000	200,000	40,000	1,200,000
Mr. Ekaphol Pongstabhon	Managing Director	960,000			960,000

Remuneration of executives

In 2018, 4 executives received remuneration consisting of salary and bonus totaling Baht 27,263,679.32.

**8.4.2 Other Remuneration**

Other remuneration of directors and committee members

- None -

Other remuneration of executives

The Company established the provident fund for executives by paying contributions to the fund at the rate of 5% of salary. In 2018, the employer's contributions to the provident fund for 4 executives totaled Baht 1,074,808.50 In addition, 1 executive director/executive had a company car and 3 executives were provided with vehicle allowances totaling Baht 2,083,921.50.

## **8.5 Personnel**

### **Employee Remuneration Policy**

The Company has the policy of paying wages that suit the duties and responsibilities of employees. This is consistent with the Company's ability to pay and labor market conditions.

As at 31 December 2018, the Company had a total of 199 employees who were paid remuneration totaling Baht 105 million consisting of salary, overtime payments, cost of living allowance, special allowance, social security fund contributions, provident fund contributions, etc. In addition, the subsidiary companies paid similar forms of employee remuneration totaling Baht 570 million.

Payments of remuneration to the employees are commensurate with the Company's operating results (short-term) such as the Company's ability to make a profit each year. In so doing, key performance indicators (KPI) according to the job value of each position are used to conduct evaluation. Long-term payments include contributions to the provident fund. In 2018, the Company allowed its employees to choose their preferred rate of contribution to the provident fund, i.e. 5%, 7%, 10%, 12%, or 15%. The employees could also choose one of the four investment schemes offered by the Company. The Company's contribution rate was 5%.

The Company addressed employees' health as one of its priorities by implementing the annual physical checkup program with a budget of Baht 956,340. In the past year, the Company paid Baht 2,543,670 for medical expenses (under its health insurance plan) and influenza vaccination for its employees. The Company also focused on the creation of a pleasant and desirable workplace and supported the concept of living a happy daily life.

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<b>2018 (Information as at 31 Dec.201</b>	<b>Tipco Foods P</b>	<b>Tipco F&amp;B Co Ltd.</b>	<b>Tipco Retail C Ltd.</b>	<b>Tipco Biotech C Ltd.</b>	<b>Tipco Pineap Co., Ltd.</b>
Operating employees	177	506	156	276	1,530
Executive employees	22	34	5	6	21
Total (person)	199	540	161	282	1,551
Employees at Headquarters	69	107	54	11	43
Employees outside Headquarte	130	433	107	271	1,508
Total (person)	199	540	161	282	1,551
Employees' remuneration (Bal Million)	105	198	45	45	282

### **Changes in the Numbers of Employees in the Last 3 Years**

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

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

As at 31 December 2016, the Company's number of employees was 1,479. As at 31 December 2017, the Company's number of employees was 200.

### **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 2018**

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

### **Human Resources Development Policy**

The Company places importance on adequate and consistent personnel development to ensure that its employees are capable of fulfilling duties and ready 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.

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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 the achievement of personnel development goals such as:

- The Road to Excellence by CliftonStrengths® (CliftonStrength Discovery)
- Strategic Performance Management System
- Job Evaluation for Manager
- Creative Marketing

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 2 million.

## **9. Corporate Governance**

### **Report of the Corporate Governance Committee**

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

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 domestic and global markets".

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

With its strong commitment to complying with the principles of good corporate governance, the Company won the Top Corporate Governance Report Award from the Stock Exchange of Thailand for five years (2003-2006 and 2010). In 2016, the Company was officially certified as a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC). In 2018, the National Corporate Governance Committee assigned the Company the good corporate governance score of 87%, or a "Very Good" rating, which was above the average score of 81% assigned to its peer SET-listed companies. In addition, the Company's 2018 shareholders' meeting received the score of 100 points, or an "Excellent" rating, by the Thai Investors Association.

From 2010-2015, the Company won the CSR-DIW Continuous Award from the Department of Industrial Works, Ministry of Industry as an entrepreneur who implemented corporate social responsibility activities in a continuous and sustainable manner and was ready for the adoption of the ISO 26000 international standard towards sustainable development. The Company also prepared the corporate social responsibility report according to the standards of the Management System Certification Institute (Thailand). This reflects the Company's continuous commitment to implementing its corporate social responsibility initiatives. As for human resources management, the Company focused on developing its employees' capabilities as well as creating and promoting a positive work environment. Thanks to its ongoing systematic human resources development efforts, Tipco Foods Public Company Limited (the Company) has been granted the Outstanding Enterprise Award for Labour Relations and Welfare by the Department of Labour Protection and Welfare for 8 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.

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

Miss Laksana Supsakorn

Chairman of the Corporate Governance Committee

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

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

According to the 2018 annual corporate governance assessment conducted by the National Corporate Governance Committee, the Company received a total score of 87%, or a 'Very Good' rating. Details of Tipco's scores are as follows:

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	<u>2018</u>	<u>2017</u>
Rights of Shareholders	95%	95%
Equitable Treatment of Shareholders	96%	96%
Rights of Stakeholders	88%	82%
Information Disclosure and Transparency	88%	88%
Board of Directors' Responsibility	81%	82%

**1. Corporate Governance Policy**

To achieve the Company's objectives, develop a sense of responsibility for work results, build a culture of transparency and integrity, sustain long-term business competitiveness, and increase the stakeholders' confidence; the Board of Directors has implemented the policy on compliance with the principles 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 the current and future business environments. The new vision statement focuses on **creating value added for all groups of stakeholders**, including employees,

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consumers, trading partners, business alliances, and society. To ensure that targets are achieved according to this vision, the Company focuses on managing 4 areas, namely finance, customer relations, internal processes, and personnel learning and growth. The goals of all internal entities including individual employees, departments, divisions, and business groups, were linked together to help drive achievement of the overall goal and vision of the organization. Furthermore, the Company defined a number of policies including the policy on quality assurance to ensure customer satisfaction through a number of factors such as personnel, work processes, safety, environment, and society. This is aimed to create and foster exemplary work practices for society and the nation. The Board of Directors also established the Corporate Governance Committee consisting of all directors. The said committee developed the good corporate governance policy and the 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 of the good corporate governance principles among its employees to ensure their understanding and compliance therewith.

In 2018, the Corporate Governance Committee approved the adoption of the SET's 2012 Principles of Good Corporate Governance for Listed Companies and the SEC's 2017 Corporate Governance Code for Listed Companies. The corporate governance practices are described as follows:

### **Rights of Shareholders**

At the 2018 Annual General Meeting of Shareholders, there were 10 directors present, including the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. Ms. Roumsin Supsakorn was engaged in an overseas business and could not attend the meeting. The Company set out the meeting procedures according to relevant laws, including meeting invitation, document submission, and meeting agenda notification. Also, adequate information was provided to shareholders for their consideration in a timely manner prior to the meeting. Absentee shareholders were allowed to assign independent directors to act as proxies to exercise their votes at the meeting (Please refer to 'Equitable Treatment of Shareholders' for more information). In 2018, 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. As for voting, the Chairman informed the shareholders of the voting

procedure by using paper ballots provided prior to the meeting. The vote counting process was witnessed by representatives being independent directors, 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 2018 Annual General Meeting of Shareholders obtained a total score of 100 (out of 100), or an "Excellent" rating, compared to an average score of 92.42 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 forms, and details of proxy assignment procedures, to its shareholders 14 days prior to the meeting date. Since the Annual General Meeting of Shareholders No. 1/2006, the Company allowed its shareholders to access information at the earliest opportunity by sharing meeting agenda supporting documents in advance in its website before submitting such documents. In 2009, the Company started the practice of sharing meeting information in its website 30 days prior to the meeting date. Moreover, the Company determined meeting time and venue to facilitate convenience for its shareholders. On the meeting date, the registration service started 2 hours before the meeting and the shareholders were allowed to independently raise their opinions and questions. Voting on each agenda item was undertaken according to chronological order. No new agenda item was added without a prior notice being given to the shareholders. The shareholders were informed of the voting procedure before voting. Each agenda item was open for clarification and discussion before voting. All shareholders were allowed to vote equally, except for those with conflicts of interest. Since 2008, the Company has shared its objectives and criteria that its minor shareholders are allowed to propose agenda items and names of candidates for directors via the Company's website. In 2018, the Company held one annual general meeting of shareholders. For each meeting agenda item, relevant details, rationale, potential impacts, and

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opinions of the Board of Directors were provided to shareholders for their better understanding, analysis and decision making, and examination. The Company also allowed its shareholders not only to assign others as their proxies to attend the meeting and vote, but also to assign independent directors as their proxies to vote on their behalf. The Board of Directors realized the importance of shareholders' meetings and all directors intended to attend all meetings unless in necessary cases. The Company's high-level executives attended shareholders' meetings on a regular and consistent basis.

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

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

With respect to 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 a clear shareholding structure without cross-shareholding. The Company and its related company, Tipco Asphalt Public Company Limited, shared the same shareholders through investments in ordinary shares at the rate of 23.67 percent. Related party transactions were approved by the Audit Committee before submission to the Board of Directors for approval. Any directors with conflicts of interest would refrain from voting for such transactions. The Audit Committee had authority to oversee and prevent conflicts of interest and implemented the measure on prevention against misuse of insider information for personal gains. Since 2004, the Company's

directors and executives have been obliged to report any changes in their shareholding to the Secretary to the Board of Directors instead of individual reporting. Also, the directors and executives have been required to disclose their shareholding in the Company at each Board of Directors' meeting.

### **Roles of Stakeholders**

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

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

The Company stipulated an environmental policy for use as a guideline for its operations and communicated such policy to all employees, details as follows:



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1. The Company is strongly determined to undertaking operations according to environmental laws and other requirements concerning environmental management.

2. The Company is strongly committed to reducing major environmental impacts as well as preserving natural resource sites.

3. The Company strives to follow up and assess its environmental performance to ensure compliance with stipulated plans and will continue to improve such performance on a continuous basis.

4. The Company is dedicated to raising awareness about environmental responsibility among employees, service providers, contractors, and the public.

### Conflicts of Interest

To prevent conflicts of interest, the Company implemented the code of conduct and defined desirable practices for various stakeholders groups, especially its major shareholders, with a focus on preventing any adverse impacts of its major shareholders on other stakeholder groups. The Board of Directors is always informed of any transaction that might cause conflicts of interest and any related party transaction; and carefully reviews the suitability of such transaction (Please refer to the “Elimination of Conflicts of Interest” under the “Equitable Treatment of Shareholders”). The Company complied with the regulations of the Stock Exchange of Thailand and amended its articles of association to protect the interests of its minority shareholders. The amendments were duly approved by the 2003 Annual General Meeting of Shareholders, details as follows:

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

To prevent any potential conflicts of interest, the Company’s employees are required to sign the agreement regarding actions leading to conflicts of interest. The agreement specifies disciplinary procedures and punishments, including employment termination in the event of an intentional violation or breach of the agreement. Also, to prevent any misuse of internal information for personal gains, the Company’s directors and executives are required to disclose their

shareholding in the Company at every quarterly Board of Directors' meeting and report any changes in their shareholding to the Secretary to the Board of Directors upon learning of such changes.

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

### **Business Ethics**

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

### **Information Disclosure and Transparency**

The Company pays attention to disclosure of information as it could affect decisions made by investors and other stakeholders. It is necessary to control and specify measures on disclosure of financial and non-financial information to comply with laws. The disclosed information shall be comprehensive, adequate, reliable, transparent, and in a timely manner; and shall be available in

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

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

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

### **Board of Directors' Responsibilities**

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

- Oversee the Company's committees and subcommittees to ensure that they efficiently perform duties according to assigned roles and responsibilities

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

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

## 2. Board of Directors and Committees

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

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

The authorized signatory directors are Ms. Laksana Supsakorn, Mrs. Anurat Tiamtan, Mr. Sitalarb Supsakorn, Mr. Surachet Supsakorn, Mr. Somchit Serththin, Ms. Roumsin Supsakorn, and Mr. Ekaphol Pongstabhon. Any two of the aforesaid persons can co-sign and affix the Company's seal.

The Board of Directors consists of highly qualified and capable individuals. The directors have consistently participated in self-development programs organized by the Thai Institute of

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Directors Association (IOD). The Board of Directors participates in the formulation of the corporate visions and missions to ensure alignment of operational goals among executives and employees. In 2018, the Board of Directors considered, revised, and approved the visions, strategies, goals, business plans, and budgets; and reviewed the key policies to ensure appropriateness and alignment with the business operations under the principles of good corporate governance, such as the Corporate Governance Policy. At every quarter meeting of the Board of Directors, the implementation of the corporate strategies was monitored and the management's performance was followed up. It is required that the management's performance and the operating results of the Company be reported according to the business plans and budgets specified in an efficient and effective manner. The Board of Directors and the management shall take responsibility, according to their duties, for the shareholders. There is segregation of duties between the Board of Directors and the management. Internal control and risk management were reviewed and evaluated to mitigate risks to be at acceptable levels and to meet legal frameworks, corporate objectives, the Articles of Association, and the resolutions of the shareholders' meetings. Business interests are protected based on the principles of good corporate governance. Four committees were established, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. Members of the said committees have qualifications and duties and responsibilities according to the requirements of the Stock Exchange of Thailand. Roles, duties and responsibilities between the committees and the management and between the committees and the major shareholders were clearly defined in writing.

### **Authority and Duties of the Board of Directors**

1. Oversee and manage the Company's business activities to ensure compliance with relevant laws, business objectives, the articles of association, and resolutions of shareholders' meetings, and protect the Company's interests in accordance with the principles of good corporate governance.
2. Determine the Company's policies and business directions as well as monitor and supervise management performance to ensure effectiveness, efficiency and compliance with such policies with a view to maximizing the Company's economic value and shareholders' wealth.

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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.
13. Establish policies relating to anti-corruption and supervise and ensure that the system to support the anti-corruption measures is efficient in order for the management to be aware of and place importance on fighting against corruption and forming a culture of anti-corruption within the organization.

**Authority and Duties of the Managing Director**

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

**Authority and Duties of the Audit Committee**

1. Review the Company's financial reports to ensure that the reports are correct according to accounting standards and relevant laws and that the disclosed information is adequate, complete, and reliable.

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



**Authority and Duties of the Nomination and Remuneration Committee**

1. Select and nominate persons qualified for being directors according to the Company's operating procedures on selection and nomination of directors. The committee shall also consider the performance, qualifications and appropriateness of the directors leaving office and qualified for re-election. The committee shall then propose a list of candidates to the Board of Directors for consideration and endorsement before submission thereof to the shareholders' meeting for election as directors.
2. Propose remuneration rates and employment conditions, including remuneration rates of Chairman of the Executive Committee, the Managing Director, and high-level executives of the Company, as assigned by the Board of Directors.
3. Provide opinions regarding remuneration rates of the Chairman of the Board of Directors and directors according to the regulation on consideration of remuneration to the Board of Directors for approval and to the shareholders' meeting for endorsement.
4. Provide recommendations regarding successors of the Chairman of the Executive Committee and the Managing Director to the Board of Directors. Review succession plans for high-level executives, executives and key positions as prepared by the Chairman of the Executive Committee or the Managing Director.
5. Determine duties and responsibilities related to the following strategies:
  - 5.1 Human resources strategies for high-level executives
    - 5.1.1 Consider and provide opinions on human resources policies for high-level executives as proposed by the Chairman of the Executive Committee and/or the Managing Director to ensure alignment with the Company's business strategies before submission to the Board of Directors.
    - 5.1.2 Ensure that qualified candidates are included in succession plans for high-level executives, executives, and key positions. Ensure that these plans are regularly reviewed by the Chairman of the Executive Committee and the Managing Director.
  - 5.2 Strategies on performance evaluation and remuneration of high-level executives
    - 5.2.1 Review remuneration strategies and propose them to the Board of Directors for endorsement.

5.2.2 Review and propose remuneration, including allocation of the Company's shares, to the Board of Directors to motivate high-level executives to develop and promote their capabilities and subordinates' performance as well as to dedicate their efforts to business development and duty performance in the long and short terms.

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

5.2.4 Consider and provide opinions to the Board of Directors regarding policies and incentive programs aimed at retaining personnel with capabilities, quality, and potential.

#### **Authority and Duties of the Corporate Governance Committee**

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

#### **Authority and Duties of the Risk Management Committee**

1. Convene meetings to assess risks that may have short-term and long-term impacts on business operations; and review such risks at least once per quarter.
2. Determine action plans to mitigate risks towards business operations.
3. Monitor and report risk management results to the Audit Committee and the Board of Directors for acknowledgement.

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

Mr. Virat Phairatphiboon, Chairman of the Audit Committee, possesses expertise and experience that are sufficient to perform the duty of reviewing the financial statements to ensure reliability.

**List of directors with financial knowledge**

Mr. Somchit Sertthin, Mr. Ekaphol Pongstabhon, and Mr. Virat Phairatphiboon (Please refer to their profiles in Pages 26-29)

**3. Nomination and Appointment of Directors and Top Executive**

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

1. The Board of Directors determines qualifications of directors, independent directors, and the managing director.
2. The Nomination and Remuneration Committee screens and selects persons with qualifications as specified by the Board of Directors and propose them to the Board of Directors for consideration.
3. The Board of Directors considers and selects candidates for directors and proposes them to the shareholders' meeting for consideration and appointment.
4. The Board of Directors considers and appoints a person appropriate to be the managing director.

**Qualifications of independent directors**

1. Meet required qualifications of directors.
2. Perform duties and express opinions independently using their own discretion. Uphold integrity and placing corporate benefits as priority rather than only interests of major or retail shareholders or oneself.
3. Possess qualifications as required by the Stock Exchange of Thailand and meet best practices as follows:
  - 3.1 Hold no more than 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.

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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.

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**Criteria for consideration and selection of directors**

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

**Procedures and criteria for election of directors at shareholders' meetings**

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

**Company's Articles of Association regarding the Board of Directors**

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

A retiring director may be eligible for re-election.

17. Apart from vacancy upon the expiry of his/her term of office, a director shall vacate the office upon:

- (1) Death;
- (2) Resignation;
- (3) Disqualification or possession of prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535;
- (4) Removal by the resolution of the shareholders meeting as per 20; or
- (5) Removal by court order.

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

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

19. In case of a vacancy in the Board of Directors for reasons other than the expiration of the director's term of office, the Board of Directors shall elect a person with suitable qualifications and having no prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535 to fill the vacancy at the next meeting of the Board of Directors, except in the case where the remaining term of office of such director is less than 2 months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces.

The resolution of the Board of Directors under the first paragraph shall be passed by votes of no less than three-fourths of the number of the remaining directors.

20. The shareholders meeting may pass a resolution to remove a particular director prior to the expiry of his/her term of office. Such resolution shall comprise no less than three-fourths of the total votes of the shareholders who attend the meeting and are entitled to vote, subject to the condition that the combined number of shares shall not be less than one-half of the total number of shares held by the shareholders who attend the meeting and are entitled to vote.
21. Directors may or may not be the Company's shareholders.

**Checks and balances through non-executive directors**

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

- 1 executive director, representing 9%
- 10 non-executive directors, representing 91%
- 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 the Company's Articles of Association regarding the Board of Directors). Since 2003, individual directors have conducted self-assessments along with the performance assessment of the entire Board of Directors. Each director has shown interests in self-development to enhance knowledge, skills, and standards of practice to ensure effective management and supervision (Please refer to "Board of Directors/Committees Evaluation").

#### **Aggregation or Segregation of Duties**

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

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

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

#### **Remuneration Determination Process and Suitability**

The Company established the policy on directors' remunerations in a clear and transparent manner. Directors' remunerations were commensurate with industry standards and approved by the shareholders' meeting. Directors serving as members of the Audit Committee received additional remuneration according to a wider scope of responsibility. The remunerations of the managing director and employees were based on individual performance and considered by the Nomination and Remuneration Committee. To ensure transparency and clarity in determination of

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remunerations of the managing director and high-level executives, the shareholders considered the policy and principles on remunerations of the managing director and high-level executives at the Annual General Meeting of Shareholders No. 1/2006 held on 28 April 2006.

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

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

### **Board of Directors' Meetings**

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

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

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



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

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

In 2018, there were a total of 5 Board of Directors' meetings and one non-executive directors' meeting to allow the attendees to give opinions or discuss issues that were of interest to them.

#### **4. Supervision of subsidiary and associated companies**

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

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

#### 5. Supervision of insider information use

The Company developed the policy on prevention against use of insider information for doing business as per Item 3.1 Management's Treatment of Shareholders. According to the policy, the management and employees are not allowed to use insider information for personal gains or for trading of securities. Emails about the policy awareness have been sent to employees, management team members, and directors on a quarter basis especially during the one-month period prior to the disclosure of the financial statements to the public. Details of the said policy are as follows:

- i. It is prohibited to seek benefits for oneself or related persons by directly or indirectly using non-public information of the organization.
- ii. It is prohibited to use financial information of the Company for person gains during the one-period before the disclosure thereof to the public.
- iii. Purchases or sales of the Company's securities during the one-month period before the disclosure of the financial statements to the public shall be avoided.
- iv. It is required to report any shareholding in the Company as well as any changes thereto to the Company's Secretary according to Section 59 and punishment clauses according to Section 275 of the Securities and Exchange Act B.E. 2535.
  - It is prohibited to disclose confidential information to external parties, especially competitors.
  - It is prohibited to take any actions in a manner which may cause conflicts of interest with the Company.

It is required that the first top 4 executives, the Board of Directors, and the Executive Committee shall report their trading of the Company's securities to the SEC in strict compliance with the specified regulations. Also, the Board of Directors is asked to refrain from trading shares securities after each Board of Directors' meeting and prior to submission of information to the SET or the SEC. Nonetheless, from 2004 onwards, all purchases and sales of the Company' securities must be reported to the Company's Secretary for further submission to the SEC instead of individual reporting. Moreover, directors and high-level 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.

#### **6. Audit Fee**

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

In 2018, the auditor's remuneration consisted of:

1. Audit fee

The Company and its subsidiaries paid a total audit fee of Baht 3,800,000, details as follows:

Separate and consolidated financial statements: Baht 1,150,000.

Financial statements of 4 subsidiaries: Baht 2,650,000.

2. Non-audit fee

The Company and its subsidiaries paid a total non-audit fee of Baht 158,303.

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

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

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practicality of risk management and track the progress of rectification of each issue on a quarterly basis. The Audit Committee then reports the issues to be improved to the Board of Directors.

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

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

**Nomination of candidates for independent directors by minority shareholders:** Since 2006, the Company has provided minority shareholders with the opportunity to nominate candidates for independent directors. The Company submitted a letter to the Stock Exchange of Thailand (SET), requesting the announcement via the SET's website that minority shareholders of the Company may nominate qualified candidates for independent directors to replace those retiring by rotation according to the Company's selection process and in a timely manner. From 2008 onwards, nomination has been directly made through the Company's website.

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

- Website: [www.tipco.net](http://www.tipco.net) (Topic: Reporting leads and corrupt practices)
- Email: [anti-corruption@tipco.net](mailto:anti-corruption@tipco.net)
- Telephone numbers: 02-273-6888 (Managing Director), 02-273-6400 (Chairman of the Board of Directors)
- Mailing to: Chairman of the Board of Directors/Managing Director

Mailing Address: Tipco Foods Public Company Limited

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118/1 Rama 6 Road, Phayathai Sub-district, Phayathai District, Bangkok 10400

- For issues relating to high-level executives or directors, please directly reach out to the Chairman of the Audit Committee at email address: viratpt@hotmail.com.

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

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

**Chairman of the Board of Directors:** The Chairman of the Board of Directors shall not be a chairman or a member of a respective committee, starting from 2003. The Chairman of the Board of Directors shall not be the Chairman of the Executive Committee, starting from 2007.

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

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

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

### **Board of Directors' Meetings**

In 2018, there was self-assessment of compliance with the good corporate governance principles based on the 99-topic questionnaire developed by the Corporate Governance Center, the Stock Exchange of Thailand in May 2013. This questionnaire was filled out by the Board of Directors before its meeting. The directors exchanged views and opinions regarding the

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performance and the meeting concluded that the following items were not yet implemented or fully implemented:

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

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

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

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

**The application of the CG Code according to the Company's business context:** The Board of Directors understands the role, duties, benefits and practices relating to the CG Code and its contribution to the business sustainability. The Board of Directors' Meeting No. 5/2018 considered and reviewed the implementation of the CG Code according to the business environment. The review of the code shall be conducted once a year. For the practices that could not be or have not yet been implemented, the reasons were already recorded as part of the resolution of the Board of Directors. In 2018, there were 2 directors attending the Board Matters & Trends 6/2018 (BMT) course. The course was about the trends regarding changes in laws, regulations, and corporate compliance; as well as the important role, duties, and responsibilities of directors in today's business. The course also provided techniques and practices that enabled directors to develop skills, knowledge, and capabilities for adaptation to the Company's changing environment to gain maximum benefits.

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**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
Ms. Laksana Supsakorn			5/5	1/1
Mrs. Anurat Tiamtan			4/5	1/1
Mr. Virat Phairatphiboon	4/4		4/5	1/1
Mr. Surachet Supsakorn		2/2	5/5	1/1
Mr. Somchit Serththin			5/5	1/1
Mr. Chalit Limpanavech			2/5	1/1
Ms. Roumsin Supsakorn			5/5	0/1
Mr. Sitilarb Supsakorn			4/5	1/1
Mr. Paisal Pongprayoon	4/4	2/2	5/5	1/1
Mrs. Achara Pricha	4/4	2/2	5/5	1/1
Mr. Ekaphol Pongstabhon			5/5	1/1

**Board of Directors/Committees Evaluation**

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

**Self-assessment of boards of directors and individual directors:**

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

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

**Self-assessment process:**

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

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

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

**Board of Directors Evaluation**

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

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

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



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

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

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

**Self-assessment process:**

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

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

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

**Audit Committee Evaluation**

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

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The Board of Directors viewed that the Audit Committee performed duties in a comprehensive and efficient manner and provided comments and recommendations that were beneficial to the Company's management. The Audit Committee also advised the management team to exercise caution in various matters and to revise action plans to avoid any potential damage. The Audit Committee achieved a very satisfactory performance.

### **Nomination and Remuneration Committee Evaluation**

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

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

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

### **Chairman of the Board of Directors Evaluation**

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

### **Orientation for new directors**

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

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

Participant	Position	Course	Date
Mr. Ekaphol Pongstabhon	- Managing Director	1. The DNA of Great Content Marketing	30-31/1/2018
		2. EY Center for Board Matters	24/4/2018
		3. Organizational Development to for Sustainability and Rapid Changes in Technology	26/4/2018
		4. Food Innovation and New Business Opportunity	23/8/2018
		5. Safety Officer at Executive Level	27-28/8/2018
		6. EY Center for Board Matters	29/10/2018
		7. CEO Club 2018	
		8. Start Less Finish More – Building Agility and Engagement with Objective and Key Results (OKRs)	11/10/2018 11/10/2018
Mr. Paisal Pongprayoon	- Independent Director - Nomination and Remuneration Committee Chairman - Audit Committee Member	1. Top Priorities in Digitalization: The Next Move	24/10/2018
			15/12/2017
Mrs. Achara Pricha	- Independent Director - Audit Committee Member	1. Good Corporate Governance of Information	23/10/2018

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	- Nomination and Remuneration Committee Member	Technology: Risk Management and Responsibility for Information 2. Tough Boardroom Situations- Independent Directors Share Lessons Learned 3. Board Matters & Trends BMT 6/2018	2/10/2018  30-31/10/2018
Mr. Virat Phairatphiboon	- Independent Director - Audit Committee Chairman	1. Tough Boardroom Situations- Independent Directors Share Lessons Learned	2/10/2017
Mr. Chalit Limpanavech	- Independent Director	1. Good Corporate Governance of Information Technology: Risk Management and Responsibility for Information 2. Board Matters & Trends BMT 6/2018	23/10/2018  30-31/10/2018
Mr. Leuchar Pisitthakarn	- Chief Financial Officer	1. Safety Officer at Executive Level 2. Transfer Pricing 3. Code of Conduct 4. Strategic Financial Leadership Program	28-29/8/2018  3-4/9/2018 21/9/2018 29-31/10/2018

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		5. CFO Focus on Financial Reporting	21-22/11/2018
Ms. Kullakarn Cheenpun	-Corporate Secretary	1. 2017 Corporate Governance Code (CG Code) for listed companies	17/5//2018
		2. Sharing Session: “Guidelines for disclosure of CG Code according to the ‘apply or explain’ principle”	11/6/2018
		3. Spreadsheets for organizational anti-corruption measures	29-30/11/ 2018

**Investor Relations**

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

**Investor Relations Activities**

In 2018, the Company welcomed the analysts, fund managers, investors, and related parties to the discussion meetings about key information of the Company. Interested persons could study and exchange financial information and general information via the following communication channels:

- Meetings and sharing of information with investors, analysts and fund managers at national and international levels through 12 company visits, such as analysts from CIMBT and Maybank Kim Eng as well as fund managers from ROHDEA Fund, Hong Kong, and Albizia Capital, Singapore.

- Two conference calls.
- Inquiries about corporate information via telephone from general investors (10 times) and from analysts (5 times).
- Presentation of financial information and general information on a quarterly basis under the “Investor Relations” section in the Company’s website (4 times).

#### **10. Corporate Social Responsibility**

The Company conducts its business by taking responsibility for all groups of its stakeholders. As a part of the community, the Company is committed to 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 its business along with the environment and society.”**

To ensure effective management and operations with respect to environmental and social responsibility and compliance with the CSR policy, the Company appointed 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, a group head, members, and a secretary. Roles and responsibilities of each working group are as follows:

1. Present environmental and social contribution activities to seek support for government agencies and communities in 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

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4. Act as a 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 the promotion of environmental and social image of Tipco as assigned

Each environmental and social working group shall conduct meetings to develop environmental and social contribution activity plans; follow up on the progress; and report the results of the activities to the management team for acknowledgement on a regular basis.

Environmental and social contribution activities can be divided into the following 3 categories:

**1. Social**

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

**2. Environmental**

- Support domestic forestry ecosystem conservation and creation activities

**3. Religious**

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

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

- Allow the public to provide leads or complaints of illegal or unethical acts as per the address and telephone number posted in the Company's website

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- Visit the community to seek opinions
- Hold forums with local administrative organizations, community leaders, and the community
- Adopt a complaint handling system by verifying information and reporting results to the Board of Directors

According to the results of the “Community Satisfaction Level (CSL)” survey continuously conducted by the Company, in 2018 the Company obtained an average score of 4.35 (out of the total score of 5) which was lower than 4.48 in the previous year. The Prachuap Khiri Khan factory obtained a score of 4.67 which was higher than 4.51 in the previous year. The Chiang Mai factory obtained a score of 4.24 which was lower than 4.34 in the previous year. The Wang Noi factory obtained a score of 4.45 which was higher than 4.44 in the prior year. The Phetchabun factory obtained a score of 4.05. The Company assigned relevant functional units to implement recommendations made by the communities for improvement and correction. To promote awareness of the stakeholders’ rights and ensure relevant implementation actions, the Company has defined its business framework as well as its vision and core values as follows:

Mission: “To bring wellness to society”

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

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

T: Teamwork

I: Innovation

P: Passion

C: Commitment

O: Openness

The Company continues to focus on the alignment between its corporate vision and core values to drive sustainable growth. The corporate core values reflect the Company’s strong commitment towards its internal and external customers across all functional units. All of the



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Company's functional units shall have a service mind and offer quality products that meet the needs of consumers and service users. Such strong commitment helps foster a culture of good corporate governance. In 2018, the Company obtained a very good response to the Customer Satisfaction Index survey with an average score of 99.6% which was higher than 99.4% of the previous year.

In addition, the Company recognizes the importance of its employees as the driving force for its continued growth. Hence, the Company revised the Employee Opinion Survey (EOS) plan to seek employees' opinions on corporate image, reputation, welfare schemes, management, and good corporate governance. The Company conducted the Employee Engagement Survey (EES) at the beginning of 2018. The survey results showed that the employee engagement level with the organization was 66% which was higher than Thailand's average score of 63%.

The Company also conducted the Supplier Satisfaction Survey and obtained an average score of 4.92 (out of 5.00) which was higher than 4.62 in the previous year. The Company made improvement based on the opinions received by assigning action owners and target completion dates as well as evaluating results on regular basis. This is to ensure that the Company complies with the good corporate governance principles and treats its stakeholders equally.

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

In 2018, the Company conducted a number of social and environmental contribution activities as follows:

### Social

- Donated funds to support the purchase of spare parts for wheelchairs to the Thai With Disability Foundation (TDF), Nonthaburi Province
- Donated funds to the Wing 5 Unit to support the families of the Thai veterans
- Donated Aura mineral water to the Pongyang Subdistrict Administrative Organization, Pongyang Subdistrict, Mae Rim District, Chiang Mai Province to support the implementation of the project to promote local education towards Thailand 4.0
- Donated Aura mineral water to the Prachuap Khiri Khan Provincial Cultural Office to support the exhibition of great Thai movies in the reign of King Rama 9

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- Donated fruit juice products to the Royal Thai Navy and the Thai Red Cross Society at the Red Cross Concert No. 40 event
- Renovated the Phayathai Pirom Park, Phayathai District on the occasion of remembrance of the founders of the Tipco Foods Group by improving public washrooms, reading areas in the park, and the basketball court
- Donated funds to the Prachuap Khiri Khan Public Homeless Shelter
- Donated 10,000 packs of mineral water to the Relief and Community Health Bureau of the Thai Red Cross Society to support good and clean drinking water for disaster victims in different provinces
- Renovated public areas, offered lunch meals for students, donated sports equipment and other supplies, and imparted knowledge regarding health to students of Wat Tan Chet Cho School, Ang Thong Province in remembrance of the founders of the Tipco Foods Group
- Renovated public and stadium areas and donated sports equipment in Pongyang Subdistrict, Mae Rim District, Chiang Mai Province.
- Donated 30 packs of Aura mineral water to the Rescue Task Force of Muang District, Prachuap Khiri Khan Province who joined the rescue operations of the victims of the “Tham Laung Khun Nam Nang Non” cave

### Environmental

- Donated Aura mineral water to the Department of Geological Sciences, Faculty of Science, Chiang Mai University for the holding of the large network group meeting to exchange ideas on the study results and (draft) master plan on groundwater resources governance in the Chiang Mai-Lamphun groundwater basin
- Donated Aura mineral water to the Samoeng District Natural Resources and Environmental Conservation Network, Samoeng Tai Subdistrict, Samoeng District, Chiang Mai Province to support the forest fire problem management activity.

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- Donated Aura mineral water to the 9 village communities in Pongyang Subdistrict, Mae Rim District, Chiang Mai Province to support the forest plantation activity to celebrate the auspicious occasion of His Majesty the King's 66<sup>th</sup> Birthday Anniversary.

### **Educational**

- Donated funds to support scholarships for the Ruamchit Normklao Foundation (for Children and Youth) under Her Majesty Queen Sirikit's Royal Patronage
- Donated Aura mineral water to the Mae Rim Education Quality Development Network 2, Mae Ram Subdistrict, Mae Rim District, Chiang Mai Province at the General Meeting of Network Participants
- Granted scholarships to the children of the employees
- Donated funds to the Prachuap Khiri Khan Special Education Center
- Donated funds to support the hiring of the kindergarten teachers for November and December of Baan Bueng School.
- Donated 5 sacks of rice to Baan Bueng School to support lunch meals for students

### **Arts, Cultural, and Religious**

- Donated Aura mineral water to the Pongyang Subdistrict Administrative Organization, Pongyang Subdistrict, Mae Rim District, Chiang Mai Province to support the project to promote and conserve the culture and tradition of the northern Thai New Year or Lanna Songkran festival
- Donated Aura mineral water to the Baan Pongyang Nok village community, Pongyang Subdistrict, Mae Rim District, Chiang Mai Province at the merit making ceremony to worship Buddha's handprints and the ritual bathing ceremony for the Phra Chedi Noi stupa at the "Tham Pha Ta" cave of the Baan Pongyang Nok village
- Donated Aura mineral water to the Khuha Wari Monastery, Pongyang Subdistrict, Mae Rim District, Chiang Mai Province to support the merit making and candle offering activity on the occasion of the Buddhist Lent Day 2018

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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 different organizations, government agencies, schools, temples, etc.

### **Environmental Management**

Realizing the importance of environmental conservation and natural resources management, the Company stipulated its environmental policy as a guideline for conducting business activities and for communication across the organization. The details of the policy are as follows:

1. The Company shall strive to conduct its business activities in line with environmental statutes and laws and other requirements relating to environmental management.
2. The Company shall be committed to mitigating major environmental impacts as well as conserving sources of natural resources.
3. The Company shall be determined to monitoring and evaluating its environmental operations to ensure compliance with management plans and to improving such operations on a continuous basis.
4. The Company shall promote environmental awareness among employees, outsourced workers, and contractors as well as members of the public.

### **The Company's factory in Chiang Mai Province**

1. The factory has conducted environmental sustainability promotion activities such as the AURA PES No. 3 which is a collaborative forestation project between the Baan Pong Krai community and the factory. The activity involves the establishment of forest growth on a 10-rai area. The community is to handle and maintain the forest growth for a period of 2 years (March 2018–March 2020). The community is in charge of the whole process ranging from preparing forestation land and planting trees to eliminating weeds. The community also ensures that the grown trees have a high survival rate and eventually form a healthy forest. The activity is sponsored by the factory. Unlike other forestation approaches, this community-led forestation activity leads to the high survival rate of seedlings (over 90%).

2. The machines used to produce mineral water are developed such that the water bottles are clean without the need to wash them with water. Thus, there is no waste of water from the bottle

cleaning process. This results in a significant reduction in the use of water resources. Also, the amount of wastewater to be treated is reduced.

#### **The Company's factory in Phetchabun Province**

1. The machines used by the factor to produce mineral water are from the same system as those used by the Chiang Mai factory. Thus, there is no waste of water from the bottle cleaning process. This results a reduction in the use of water resources and a reduction in the amount of wastewater to be treated.

2. The lighting system in the factory is LED-based which helps save more energy when compared to general light bulbs.

3. The factory has planted 3,000 items of mahogany and other trees to reduce heat from sunlight and create a cool and shady atmosphere around the factory.

#### **The Company's factory in Prachuap Khiri Khan Province**

1. The factory set out electricity and heat power reduction measures and ensures that its core energy saving equipment are subjected to maintenance services every year.

2. The amount of air leak from the compressed air system is reduced by 20%, hence a reduction in energy charges of 586,172 kWh/annum and a reduction in carbon dioxide release of 328,843 kg-CO<sub>2</sub>/annum.

3. The ammonia-based chiller was replaced by the R-404a chiller which is environmentally friendly and not damaging the ozone layer.

4. The use of charcoal is reduced by 15% due to the use of high quality charcoal materials that give high heat energy. The amount of carbon dioxide released is also reduced by 6,918,000 kg-CO<sub>2</sub>/annum.

5. The wastewater from the RO system is reused through the installation of the Reuse RO system to reduce the use of water in the pineapple cleaning process. This results in a reduction in the use of water of 43,000 Q/annum.

6. The factory has evolved into an environmentally friendly factory for sustainable development. The factory joined the green industry project and applied for a "Green Industry Level 3" certificate. The application is being considered by the Ministry of Industry.

#### The Company's factory in Ayutthaya Province

1. The use of compressed natural gas (CNG) to fuel boilers results in a complete combustion and does not create soot and smoke. This results in a reduction in carbon dioxide emission of 2,678,409 kg-CO<sub>2</sub>/annum.

2. The wastewater from the RO system is reused through the installation of the Reuse RO system to reduce the use of water in the production process. This results in a reduction in the use of water of 2,700 Q/1month and a reduction in the amount of wastewater of 220Q/month.

3. The factory set up the Chiller Plant Management system by using the PLC application to control the functioning of the equipment. This helps optimize efficiency of the chillers and results in a reduction in energy charges of 15,000 kWh/month.

4. The factory has implemented the project to reduce energy from the compressed air system by adjusting pressure levels to fit functional needs. This helps reduce energy charges by 14,782 kWh/month and the level of carbon dioxide released by 103,257 kg-CO<sub>2</sub>/annum.

5. The factory has evolved into an environmentally friendly factory for sustainable development. The factory joined the green industry project and applied for a "Green Industry Level 2" certificate. The factory was granted the certificate from the Ministry of Industry on 22 October 2018.

6. On 9 May 2018 and 23 July 2018, the factory invited the members of the Thailand Environment Institute (TEI) foundation to provide insightful recommendations on environmental management and environmental planning in order to move forward towards being part of the green industry.

7. The green industry working group conducted public relations activities and morning talk sessions on energy and environmental conservation with an aim to raise awareness about environmental issues among employees across functions.

#### Disclosure of Prevention Against Corruption

The Board of Directors supported the Company to participate in the declaration of its intent to comply with the principles of Anti-Corruption Collective Action in Thailand. The principles shall be adopted as a part of the corporate compliance policy to ensure compliance with laws, rule, and regulations of the Company and Tipco Foods Group. The details are as follows:

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1. The Company has a policy to fight against all forms of corruption by developing a guideline in writing as a part of its Code of Conduct. Such guideline was approved by the Board of Directors. The details are disclosed in the Company's website.

2. The Board of Directors adopted the anti-corruption policy by declaring its intent to join the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company subsequently ratified such declaration to counter all forms of corruption.

3. The Board of Directors approved the anti-corruption measures in writing as shown in the Company's website, which shall be strictly adhered to by all employees to promote transparency and fairness in doing business according to the good corporate governance and anti-corruption policies.

4. In 2016, the Company established a working group comprising representatives from all relevant departments in order to request 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 all 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 keep up with changing business environments, regulations, rules, and laws. Any violations or actions to support corruption shall be subject to disciplinary actions according to the Company's regulations.

Furthermore, the Company 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 has taken the following actions:

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

**Whistleblowing or Complaint-Filing Channels**

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

1. Email: [anti-corruption@tipco.net](mailto:anti-corruption@tipco.net)
2. Website: [www.tipco.net](http://www.tipco.net) (Topic: Reporting fraudulent or corrupt practices)
3. Telephone numbers: Managing Director 02-273-6888, Chairman of the Board of Directors 02-273-6400, or Call Center 095-205-1864
4. Mailing to: Chairman of the Board of Directors/Managing Director

Mailing Address: Tipco Foods Public Company Limited

118/1 Rama 6 Road, Phayathai Subdistrict, Phayathai

District, 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 directly submitted to the Chairman of the Audit Committee at E-mail: [viratpt@hotmail.com](mailto:viratpt@hotmail.com).

2. The Company shall examine the complaints based on reliable facts. However, the whistleblowers or complainants shall be aware that the complaints without their names disclosed could affect the efficiency of Company's fact-finding operations.



### **Protection of Whistleblowers and Those Refusing to Conduct Corrupt Practices**

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

1. The unit receiving the complaint shall consider preliminary information or find supporting information. If it is deemed appropriate to conduct a fact-finding, the top executive of the unit receiving the case shall grant endorsement before submitting the case to the relevant unit for further actions according to the procedures.

2. The Company shall provide protection for those cooperating with the Company in providing leads or refusing to conduct corrupt practices so that they are free from trouble, threats, or unfair practices as a result of such cooperation.

3. The Company shall not demote, punish or incur a negative impact on the employees or executives who refused to conduct corrupt practices although such action might cause losses of business opportunities to the Company.

4. In the case where the whistleblowers/complainants find that they may not be safe or may suffer from any damage, they can request the Company's protection as appropriate.

5. To protect the rights of the persons filing complaints or giving information in good faith, the Company shall keep information of such persons as confidential. Only those responsible for conducting a fact-finding are allowed to access such information. Disclosure of such information to irrelevant persons shall be considered as a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures.

6. If it is found that an employee or executive unfairly treats or causes damage to another person because such person provides leads/files a complaint or refuses to conduct a corrupt practice; that employee or executive shall be regarded as committing a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures.

### **Punishment**

Any person intentionally or negligently violating this regulation or exhibiting a misconduct through any form of persecution, threatening, disciplinary action, or discrimination against those providing leads/filing complaints or those involved in the implementation of this regulation shall be

deemed as committing a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures. Such person shall also be liable for any damage incurred to the Company and those affected by said action.

Details of the anti-corruption policy and relevant activities are disclosed in the Company's website under the topic of "Good Corporate Governance".

### **Responsibility for Stakeholders**

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

## **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. 1/2018 held on 15 February 2018 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,

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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 on the adequacy of the 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 2018 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 addition, the Audit Committee supervised the review of the anti-corruption practices of the Company performed by the Internal Audit Department to ensure that there were appropriate and adequate control systems to mitigate risks from possible corruption.

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In 2018, the Audit Committee held 4 formal meetings with the external auditor and the internal auditor. The Committee also consulted with the internal auditor, the external auditor and the management on various matters. The Committee held 1 meeting with the external auditor and the internal auditor without the management present at the meeting in order to discuss action plans to ensure consistency and completeness. The Audit Committee's main operations can be summarized as follows:

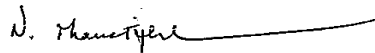
1. The Audit Committee together with Audit and Management Consultant Co., Ltd., the internal auditor, determined the annual internal audit plan to ensure the sufficiency of internal control systems. Focus was placed on managing business risks and the internal auditor was assigned to review such risks on a quarterly basis.
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 prepared in compliance with the 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 and market price comparison was made to ensure reasonableness.
4. The Audit Committee conducted a review to ensure that effective internal control systems were in place and no significant weaknesses that could cause a significant impact were found. It was reiterated that the management must always 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 through conducting a review every quarter and providing suggestions for improvement.
5. The Audit Committee monitored the Company's investment projects by regularly following up on the progress and reviewing management reports.
6. The Audit Committee reviewed the Company's compliance with relevant regulations and laws to ensure integrity and transparency towards the shareholders and other

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stakeholders. Based on the review, it was found that the Company was in full compliance with such regulations and laws.

7. The Audit Committee jointly considered, proposed and appointed a new external auditor according to an appropriate timeline and an audit fee was proposed to the Board of Directors to seek approval from the shareholders' meeting. In this regard, EY Office Limited was appointed as the Company's auditor for 2018.
8. The Audit Committee proposed a plan to set up a modern IT system to promote the efficiency of the Company's business operations and also to have an appropriate risk prevention system.

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



Mr. Virat Phairatphiboon

Chairman of the Audit Committee

13 February 2019

### 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 No.2336) and Honorary Certified Internal Auditor, Institute of Internal Auditors – (CIA No.30861). Also, the management team has been assigned to coordinate with the said outsource internal auditor.

Consideration and approval, appointment, removal or transfer of the head of the internal audit function of the Company must be subject to approval or endorsement by 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 appointed Miss Kullakarn Cheenpun 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 26.)

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**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. 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 the 56-1 form.)

**12. Related Party Transactions**

Details of related party transactions between Tipco Foods Pcl. and its subsidiaries and related parties in 2018 were as follows:

Type of transaction	Company/relationship	Related party transaction value (Baht Million)	Pricing policy
1. Services and others	Tipco Tower Co., Ltd.	14.05	Market prices equivalent to those quoted for outsiders
	Tipco Asphalt PCL.	0.25	
	Siamcontainer Terminal Co., Ltd.	0.02	
	Ruamsapsin Co., Ltd.	0.24	
	Marketing Consultants Co., Ltd.	0.79	
	<b>Total</b>	<b>15.35</b>	

Details of related party transactions between Tipco F&B Co., Ltd. and related companies were as follows:

Type of transaction	Company/relationship	Related party transaction value (Baht Million)	Pricing policy
1. Selling products	Siamcontainer Terminal Co., Ltd.	0.22	Market prices equivalent to those quoted for outsiders
	Thanomwongse Service Co., Ltd.	0.24	
	Tipco Asphalt Pcl.	1.57	
	Rattanjit Co., Ltd.	0.35	
	Thai Bitumen Co., Ltd.	0.14	
	Thai Slurry Seal Co., Ltd.	0.03	



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	Tipco Maritime Co., Ltd.	0.07	
	Ruamsapsin Co., Ltd.	0.35	
	Marketing Consultants Co., Ltd.	0.26	
	Raycol Asphalt Co., Ltd.	0.08	
	Tipco Tower Co., Ltd.	0.19	
	Boondee Meesuk Co., Ltd.	0.10	
	Colas Regional Office	0.02	
	<b>Total</b>	<b>3.73</b>	
2. Services and others	Tipco Asphalt Pcl.	0.31	Market prices equivalent to those quoted for outsiders
	Siamcontainer Terminal Co., Ltd.	0.23	
	Ruamsapsin Co., Ltd.	9.94	
	Tipco Tower Co., Ltd.	6.51	
	Marketing Consultants Co., Ltd.	0.65	
	<b>Total</b>	<b>17.64</b>	

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

Type of transaction	Company/relationship	Related party transaction value (Baht Million)	Pricing policy
1. Services and others	Vital Well Co., Ltd.	0.00	Market prices equivalent to those quoted for outsiders
	Tipco Asphalt Pcl.	0.06	
	Ruamsapsin Co., Ltd.	8.55	
	Tipco Tower Co., Ltd.	1.72	
	Marketing Consultants Co., Ltd.	0.10	
	<b>Total</b>	<b>10.43</b>	

Details of related party transactions between Tipco Pineapple Co., Ltd. and related companies were as follows:

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Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
1. Others incomes	Raycol Asphaltl Co., Ltd.	0.01	Market prices or equivalent to those quoted for outsiders
	Tipco Asphalts Pcl.	0.29	
	<b>Total</b>	<b>0.30</b>	
2. Services and others	Tipco Tower Co., Ltd.	0.65	Market prices equivalent to those quoted for outsiders
	Tipco Asphalt Pcl.	0.24	
	Siamcontainer Terminal Co., Ltd.	0.48	
	Marketing Consultants Co., Ltd.	0.57	
	<b>Total</b>	<b>1.94</b>	

“Services and Others” transactions were building rental fees paid to Tipco Tower Co., Ltd. These transactions were recorded as expenses of Tipco Foods Pcl., Tipco F&B Co., Ltd., and Tipco Retail Co., Ltd. of Baht 11.32 million, Baht 4.60 million, and Baht 1.40 million, respectively. After due consideration, the Audit Committee opened that such rental fees were appropriate when compared with those of similar buildings with similiary 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 Rationality 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 price policies.

**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 Tendency 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 2016-2018

Tipco Foods Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2018

Assets

(Unit: Baht)

	Consolidated financial statements						Separate financial statements					
	<u>2018</u>	%	<u>2017</u>	%	<u>2016</u>	%	<u>2018</u>	%	<u>2017</u>	%	<u>2016*</u>	%
<b>Assets</b>												
<b>Current assets</b>												
Cash and cash equivalents	105,836,016	1.5%	199,464,462	2.9%	58,983,257	0.9%	21,594,772	0.6%	64,660,653	2.2%	25,295,630	0.9%
Current investment	4,950,897	0.1%	4,907,078	0.1%	3,846,390	0.1%	-	0.0%	-	0.0%	-	0.0%
Trade and other receivables	562,332,118	7.9%	573,737,682	8.3%	689,864,254	10.1%	45,473,934	1.3%	39,580,308	1.4%	317,129,277	11.4%
Short-term loans to related party	-	0.0%	-	0.0%	-	0.0%	90,000,000	2.6%	8,000,000	0.3%	-	0.0%
Inventories	986,474,903	13.9%	915,877,077	13.2%	882,245,761	13.0%	61,973,123	1.8%	50,201,989	1.7%	433,586,623	15.6%
Biological assets	659,471	0.0%	2,952,979	0.0%	2,800,857	0.0%	-	0.0%	-	0.0%	-	0.0%
Advanced payments	12,267,768	0.2%	10,851,311	0.2%	14,188,871	0.2%	4,205,527	0.1%	4,150,159	0.1%	7,583,343	0.3%
Other current assets	75,393,250	1.1%	73,436,307	1.1%	46,582,571	0.7%	13,035,627	0.4%	36,797,882	1.3%	13,031,935	0.5%
<b>Total current assets</b>	<b>1,747,914,423</b>	<b>24.7%</b>	<b>1,781,226,896</b>	<b>25.7%</b>	<b>1,698,511,961</b>	<b>24.9%</b>	<b>236,282,983</b>	<b>6.9%</b>	<b>203,390,991</b>	<b>7.0%</b>	<b>796,626,808</b>	<b>28.7%</b>
<b>Non-current assets</b>												
Restricted bank deposits	-	0.0%	-	0.0%	1,016,000	0.0%	-	0.0%	-	0.0%	-	0.0%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%	1,765,336,907	51.4%	1,615,336,907	55.9%	465,336,902	16.8%
Investment in associate	2,910,063,089	41.1%	3,030,377,429	43.7%	2,894,859,580	42.5%	644,929,739	18.8%	644,929,739	22.3%	644,929,739	23.3%
Investment property- Land awaiting sale	7,269,561	0.1%	7,269,561	0.1%	7,269,561	0.1%	7,269,561	0.2%	7,269,561	0.3%	7,269,561	0.3%
Property, plant and equipment	2,287,283,380	32.3%	1,970,631,489	28.4%	2,023,191,014	29.7%	742,167,527	21.6%	367,072,327	12.7%	761,469,255	27.5%
Intangible assets	56,193,420	0.8%	72,458,309	1.0%	68,099,837	1.0%	30,236,774	0.9%	33,547,307	1.2%	35,954,345	1.3%
Deferred tax assets - net	47,379,204	0.7%	56,798,126	0.8%	97,889,724	1.4%	3,588,672	0.1%	13,677,086	0.5%	54,217,114	2.0%
Other non-current assets	20,471,350	0.3%	19,667,436	0.3%	17,983,295	0.3%	3,089,846	0.1%	4,283,470	0.1%	6,117,218	0.2%
<b>Total non-current assets</b>	<b>5,328,660,004</b>	<b>75.3%</b>	<b>5,157,202,350</b>	<b>74.3%</b>	<b>5,110,309,011</b>	<b>75.1%</b>	<b>3,196,619,026</b>	<b>93.1%</b>	<b>2,686,116,397</b>	<b>93.0%</b>	<b>1,975,294,134</b>	<b>71.3%</b>
<b>Total assets</b>	<b>7,076,574,427</b>	<b>100.0%</b>	<b>6,938,429,246</b>	<b>100.0%</b>	<b>6,808,820,972</b>	<b>100.0%</b>	<b>3,432,902,009</b>	<b>100.0%</b>	<b>2,889,507,388</b>	<b>100.0%</b>	<b>2,771,920,942</b>	<b>100.0%</b>

\*Separate financial statement included profit from discontinued operation, for which the company has completed restructuring in Year 2017.

**2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited**

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2018**

(Unit: Baht)

	Consolidated financial statements						Separate financial statements					
	2018	%	2017	%	2016	%	2018	%	2017	%	2016*	%
<b>Liabilities and shareholders' equity</b>												
<b>Current liabilities</b>												
Bank overdrafts and short-term loans from financial institutions	770,000,000	10.9%	720,845,467	10.4%	417,000,000	6.1%	240,000,000	7.0%	140,000,000	4.8%	120,000,000	4.3%
Trade and other payables	790,128,580	11.2%	805,380,737	11.6%	859,126,100	12.6%	76,869,312	2.2%	102,650,369	3.6%	241,296,027	8.7%
Current portion of long-term loans from financial institutions	312,500,000	4.4%	197,500,000	2.8%	171,500,000	2.5%	201,200,000	5.9%	86,200,000	3.0%	91,500,000	3.3%
Income tax payable	10,693,056	0.2%	3,960,759	0.1%	2,247,671	0.0%	-	0.0%	-	0.0%	-	0.0%
Other current liabilities	79,005,064	1.1%	43,572,043	0.6%	57,816,502	0.8%	3,163,214	0.1%	4,254,613	0.1%	35,285,354	1.3%
<b>Total current liabilities</b>	<b>1,962,326,700</b>	<b>27.7%</b>	<b>1,771,259,006</b>	<b>25.5%</b>	<b>1,507,690,273</b>	<b>22.1%</b>	<b>521,232,526</b>	<b>15.2%</b>	<b>333,104,982</b>	<b>11.5%</b>	<b>488,081,381</b>	<b>17.6%</b>
<b>Non-current liabilities</b>												
Liabilities under finance lease agreements - net of current portion	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Long-term loans from financial institutions - net of current portion	840,203,341	11.9%	709,450,000	10.2%	776,950,000	11.4%	729,498,341	21.3%	487,445,000	16.9%	456,950,000	16.5%
Provision for dismantling cost	2,279,600	0.0%	1,254,600	0.0%	2,649,600	0.0%	-	0.0%	-	0.0%	-	0.0%
Provision for long-term employee benefits	98,360,141	1.4%	85,849,430	1.2%	79,096,614	1.2%	25,108,871	0.7%	23,173,843	0.8%	55,553,001	2.0%
<b>Total non-current liabilities</b>	<b>940,843,082</b>	<b>13.3%</b>	<b>796,554,030</b>	<b>11.5%</b>	<b>858,696,214</b>	<b>12.6%</b>	<b>754,607,212</b>	<b>22.0%</b>	<b>510,618,843</b>	<b>17.7%</b>	<b>512,503,001</b>	<b>18.5%</b>
<b>Total liabilities</b>	<b>2,903,169,782</b>	<b>41.0%</b>	<b>2,567,813,036</b>	<b>37.0%</b>	<b>2,366,386,487</b>	<b>34.8%</b>	<b>1,275,839,738</b>	<b>37.2%</b>	<b>843,723,825</b>	<b>29.2%</b>	<b>1,000,584,382</b>	<b>36.1%</b>

\*Separate financial statement included profit from discontinue operation, which the Company has completed restructuring in Year 2017.

**2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited**

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 December 2018**

**Shareholders' equity**

Share capital

Registered

500,000,000 ordinary shares of Baht 1 each	500,000,000	7.1%	500,000,000	7.2%	500,000,000	7.3%	500,000,000	14.6%	500,000,000	17.3%	500,000,000	18.0%
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Issued and fully paid

482,579,640 ordinary shares of Baht 1 each	482,579,640	6.8%	482,579,640	7.0%	482,579,640	7.1%	482,579,640	14.1%	482,579,640	16.7%	482,579,640	17.4%
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Non-controlling interests of subsidiary acquired by

the Company at price higher than book value	(80,767,243)	(1.1%)	(80,767,243)	(1.2%)	-	0.0%	-	0.0%	-	0.0%	-	0.0%
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Non-controlling interest in subsidiary of

the associated company acquired at price lower than book value	1,494,466	0.0%	1,494,466	0.0%	1,494,466	0.0%	-	0.0%	-	0.0%	-	0.0%
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Change in the interest in subsidiaries of

the associated company which did not result in a loss of control of the associate	(135,832,635)	(1.9%)	(135,832,635)	-2.0%	(135,832,635)	-2.0%	-	0.0%	-	0.0%	-	0.0%
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Capital reserve for share-based payment transactions

of the associate	41,070,724	0.6%	36,872,134	0.5%	28,433,655	0.4%	-	0.0%	-	0.0%	-	0.0%
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Retained earnings

Appropriated - statutory reserve	50,000,000	0.7%	50,000,000	0.7%	50,000,000	0.7%	50,000,000	1.5%	50,000,000	1.7%	50,000,000	1.8%
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Unappropriated	3,876,971,449	54.8%	4,155,881,429	59.9%	3,650,873,429	53.6%	1,624,482,631	47.3%	1,513,203,923	52.4%	1,238,756,920	44.7%
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Other components of shareholders' equity

	(62,111,756)	(0.9%)	(139,611,581)	(2.0%)	(3,216,208)	0.0%	-	0.0%	-	0.0%	-	0.0%
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Equity attributable to owners of the Company

	4,173,404,645	59.0%	4,370,616,210	63.0%	4,074,332,347	59.8%	2,157,062,271	62.8%	2,045,783,563	70.8%	1,771,336,560	63.9%
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Non-controlling interests of the subsidiaries

	-	0.0%	-	0.0%	368,102,138	5.4%	-	0.0%	-	0.0%	-	0.0%
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**Total shareholders' equity**

	4,173,404,645	59.0%	4,370,616,210	63.0%	4,442,434,485	65.2%	2,157,062,271	62.8%	2,045,783,563	70.8%	1,771,336,560	63.9%
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**Total liabilities and shareholders' equity**

	7,076,574,427	100.0%	6,938,429,246	100.0%	6,808,820,972	100.0%	3,432,902,009	100.0%	2,889,507,388	100.0%	2,771,920,942	100.0%
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\*Separate financial statement included profit from discontinue operation, which the Company has completed restructuring in Year 2017.

# 2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited

## Tipco Foods Public Company Limited and its subsidiaries

### Statement of comprehensive income

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements						Separate financial statements					
	2018	%	2017	%	2016	%	2018	%	2017	%	2016*	%
<b>Continued operation</b>												
<b>Profit or loss:</b>												
<b>Revenues</b>												
Sales and service income	4,248,050,424	97.5%	4,869,664,652	98.3%	5,273,206,676	98.3%	379,175,078	43.9%	420,855,191	52.7%	384,452,973	57.5%
Other income												
Dividend income from subsidiary	-	0.0%	-	0.0%	-	0.0%	64,287,750	7.5%	10,303,832	1.3%	-	0.0%
Dividend income from associate	-	0.0%	-	0.0%	-	0.0%	332,893,494	38.6%	332,893,494	41.7%	258,917,162	38.7%
Marketing income	-	0.0%	-	0.0%	-	0.0%	76,128,000	8.8%	20,631,783	2.6%	19,925,917	3.0%
Others	107,975,986	2.5%	81,946,050	1.7%	93,760,294	1.7%	10,366,536	1.2%	14,124,485	1.8%	5,451,008	0.8%
<b>Total revenues</b>	<b>4,356,026,410</b>	<b>100.0%</b>	<b>4,951,610,702</b>	<b>100.0%</b>	<b>5,366,966,970</b>	<b>100.0%</b>	<b>862,850,858</b>	<b>100.0%</b>	<b>798,808,785</b>	<b>100.0%</b>	<b>668,747,060</b>	<b>100.0%</b>
<b>Expenses</b>												
Cost of sales and services	3,352,949,274	77.0%	3,520,043,096	71.1%	3,816,732,538	71.1%	281,011,539	32.6%	270,447,710	33.9%	237,932,513	35.6%
Selling expenses	645,904,962	14.8%	719,447,247	14.5%	824,976,270	15.4%	15,135,323	1.8%	66,503,418	8.3%	6,769,320	1.0%
Administrative expenses	439,004,442	10.1%	502,091,418	10.1%	457,732,891	8.5%	178,079,078	20.6%	204,643,632	25.6%	221,199,637	33.1%
Other expenses												
Allowance for doubtful accounts	136,199	0.0%	-	0.0%	419,926	0.0%	-	0.0%	-	0.0%	-	0.0%
Allowance for impairment loss on equipment	2,293,508	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Allowance for impairment loss on machinery and equipment	(29,000,000)	(0.7%)	5,523,512	0.1%	186,471,519	3.5%	-	0.0%	5,523,512	0.1%	-	0.0%
<b>Total expenses</b>	<b>4,411,288,385</b>	<b>101.3%</b>	<b>4,747,105,273</b>	<b>95.9%</b>	<b>5,286,333,144</b>	<b>98.5%</b>	<b>474,225,940</b>	<b>55.0%</b>	<b>547,118,272</b>	<b>68.5%</b>	<b>465,901,470</b>	<b>69.7%</b>
<b>Profit before share of profit from investment in associate, finance cost and income tax</b>	<b>(55,261,975)</b>	<b>(1.3%)</b>	<b>204,505,429</b>	<b>4.1%</b>	<b>80,633,826</b>	<b>1.5%</b>	<b>388,624,918</b>	<b>45.0%</b>	<b>251,690,513</b>	<b>31.5%</b>	<b>202,845,590</b>	<b>30.3%</b>
Share of profit from investment in associate	132,661,359	3.0%	600,610,257	12.1%	740,749,858	13.8%	-	0.0%	-	0.0%	-	0.0%
<b>Profit before finance cost and income tax</b>	<b>77,399,384</b>	<b>1.8%</b>	<b>805,115,686</b>	<b>16.3%</b>	<b>821,383,684</b>	<b>15.3%</b>	<b>388,624,918</b>	<b>45.0%</b>	<b>251,690,513</b>	<b>31.5%</b>	<b>202,845,590</b>	<b>30.3%</b>
Finance cost	(55,992,863)	(1.3%)	(53,840,067)	(1.1%)	(39,535,509)	(0.7%)	(30,196,006)	(3.5%)	(35,505,647)	(4.4%)	(21,718,547)	(3.2%)
<b>Profit before income tax</b>	<b>21,406,521</b>	<b>0.5%</b>	<b>751,275,619</b>	<b>15.2%</b>	<b>781,848,175</b>	<b>14.6%</b>	<b>358,428,912</b>	<b>41.5%</b>	<b>216,184,866</b>	<b>27.1%</b>	<b>181,127,043</b>	<b>27.1%</b>
Income tax	(52,283,266)	(1.2%)	(47,497,632)	(1.0%)	(16,002,513)	(0.3%)	(9,243,338)	(1.1%)	(40,540,028)	(5.1%)	(5,315,062)	(0.8%)
<b>Profit from continued operation for the year</b>	<b>(30,876,745)</b>	<b>(0.7%)</b>	<b>703,777,987</b>	<b>14.2%</b>	<b>765,845,662</b>	<b>14.3%</b>	<b>349,185,574</b>	<b>40.5%</b>	<b>175,644,838</b>	<b>22.0%</b>	<b>175,811,981</b>	<b>26.3%</b>
<b>Discontinued operation (Transfer segment to a subsidiary)</b>	<b>(30,876,745)</b>	<b>(0.7%)</b>	<b>703,777,987</b>	<b>14.2%</b>	<b>765,845,662</b>	<b>14.3%</b>	<b>349,185,574</b>	<b>40.5%</b>	<b>175,644,838</b>	<b>22.0%</b>	<b>175,811,981</b>	<b>26.3%</b>
Profit from discontinued operation for the year	-	0.0%	-	0.0%	-	0.0%	-	0.0%	296,441,533	37.1%	205,108,332	30.7%
<b>Profit for the year</b>	<b>(30,876,745)</b>	<b>(0.7%)</b>	<b>703,777,987</b>	<b>14.2%</b>	<b>765,845,662</b>	<b>14.3%</b>	<b>349,185,574</b>	<b>40.5%</b>	<b>472,086,371</b>	<b>59.1%</b>	<b>380,920,313</b>	<b>57.0%</b>
<b>Continued operation</b>												
<b>Other comprehensive income:</b>												
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>												
Share of comprehensive income in associate	77,499,825	1.8%	(136,395,373)	(2.8%)	(9,325,727)	(0.2%)	-	0.0%	-	0.0%	-	0.0%
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>	77,499,825	1.8%	(136,395,373)	(2.8%)	(9,325,727)	(0.2%)	-	0.0%	-	0.0%	-	0.0%
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>												
Actuarial loss - net of income tax	(6,746,065)	(0.2%)	-	0.0%	(14,566,193)	(0.3%)	3,380,304	0.4%	-	0.0%	(13,917,530)	(2.1%)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>	(6,746,065)	(0.2%)	-	0.0%	(14,566,193)	(0.3%)	3,380,304	0.4%	-	0.0%	(13,917,530)	(2.1%)
<b>Other comprehensive income for the year</b>	<b>70,753,760</b>	<b>1.6%</b>	<b>(136,395,373)</b>	<b>(2.8%)</b>	<b>(23,891,920)</b>	<b>(0.4%)</b>	<b>3,380,304</b>	<b>0.4%</b>	<b>-</b>	<b>0.0%</b>	<b>(13,917,530)</b>	<b>(2.1%)</b>
<b>Total comprehensive income for the year</b>	<b>39,877,015</b>	<b>0.9%</b>	<b>567,382,614</b>	<b>11.5%</b>	<b>741,953,742</b>	<b>13.8%</b>	<b>352,565,878</b>	<b>40.9%</b>	<b>472,086,371</b>	<b>59.1%</b>	<b>367,002,783</b>	<b>54.9%</b>

\*Separate financial statement included profit from discontinued operation, for which the company has completed restructuring in Year 2017.

**2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited**

**Tipco Foods Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	Consolidated financial statements						Separate financial statements					
	<u>2018</u>	%	<u>2017</u>	%	<u>2016</u>	%	<u>2018</u>	%	<u>2017</u>	%	<u>2016</u>	%
<b>Profit attributable to:</b>												
Equity holders of the Company												
Profit from continued operation	(30,876,745)	(0.7%)	702,647,368	14.2%	813,638,314	15.2%	349,185,574	40.5%	175,644,838	22.0%	175,811,981	26.3%
Profit from discontinued operation (Transfer segment to a subsidiary)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	296,441,533	37.1%	205,108,332	30.7%
	<u>(30,876,745)</u>	<u>(0.7%)</u>	<u>702,647,368</u>	<u>14.2%</u>	<u>813,638,314</u>	<u>15.2%</u>	<u>349,185,574</u>	<u>40.5%</u>	<u>472,086,371</u>	<u>59.1%</u>	<u>380,920,313</u>	<u>57.0%</u>
Non-controlling interests of the subsidiaries												
Profit from continued operation	-	0.0%	1,130,619	0.0%	(47,792,652)	(0.9%)	-	0.0%	1,130,619	0.0%	(47,792,652)	(0.9%)
	<u>-</u>	<u>0.0%</u>	<u>1,130,619</u>	<u>0.0%</u>	<u>(47,792,652)</u>	<u>(0.9%)</u>	<u>-</u>	<u>0.0%</u>	<u>1,130,619</u>	<u>0.0%</u>	<u>(47,792,652)</u>	<u>(0.9%)</u>
	<u>(30,876,745)</u>	<u>(0.7%)</u>	<u>703,777,987</u>	<u>14.2%</u>	<u>765,845,662</u>	<u>14.3%</u>						
<b>Total comprehensive income attributable to:</b>												
Equity holders of the Company												
Profit from continued operation	39,877,015	0.9%	566,251,995	11.4%	789,746,394	14.7%	352,565,878	40.9%	175,644,838	22.0%	161,894,451	24.2%
Profit from discontinued operation (Transfer segment to a subsidiary)	-	0.0%	-	0.0%	-	0.0%	-	0.0%	296,441,533	37.1%	205,108,332	30.7%
	<u>39,877,015</u>	<u>0.9%</u>	<u>566,251,995</u>	<u>11.4%</u>	<u>789,746,394</u>	<u>14.7%</u>	<u>352,565,878</u>	<u>40.9%</u>	<u>472,086,371</u>	<u>59.1%</u>	<u>367,002,783</u>	<u>54.9%</u>
Non-controlling interests of the subsidiaries												
Profit from continued operation	-	0.0%	1,130,619	0.0%	(47,792,652)	(0.9%)	-	0.0%	1,130,619	0.0%	(47,792,652)	(0.9%)
	<u>-</u>	<u>0.0%</u>	<u>1,130,619</u>	<u>0.0%</u>	<u>(47,792,652)</u>	<u>(0.9%)</u>	<u>-</u>	<u>0.0%</u>	<u>1,130,619</u>	<u>0.0%</u>	<u>(47,792,652)</u>	<u>(0.9%)</u>
	<u>39,877,015</u>	<u>0.9%</u>	<u>567,382,614</u>	<u>11.5%</u>	<u>741,953,742</u>	<u>13.8%</u>						
<b>Earnings per share (Baht)</b>												
Basic earnings per share												
Profit attributable to equity holders of the Company												
Profit per share from continued operation	(0.06)		1.46		1.69		0.72		0.36		0.36	
Profit per share from discontinued operation (Transfer segment to a subsidiary)	-		-		-		-		0.62		0.43	
	<u>(0.06)</u>		<u>1.46</u>		<u>1.69</u>		<u>0.72</u>		<u>0.98</u>		<u>0.79</u>	

\*Separate financial statement included profit from discontinued operation, for which the company has completed restructuring in Year 2017.



## 2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited

### Tipco Foods Public Company Limited and its subsidiaries

#### Cash flow statement

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016*
<b>Cash flows from operating activities:</b>						
Profit before tax from continued operation	21,406,521	751,275,619	781,848,175	358,428,912	216,184,866	181,127,043
Profit before tax from discontinued operation (Transfer segment to a subsidiary)	-	-	-	-	296,441,533	205,108,332
Profit before income tax	21,406,521	751,275,619	781,848,175	358,428,912	512,626,399	386,235,375
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	275,374,665	255,566,065	258,220,970	47,709,968	94,372,673	115,732,106
Written off value added tax refundable	-	2,587,465	-	-	-	-
Allowance for doubtful account	136,199	-	419,926	-	-	-
Reduction of cost of inventories to net realisable value	(39,111,383)	28,905,400	15,621,895	2,173,935	(15,649,592)	988,491
Loss from inventory destruction	11,985,892	27,050,557	33,316,173	-	11,855,723	21,698,061
Change in fair value of biological assets	2,293,507	(152,122)	2,800,857	-	-	-
Unrealised (gain) loss on exchange	579,810	(1,161,870)	96,912	1,822	3,281	(487,475)
Changes in fair value of forward exchange contracts	(840,431)	(290,693)	232,164	(896)	(821,826)	337,303
Changes in fair value of interest rate swap contracts	(697,421)	520,074	-	(697,421)	520,074	-
(Gain) loss on sales and write-off of land, machinery and equipment	879,087	(5,899,488)	(22,337,949)	104,869	(4,077,834)	934,123
Loss write-off of intangible assets	(28,409)	178,441	245,519	(28,436)	178,433	245,516
Allowance for impairment loss on equipment	(29,000,000)	5,523,512	186,471,519	-	5,523,512	-
Provision for long-term employee benefits	19,975,943	10,595,626	9,432,059	10,929,647	6,666,878	5,717,074
Provision for dismantling cost	213,087	167,888	334,330	-	-	-
Dividend income from subsidiary	-	-	-	(64,287,750)	(10,303,832)	-
Dividend income from associate	-	-	-	(332,893,494)	(332,893,494)	(258,917,162)
Share of profit from investment in associate	(132,661,359)	(600,610,257)	(740,749,858)	-	-	-
Interest income	(79,621)	(361,162)	(157,217)	(1,967,309)	(214,926)	(133,683)
Interest expenses	55,674,858	51,084,156	38,837,935	29,911,337	34,379,724	21,146,279
Profit from operating activities before changes in operating assets and liabilities	186,100,945	524,979,211	564,633,410	49,385,184	302,165,193	293,496,008
(Increase) decrease in operating assets						
Trade and other receivables	10,088,309	116,127,874	170,123,229	(5,895,448)	88,590,561	(65,250,818)
Inventories	(43,472,335)	(89,587,273)	(156,416,037)	(13,945,069)	(80,573,030)	(151,286,439)
Other current assets	9,149,966	(14,870,803)	(32,836,532)	25,899,464	(22,408,956)	(7,186,837)
Other non-current assets	(13,688,481)	(1,684,137)	681,175	1,193,624	1,825,345	2,772,721
Increase (decrease) in operating liabilities						
Trade and other payables	(25,210,953)	(40,394,196)	167,560,483	(33,657,245)	(108,834,503)	24,482,773
Other current liabilities	43,463,985	(11,466,228)	35,984,024	(393,082)	(30,728,988)	31,213,089
Other non-current liabilities	811,913	(1,562,888)	(4,920,323)	-	10,071,127	(4,686,076)
Cash paid for long-term employee benefits	(14,190,277)	(3,842,810)	-	(4,769,239)	(2,523,450)	-
<b>Cash flows from operating activities</b>	153,053,072	477,698,750	744,809,429	17,818,189	157,583,299	123,554,421
Cash paid for interest expenses	(55,484,336)	(51,029,670)	(39,567,992)	(29,721,263)	(34,381,600)	(21,545,562)
Cash received (paid) for corporate income tax	(39,903,111)	(12,898,835)	(3,065,823)	(2,192,577)	(6,107,025)	1,970,610
<b>Net cash flows from operating activities</b>	57,665,625	413,770,245	702,175,614	(14,095,651)	117,094,674	103,979,469

\*Separate financial statement included profit from discontinued operation, for which the company has completed restructuring in Year 2017.

**2018 Annual Registration Form (56-1 Form) of Tipco Foods Public Company Limited**

**Tipco Foods Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2018**

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2018	2017	2016	2018	2017	2016*
<b>Cash flows from investing activities:</b>						
Increase in current investment	(43,819)	(1,060,688)	(45,533)	-	-	-
Increase in short-term loans to related party	-	-	-	(82,000,000)	(8,000,000)	-
Cash paid for investments in subsidiaries	-	-	-	(150,000,000)	(450,000,000)	-
Cash paid for investments in newly corporate subsidiary	-	-	-	-	(1,000,000,000)	-
Cash received from capital reduction of subsidiary	-	-	-	-	300,000,000	-
Cash received from partial business transfer to subsidiary	-	-	-	-	646,658,500	-
Decrease in restricted bank deposits	-	1,016,000	-	-	-	-
Cash received from sales of land, machinery and equipment	3,407,759	21,989,011	23,361,243	1,078,148	5,598,494	1,316,621
Cash paid for acquisition of land, machinery and equipment	(535,344,017)	(212,998,893)	(165,695,028)	(412,877,868)	(110,286,916)	(58,201,961)
Cash received from sales of intangible assets	131,552	-	-	131,552	-	-
Cash paid for acquisition of intangible assets	(6,039,365)	(29,563,250)	(39,606,801)	(216,786)	(2,667,613)	(7,230,195)
Dividend received from subsidiary	-	-	-	64,287,750	10,303,832	-
Dividend received from associate	332,893,494	332,893,494	258,917,162	332,893,494	332,893,494	258,917,162
Interest received	79,621	361,162	157,217	1,967,309	214,926	133,683
<b>Net cash flows from (used in) investing activities</b>	<b>(204,914,775)</b>	<b>112,636,836</b>	<b>77,088,260</b>	<b>(244,736,401)</b>	<b>(275,285,283)</b>	<b>194,935,310</b>
<b>Cash flows from financing activities:</b>						
Cash paid to acquisition of non-controlling interests of a subsidiary	-	(450,000,000)	-	-	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	49,154,533	303,845,467	(903,288,281)	100,000,000	20,000,000	(500,058,736)
Cash paid under finance lease agreements	-	(631,975)	(1,563,976)	-	-	(932,000)
Cash receipts from long-term loans	443,253,341	450,000,000	480,500,000	443,253,341	450,000,000	480,500,000
Repayment of long-term loans	(197,500,000)	(491,500,000)	(141,550,000)	(86,200,000)	(74,805,000)	(61,550,000)
Dividend paid	(241,287,170)	(197,639,368)	(230,733,905)	(241,287,170)	(197,639,368)	(230,733,905)
<b>Net cash flows from (used in) financing activities</b>	<b>53,620,704</b>	<b>(385,925,876)</b>	<b>(796,636,162)</b>	<b>215,766,171</b>	<b>197,555,632</b>	<b>(312,774,641)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(93,628,446)</b>	<b>140,481,205</b>	<b>(17,372,288)</b>	<b>(43,065,881)</b>	<b>39,365,023</b>	<b>(13,859,862)</b>
<b>Net increase in cash and cash equivalents</b>	<b>199,464,462</b>	<b>58,983,257</b>	<b>76,355,545</b>	<b>64,660,653</b>	<b>25,295,630</b>	<b>39,155,492</b>
<b>Net increase in cash and cash equivalents</b>	<b>105,836,016</b>	<b>199,464,462</b>	<b>58,983,257</b>	<b>21,594,772</b>	<b>64,660,653</b>	<b>25,295,630</b>
<b>Supplemental cash flows information</b>						
Non-cash transactions:						
Purchase of equipment for which cash has not been paid	-	10,736,150	18,217,316	-	2,315,740	2,576,836
Purchase of intangible assets for which cash has not been paid	-	-	62,520	-	-	56,260

\*Separate financial statement included profit from discontinued operation, for which the company has completed restructuring in Year 2017.

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**Tipco Foods Public Company Limited and its subsidiaries**

**Key Financial Ratio**

**For the year 2016-2018**

		Consolidated financial statements			Separate financial statements		
		2018	2017	2016	2018	2017	2016***
<b>Liquidity Ratio</b>							
Current Ratio	(Times)	0.9	1.0	1.1	0.5	0.6	1.6
Quick ratio	(Times)	0.4	0.5	0.5	0.3	0.5	0.7
Cash ratio	(Times)	0.0	0.2	0.3	0.0	0.4	0.2
Account Receivable Turnover	(Times)	7.6	8.5	6.9	8.3	10.6	10.9
Collection Period	(Days)	48	43	53	44	34	34
Inventory Turnover	(Times)	3.4	3.8	4.6	4.5	5.4	6.3
Holding Period	(Days)	107	95	79	80	68	58
Account Payable Turnover	(Times)	5.4	6.0	4.4	4.9	4.1	9.6
Account Payable Period	(Days)	68	60	82	74	89	38
CASH CYCLE	(Days)	88	78	50	50	13	54
<b>Profitability Ratio</b>							
Return on Equity (ROE)	(%)	(0.7%)	16.1%	20.0%	16.2%	23.1%	21.5%
Gross Profit Margin	(%)	21.1%	27.7%	27.6%	25.9%	35.7%	16.5%
Net Profit Margin	(%)	(0.7%)	14.2%	14.3%	40.5%	18.6%*	12.3%
<b>Efficiency Ratio</b>							
Return on Asset (ROA)	(%)	(0.4%)	10.1%	11.2%	10.2%	6.1%**	13.7%
Fixed Asset Turnover	(%)	(0.6%)	13.6%	15.9%	10.9%	6.5%**	19.3%
Total Asset turnover	(Times)	61.6%	71.4%	80.0%	25.1%	0.1%**	100.0%
<b>Financial Policy Ratio</b>							
Debt to Equity ratio (D/E)	(Times)	0.7	0.6	0.5	0.6	0.4	0.6
Interest coverage ratio	(Times)	1.4	15.0	20.8	12.9	7.1	18.8
<b>Cash Basis</b>							
(CASH BASIS)	(Times)	0.1	0.3	0.5	0.0	0.3	0.1

\*Included profit and revenue from discontinued operation in calculation.

\*\*profit from continued operation for the year only.

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## 14. Explanation and Analysis of Financial Position and Operating Results

### Explanation and Analysis of Financial Position and Operating Results

#### Operating Results for 2018

1. Consolidated statements of comprehensive income ended 31 December 2018

*Unit : Baht*

Statement of comprehensive income	Consolidated financial statements		Changes	
	2018	2017	Increase (Decrease)	%
Sales and service income	4,248,050,424	4,869,664,652	(621,614,228)	(13%)
Other income	107,975,986	81,946,050	26,029,936	32%
<b>Total revenues</b>	<b>4,356,026,410</b>	<b>4,951,610,702</b>	<b>(595,584,292)</b>	<b>(12%)</b>
Total expenses	4,411,288,385	4,747,105,273	(335,816,888)	(7%)
<b>Profit (loss) before share of profit from investment in associate, finance cost and income tax</b>	<b>(55,261,975)</b>	<b>204,505,429</b>	<b>(259,767,404)</b>	<b>(127%)</b>
Share of profit from investment in associate	132,661,359	600,610,257	(467,948,898)	(78%)
<b>Profit (loss) before finance cost and income tax</b>	<b>77,399,384</b>	<b>805,115,686</b>	<b>(727,716,302)</b>	<b>(90%)</b>
Finance cost	(55,992,863)	(53,840,067)	2,152,796	4%
<b>Profit (loss) before income tax</b>	<b>21,406,521</b>	<b>751,275,619</b>	<b>(729,869,098)</b>	<b>(97%)</b>
Income tax	(52,283,266)	(47,497,632)	4,785,634	10%
<b>Profit (loss) for the period</b>	<b>(30,876,745)</b>	<b>703,777,987</b>	<b>(734,654,732)</b>	<b>(104%)</b>
<b>Profit (loss) for the period Equity holders of the Company</b>	<b>(30,876,745)</b>	<b>702,647,368</b>	<b>(733,524,113)</b>	<b>(104%)</b>

In 2018, the Company and its subsidiaries reported a total revenue of Baht 4,356 million, a decrease of 12% compared to the same period of last year, the details of which can be explained as follows:

#### 1.1 Sales and service income

*Unit : million Baht*

For one-year period	Product of vegetable and fruit		Changes		Beverage		Changes		Other		Changes		Consolidated financial		Changes	
	2018	2017	Increase (Decrease)	%	2018	2017	Increase (Decrease)	%	2018	2017	Increase (Decrease)	%	2018	2017	Increase (Decrease)	%
	Sales and service income	1,697	2,092	(395)	(19%)	2,429	2,674	(245)	(9%)	122	104	18	17%	4,248	4,870	(622)

In 2018, the Company and its subsidiaries reported sales and service income of Baht 4,248 million, a 13% decrease compared to the same period of last year, mostly related to the slowdown in the vegetables and fruits business driven by decreases in prices of raw materials. Also, the beverage business decreased by 9% mainly related to the decline in the overall fruit juice market. However, the

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company is still able to expand its market share and occupy No.1 market share in the total fruit juice market and the premium fruit juice market.

### 1.2 Operating expenses

*Unit : Baht*

Expenses	Consolidated financial statements		Change	
	2018	2017	Increase (Decrease)	%
Cost of sales and services	3,352,949,274	3,520,043,096	(167,093,822)	(5%)
Selling expenses	645,904,962	719,447,247	(73,542,285)	(10%)
Administrative expenses	439,004,442	502,091,418	(63,086,976)	(13%)
Other expenses	(26,570,293)	5,523,512	(32,093,805)	(581%)
<b>Total expenses</b>	<b>4,411,288,385</b>	<b>4,747,105,273</b>	<b>(335,816,888)</b>	<b>(7%)</b>

In 2018, the Company and its subsidiaries reported total operating expenses of Baht 4,411 million, a decrease of 7% compared to the same period of last year, which can be explained as follows:

- Cost of sales and service decreased by 5%, partially related to decreases in sales and service income, decreases in raw materials prices for processed vegetables and fruits products as well as the reversal of the loss on the decline in value of inventories of Baht 54 million. However, some raw material prices rose from the previous year.
- Selling expenses decreased by 10% from adjusting sales and promotion expenses in accordance with market conditions.
- Administrative expenses decreased by 13% as a result of controlling expenses to be in line with the decreasing income.
- Other expenses included the reversal of allowance for impairment of machinery amounting to Baht 29 million in the 1<sup>st</sup> quarter of 2018.

### 1.3 Share of profit from investment in associated company

In 2018, the Company reported a share of profit from its investment in an associated company of Baht 133 million, a decrease of 78% year-on-year.

### 1.4 Finance cost

In 2018, the Company and its subsidiaries reported finance cost of Baht 55 million, an increase of 4% from the previous year, mainly due to an increase in long-term loans for investment in natural mineral water production capacity expansion.

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**2. Consolidated statements of financial position as at 31 December 2018**

*Unit : Baht*

Statement of financial position	Consolidated financial statements		Changes	
	31-Dec-18	31-Dec-17	Increase (Decrease)	%
<b>Assets</b>				
Current assets	1,747,914,423	1,781,226,896	(33,312,473)	(2%)
Non-current assets	5,328,660,004	5,157,202,350	171,457,654	3%
<b>Total assets</b>	<b>7,076,574,427</b>	<b>6,938,429,246</b>	<b>138,145,181</b>	<b>2%</b>
<b>Liabilities and shareholders' equity</b>				
<b>Liabilities</b>				
Current liabilities	1,962,326,700	1,771,259,006	191,067,694	11%
Non-current liabilities	940,843,082	796,554,030	144,289,052	18%
<b>Total liabilities</b>	<b>2,903,169,782</b>	<b>2,567,813,036</b>	<b>335,356,746</b>	<b>13%</b>
<b>Shareholders' equity</b>				
<b>Total shareholders' equity</b>	<b>4,173,404,645</b>	<b>4,370,616,210</b>	<b>(197,211,565)</b>	<b>(5%)</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,076,574,427</b>	<b>6,938,429,246</b>	<b>138,145,181</b>	<b>2%</b>

**2.1 Assets**

As of 31 December 2018, the Company and its subsidiaries had total assets of Baht 7,077 million, an increase of 2% from the end of 2017. Current assets decreased by Baht 33 million or 2% mainly related to the decrease in cash and accounts receivable. While non-current assets increased by Baht 171 million mainly due to the increase in property, plant and equipment for the natural mineral water production capacity expansion.

**2.2 Liabilities**

As of 31 December 2018, the Company and its subsidiaries had total liabilities of Baht 2,903 million, an increase of 13% from the end of 2017, with the main changes from current liabilities increased by Baht 191 million or 11% due to the increase in short-term loans and the current portion of long-term loans. Non-current liabilities increased by Baht 144 million or 18% to support natural mineral water production capacity expansion.

**2.3 Shareholders' equity**

As at 31 December 2018, total shareholders' equity of the Company and its subsidiaries was Baht 4,173 million, a decrease of 5% from the end of 2017, mainly due to a decrease in unappropriated retained earnings.

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**3. Consolidated cash flow statements for the 12-month period ended 31 December 2018**

*Unit : Baht*

Cash flow statement	Consolidated
	financial statements
	2018
<b>Cash flows from operating activities</b>	
Net cash flows from (used in) operating activities	57,665,625
<b>Cash flows from investing activities</b>	
Net cash flows (used in) investing activities	(204,914,775)
<b>Cash flows from financing activities</b>	
Net cash flows from (used in) financing activities	53,620,704
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(93,628,446)</b>
Cash and cash equivalents at beginning of period	199,464,462
<b>Cash and cash equivalents at end of period</b>	<b>105,836,016</b>

As at 31 December 2018, the Company and its subsidiaries had a decrease in net cash and cash equivalents of Baht 94 million, with the Company and its subsidiaries having net cash flow from operating activities of Baht 58 million, net cash used in investing activities of Baht 205 million, mainly from cash paid for the purchase of property, plant and equipment, and net cash flow derived from financing activities of Baht 54 million from long-term loans.

**4. Financial ratios from the consolidated financial statements for the year ended 31 December 2018**

**Analysis of the debt servicing ability and liquidity**

The Capacity to pay and liquidity ratios	2018	2017	Changes
Debt to equity ratio (Times)	0.70	0.59	11%
Liquidity ratio (Times)	0.89	1.01	(11%)

In 2018, the Company's debt to equity ratio increased from 0.59 time to 0.70 time mostly related to the investment in the 2<sup>nd</sup> natural mineral water facility.

The liquidity ratio decreased from 1.01 times to 0.89 time mainly due to an increase in the current portion of long-term loans from financial institutions.

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**Analysis of the profitability**

Profitability ratios	Consolidated financial statements		Changes
	2018	2017	
Gross Profit Margin	21.1%	27.7%	(7%)
EBITDA Margin	1.8%	16.3%	(14%)
Net Profit Margin	(1%)	14.2%	(15%)
Return on shareholders' equity	(1%)	16.1%	(17%)

In 2018, the Company's gross profit margin decreased from 28% to 21% mainly related to the decline in total sales and service income with the combination of the increases in raw material prices plus other production costs which directly resulted in the decrease in the gross profit, especially for the vegetables and fruits products.

The EBITDA margin reduced from 16% to 2% mainly due to the decrease in the gross profit margin and the decrease in the share of profit from investment in associated company of 78% year-on-year.

As mentioned above, the decrease in the net profit margin and the decrease in the share of profit from investment in associated company as well as the increase in the finance cost and the corporate income tax of 7% year-on-year led to the decrease in the return on shareholders' equity in 2018 as compared to the previous year.



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**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 **Miss Kullakarn Cheenpun** to affix signature to every page of this document. Any page without the signature of **Miss Kullakarn Cheenpun** 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. Mr. Sitilarb Supsakorn	Director	.....
2. Mr. Ekaphol Pongstabhon	Managing Director	.....
Authorized Person: Miss Kullakarn Cheenpun, Corporate Secretary.....		

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**Attachment 1**

Profiles of Directors, Executives, Persons with Controlling Authority, and Corporate Secretary of Tipco Foods Pcl.

**1 Information of Directors, Executives and Corporate Secretary**

1.1 Profiles of directors, executives, persons with controlling authority, and corporate secretary are shown in the table below.

Name-Last Name/ Position/ Date of Appointment	Age (years)	Education / Training Certification	Sharehold ing proportion (%)	Family Relationship with Directors and Executives	Work Experience		
					Durati on	Position	Name of Organization/ Company/ Business
Miss Laksana Supsakorn * Appointed as a Director in 1992 Type of Director: Authorized Signatory Director	66 years	- MBA, Wharton Business School, University of Pennsylvania, USA - Bachelor in Accountancy (Hons), Chulalongkorn University Trainings for roles of directors/Thai Institute of Directors: - 2014 Role of the Chairman Program (RCP) - 2014 Director Certification Program (DCP) - 2012 Director Accredited Program (DAP)	39,061,267 shares, 8.09%	Younger sister of Mrs.Anurat Tiamtan and Mr. Sitararb Supsakorn, elder sister of Miss Roumsin Supsakorn and elder sister of Mr. Somchit Sertthin's wife	2017 – Present	Chairman	Tipco Pine Apple Co., Ltd.
					2014 – Present	Chairman	Tipco Tower Co., Ltd.  Tipco Asphalt Pcl.
					2013 - Present	Chairman	Tipco Foods Pcl.
					2013 – Present	Chairman	Tipco F&B Co., Ltd.  Ruamsapsin Co., Ltd.
					2013 – Present	Director	Siam Container Terminal Co., Ltd.  Piyonarongvit Co., Ltd.
					2013 - Present	Chairman	Vanichapark Co., Ltd.
					2013 – Present	Director	Thanomwongse Service Co., Ltd.
					2012 – Present	Director	
					2012 – Present	Director	
					2012 – Present	Director	

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					2011 – Present		
<p><b>Mrs. Anurat Tiamtan</b> *Appointed as a director in 1992 Type of Director: Authorized Signatory Director</p>	70 years	<p>M.S. in Biochemistry, The American University, Washington D.C., USA B.S. in Chemistry (Hons), Kasetsart University Trainings for roles of directors/Thai Institute of Directors:  - 2004 Director Accredited Program  - 2001 Chairman Program 2000</p>	32,166,765 shares, 6.67%	<p>Elder sister of Mr. Sittilarb Supsakorn, Miss Laksana Supsakorn, Miss Roumsin Supsakorn and elder sister of Mr. Somchit Sertthin's wife</p>	<p>2018 – Present 2018- Present 2017- Present 2014 – Present 2012 – Present 2013 – Present 2008- Present 2003 – 2013 2003 – 2013</p>	<p>Director Director Director Director Director Director Director Director Chairman Chairman</p>	<p>Tipco F&amp;B Co. Ltd.  Tipco Retail Co., Ltd.  Tipco Pine Apple Co., Ltd.  Tipco Tower Co., Ltd.  Ruamsapsin Co., Ltd.  Siam Container Terminal Co., Ltd.  Tipco Foods Pcl. Tipco Biotech Co., Ltd.  Tipco Foods Pcl.,  Tipco Asphalt Pcl.,</p>
<p><b>Mr. Surachet Supsakorn</b> *Appointed as a Director on 14 August 2003 Type of Director: Authorized Signatory Director</p>	58 years	<p>M.B.A. (Finance), Kasetsart University 1988 B.B.A. (Accounting), Rajamangala University of Technology 1985 Trainings for roles of directors/Thai Institute of Directors:  - 2006 "Oil Outlook in 2006" program - 2006 Thailand's Economic Outlook - 2004 Director Certification</p>	Nil	<p>Relative of Mrs. Anurat Tiamtan, Mr. Sittilarb Supsakorn, Miss Laksana Supsakorn, Miss Roumsin Supsakorn and cousin of Mr. Somchit Sertthin's wife</p>	<p>2015 – Present 2012 – Present 2011 – Present 2004 – Present 2001 – 2010</p>	<p>Managing Director Managing Director Managing Director Independent Director and Chairman of the Audit Committee</p>	<p>Tipco Tower Co., Ltd.  Ruamsapsin Co., Ltd.  Thanomwongse Service Co., Ltd.  United Paper Pcl.  Thanomwongse Service Co., Ltd.  Thanomwongse Service Co., Ltd.</p>

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		Program (DCP), Diploma, IOD - 2003 Director Certification Program (DCP), Certificate of Completion, IOD			2000	Deputy Managing Director  Senior Manager – Administration	
Mr. Somchit Sertthin * Appointed as a Director on 28 September 2005 Type of Director: Authorized Signatory Director	66 years	B.B.A., Babson College, Wellesley, Massachusetts, USA Trainings for roles of directors/Thai Institute of Directors: - 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	2018- Present 2018- Present 2016 – Present 2016 – Present 2008 – Present  2005 – Present  1994 – Present  1986 – Present	Director  Director Director Director Director Director Director Director Managing Director	Tipco F&B Co., Ltd. Tipco Retail Co., Ltd. Thanomwongse Service Co., Ltd. Thai Slurry Seal Co., Ltd. Tipco Biotech Co., Ltd.  Tipco Foods Pcl. Tipco Asphalt Pcl.  Tipco Asphalt Pcl.
Miss Roumsin Supsakorn * Appointed as a Director in 1996 Type of Director: Authorized Signatory Director	65 years	B.S., Boston University, Boston, Massachusetts, USA M.B.A., The American University, Washington D.C. Trainings for roles of directors/Thai Institute of Directors: - 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 Sertthin's wife	2014 – Present 2012 – Present 1996 – Present 2012 – Present  1988 – Present	Director Director Director Director Director Director	Tipco Tower Co., Ltd. Ruamsapsin Co., Ltd. Tipco Foods Pcl. Siam Container Terminal Co., Ltd. Siam Container Transport and Terminal Co., Ltd. Ekachai Container Terminal Co., Ltd. Thanomwongse Service Co., Ltd.

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					1988- Present	Director	
					1982- Present	Director	
<p>Mr. Sitilarb Supsakorn</p> <p>* Appointed as a Director in 1992</p> <p>Type of Director: Authorized Signatory Director</p>	68 years	<p>B.S. Business Administration, Babson College, MA, USA</p> <p>Trainings for roles of directors/Thai Institute of Directors: - Director Accreditation Program (DAP)</p>	55,000,000 shares, 11.40%	<p>Younger brother of Mrs. Anurat Tiamtan, Elder brother of Miss Laksana Supsakorn, and Miss Roumsin Supsakorn, and brother-in-law of Mr. Somchit Serththin</p>	<p>2018- Present</p> <p>2018- Present</p> <p>2018- Present</p> <p>2017- Present</p> <p>2016- Present</p> <p>2014 – Present</p> <p>2012 – Present</p> <p>2013 – Present</p> <p>2012 – Present</p> <p>2001 – Present</p> <p>1996 – Present</p>	<p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p>	<p>Tipco F&amp;B Co., Ltd.</p> <p>Tipco Retail Co., Ltd.</p> <p>Tipco Biotech Co., Ltd.</p> <p>Tipco Pineapple Co., Ltd.</p> <p>Thai Slurry Seal Co., Ltd.</p> <p>Tipco Tower Co., Ltd.</p> <p>Ruamsapsin Co., Ltd.</p> <p>Tipco Foods Pcl.</p> <p>Siam Container Terminal Co., Ltd.</p> <p>Tipco Asphalt Pcl.</p> <p>Thanomwongse Service Co., Ltd.</p>
<p>Mr. Ekaphol Pongstabhon</p> <p>* Appointed as a Director on 1 May 2012</p> <p>Type of Director: Authorized Signatory Director</p>	54 years	<p>M.B.A. (Finance/Marketing) Northwestern University, USA</p> <p>B.Eng. in Chemical Engineering, Chulalongkorn University</p>	Nil	Nil	<p>2017- Present</p> <p>2016- Present</p> <p>2015 – Present</p>	<p>Director</p> <p>Director</p> <p>Chairman</p> <p>Managing Director</p> <p>Managing Director</p> <p>Managing Director</p>	<p>Tipco Pineapple Co., Ltd.</p> <p>Wice Logistics Pte Ltd. Singapore</p> <p>Wice Logistics Pcl.</p> <p>Tipcp F&amp;B Co., Ltd.</p> <p>Tipco Retail Co., Ltd.</p> <p>Tipco Biotech Co., Ltd.</p> <p>Tipco Foods Pcl.</p> <p>Thai Film Industries Pcl.</p>

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		<p>Trainings for roles of directors/Thai Institute of Directors: -Director Certificate Program 141/2011 -Anti-Corruption for Executive Program (ACEP) 2014 - Role of Chairman 40/2017</p>			<p>2015 – Present 2009 – 2012 2006 – 2012 2000 – 2006</p>	<p>Managing Director Managing Director Managing Director Acting Managing Director Director Managing Director</p>	<p>Thai Copper Industries Pcl. DHL, Vietnam (Regional Sales Manager) DHL, Singapore (National Sales Manager) DHL, Thailand</p>
<p><b>Mr. Virat Phairatphiboon</b> * Appointed as a Director on 7 September 2007 Type of Director: Director with no signatory authority</p>	<p>71 years</p>	<p>Bachelor of Economics and Business Administration, Adam State College, Colorado, USA Executive Development Program, Princeton University, USA Trainings for roles of directors/Thai Institute of Directors: - Director Certification Program – 2014 - Antil-Corruption for Executive Program 2013 - Role of the Compensation Committee</p>	<p>Nil</p>	<p>Nil</p>	<p>2018- Present 2007 – Present 1999 – Present 1998- Present 2000</p>	<p>Chairman of the Risk Management and Corporate Compliance Policy Committee Independent Director and Chairman of the Audit Committee Member of the Audit Committee Independent Director Managing Director</p>	<p>Bank of Ayudhya Pcl. Tipco Foods Pcl. Bank of Ayudhya Pcl. Bank of Ayudhya Pcl. CIMIC Finance and Securities Co., Ltd.</p>

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		<p>Program (RCC) – 2008</p> <p>- Audit Committee</p> <p>Program (ACP) – 2004</p> <p>- Director</p> <p>Certification</p> <p>Program (DCP) – 2002</p>					
<p><b>Mr. Chalit Limpanavech</b></p> <p>* Appointed as a Director on 24 April 2008</p> <p>Type of Director: Director with no signatory authority</p>	66 years	<p>M.P.A., Faculty of Political Science, Chulalongkorn University</p> <p>B.B.A. (Marketing), Assumption University</p> <p>Trainings for roles of directors/Thai Institute of Directors:</p> <p>- Director Certificate</p> <p>Program (DCP)</p> <p>- Financial Statements for Directors</p> <p>- Audit Committee Program</p>	Nil	Nil	<p>2008 – Present</p> <p>2011 – Present</p> <p>2011 – Present</p> <p>2003 – 2011</p> <p>2003 – 2010</p>	<p>Independent Director</p> <p>Vice President, Academic Affairs</p> <p>Chairman of Marketing Management Group</p> <p>Independent Director and Audit Committee Member</p> <p>Dean</p>	<p>Tipco Foods Pcl.</p> <p>Marketing Association of Thailand</p> <p>Thailand Management Association (TMA)</p> <p>Chuo Senko (Thailand) Co., Ltd.</p> <p>School of Communication Arts, Assumption University</p>
<p><b>Mrs. Achara Pricha</b></p> <p>* Appointed as a Director on 1 May 2014</p> <p>Type of Director: Director with no signatory authority</p>	62 years	<p>Master in Business Management, Asian Institute of Management</p> <p>Bachelor degree of Mass Communications Arts. Major in Journalism. Minor in Mass Communications</p>	Nil	Nil	<p>2014 – Present</p> <p>1995- Present</p> <p>2008- Present</p>	<p>Independent Director, Member of the Nomination and Remuneration Committee</p> <p>Director</p> <p>Director</p>	<p>Tipco Foods Pcl.</p> <p>Samti Green Pack Co., Ltd.</p> <p>SSJ., Pte., Ltd., Singapore</p> <p>Shaldan (Thailand) Limited</p> <p>Reno (Thailand) Co., Ltd.</p>

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		Borpit Pimuk College. Major in French Language Trainings for roles of directors/Thai Institute of Directors: -2014 Directors Certification Program, IOD  - 2015 Advanced Audit Committee Program (AACP)			2008 – Present  2010 - 2012  2005 - 2010	Director  Second Vice President,  Second Vice President, International Business Division	ICC International Pcl.
<b>Mr. Paisal Pongprayoon</b> * Appointed as a Director on 2 April 2012 <b>Type of Director:</b> Director with no signatory authority	69 years	M.Eng. in Industrial Engineering, Fairleigh Dickinson, University, USA B.Eng. in Civil Engineering, Villanova University, USA Trainings for roles of directors/Thai Institute of Directors: - 2012 Directors Accreditation Program  - 2014 Role of the Chairman Program (DAP)  - 2014 Director Certification Program (DAP)	Nil	Nil	2012 – Present  2000 – 2010  1997 – 1999  1993 – 1997  1992 – 1993  1991 – 1992	Independent Director / Audit Committee and Chatman of the Nomination and Remuneration Committee Head of Business Partner Managing Director Director in Commercial Section Property Development Project Manager Assistant Managing Director	Tipco Foods Pcl.  True Corporation Pcl. Samart Cable System Pcl. Telecomasia Corporation Pcl. Thaiwa Engineering Co., Ltd.  Hi-Tech Industry Estate Pcl.
<b>Miss Kullakam Cheenpun</b>	52 years	Bachelor in Business	Nil	Nil	2017 – Present	Corporate Secretary and	Tipco Foods Pcl.



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<p>* Appointed as a Corporate Secretary on 1 April 2017</p>		<p>Administration, Accountancy, Ramkamhang University Trainings for roles of directors/Thai Institute of Directors: - Company Secretary Program (CSP) 68/2559  -Board Reporting Program( BRP) 19/2559  -Effective Minute Taking (EMT) 35/2559</p>			<p>2014 – 2017    2009 – 2013   2000- 2008   1992 – 1999</p>	<p>Secretary to the Audit Committee Assistant Corporate Secretary and Secretary to the Audit Committee Unit Head of Corporate Public Relations Budget Analyst; and Secretary to the Audit Committee Accountant</p>	<p>Tipco Foods Pcl.     Tipco Foods Pcl.     Tipco Foods Pcl.     Tipco Foods Pcl.</p>
<p><b>Mr. Leuchar Pisithakarn</b></p>	<p>53 years</p>	<p>Master of Business Administration, Rangsit Universtiy, Thailand Bachelor in Economics, University of Utah, USA</p>	<p>Nil</p>	<p>Nil</p>	<p>2018- Present 2018- Present 2018- Present 2018- Present 2018- Present 2018- Present 2017  2016   2014- 2016  2006- 2013</p>	<p>Director Director Director Director Chief Financial Officer Director  Group Chief Financial Officer  VP- Finance International  - Head of Performance Management, Consumer Banking SEA &amp;SG (Singapore)</p>	<p>Tipco Pineapple Co., Ltd. Tipco F&amp;B Co., Ltd. Tipco Biotech Co., Ltd. Tipco Retail Co., Ltd. Tipco Foods Pcl. The Premier Group of Compantes Pacific-AA Group(Singapore, Myanmar, and USA) The Minor Food Group Pcl.  Standard Chartered Bank</p>

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						-CFO for Mekong Region (Vietnam, Laos, and Cambodia) -Head of Business Finance, Consumer Banking Thailand	
Mr. Phol Sridaeng	47 years	Master of Business in Marketing: Victoria University of Technology Graduate Diploma in Business Systems: RMIT University Bachelor in Business Administration, Major in Marketing: UTCC	Nil	Nil	2018-Present 2011-2018 2010-2011 2000-2010	Managing Director Assistant Vice President Deputy Director Operation Director	Tipco Retail Co., Ltd. Brand Yoshinoya, Chabuton Ramen True Coffee and True Life StyleRetail, The Pizze Company
Mr. Chokchai Tocharoentanaphol	55 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	2018-Present 2018-Present 2018-Present 2017-Present 2015-2017	Director Director Director Managing Director Product Manager Sales and Marketing Director Sales and Marketing	Tipco F&B Co., Ltd. Tipco Biotech Co., Ltd. Tipco Retail Co., Ltd. Pineapple Co., Ltd. General Electric Guardian Industry Ocean Glass

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						Managing Director Chief Operations Officer	Kuiburi Fruit Cannery  Tipco Foods Pcl.
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**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**

- Conduct meetings of the Board of Directors, the Audit Committee, and the Nomination and Remuneration Committee as well as shareholders' meetings
- Prepare and maintain minutes of the Board of Directors' meetings
- Oversee information disclosure and reporting in accordance with relevant laws, regulations, and good corporate governance principles
- Provide preliminary recommendations and advice on legal issues, operating procedures, and good corporate governance practices for the Board of Directors
- Circulate resolutions and policies of the Board of Directors to relevant parties as well as follow up on progress and report the progress to the Board of Directors
- Communicate with and provide information about the Company's business for directors
- Arrange orientation sessions for new directors and support continuous development of directors
- Coordinate matters with external consultants such as legal advisors

**1.3 Companies whose main business is holding shares in other companies (Holding Companies)**

- None -

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2. Details about management and persons with controlling authority

Information of positions of management team members and persons with controlling authority of subsidiaries, associates, related companies, and other companies.

Company Name	Company	Subsidiary companies					Associated company	Other companies or related companies					
		1	2	3	4	5		1	2	3	4	5	
Management													
Miss Laksana Supsakorn	X	X	X			/	/	/	X	/	/		X
Mrs. Anurat Tiamtan	/			X		/		/	/	/			
Mr. Somchit Sertthin	/	/	/	/			///						/
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: The Company refers to Tipco Foods Pcl.

Subsidiary companies:

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

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3. Profiles of directors, executives, and persons with controlling authority who were penalized for violating the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546 over the past 5 years

- None -

**Profiles of directors of subsidiaries**

Names of the directors of the subsidiaries are listed below.

<del>Subsidiaries</del> Directors	Tipco F&B Co., Ltd.
Miss Laksana Supsakorn	X
Mrs. Anurat Tiamtan	/
Mr. Sittilab Supsakorn	/
Mr. Somchit Sertthin	/
Mr. Ekaphol Pongstabhon	//
Mr. Chokchai Tocharoentanaphol	/
Mr. Leuchar Pisitthakarn	/

<del>Subsidiaries</del> Directors	<b>Tipco Pineapple Co., Ltd.</b>
Miss Laksana Supsakorn	X
Mrs. Anurat Tiamtan	/
Mr. Somchit Sertthin	/
Mr. Ekaphol Pongstabhon	/
Mr. Chokchai Tocharoentanaphol	//
Mr. Leuchar Pisitthakarn	/

<b>Subsidiaries</b> <del>Directors</del>	<b>Tipco Biotech Co, Ltd.</b>
Mrs. Anurat Tiamtan	X
Mr. Sittilab Supsakorn	/
Mr. Somchit Sertthin	/
Mr. Ekaphol Pongstabhon	//
Mr. Chokchai Tocharoentanaphol	/
Mr. Leuchar Pisitthakarn	/

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Subsidiaries	Tipco Retail Co., Ltd.
<b>Directors</b>	
Miss Laksana Supsakorn	X
Mrs. Anurat Tiamtan	/
Mr. Sittilab Supsakorn	/
Mr. Somchit Sertthin	/
Mr. Ekaphol Pongstabhon	/
Mr. Chokchai Tocharoentanaphol	/
Mr. Leuchar Pisitthakarn	/

Remarks

1. / = Director X = Chairman // = Managing Director
2. A subsidiary refers to a subsidiary that is of significance, for example, with its revenue exceeding 10% of the total revenue as per the consolidated income statements for the recent fiscal 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 Miss Kullakarn Cheenpun, Corporate Secretary, as Head of Compliance Function. She shall be responsible for acting as a center of 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 Office of Insurance Commission, the Energy Regulatory Commission, 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. There shall be communication to employees to ensure that they are aware of their duties and responsibilities to study and understand laws, rules and regulations applicable to their work and to ensure strict and full compliance therewith. (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. assigned Mrs. Pilai Piampongsarn, as an internal auditor, to be mainly responsible for internal audit operations 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 Experience**



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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: Establishing and acting 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

-None-

Other Information

-None-