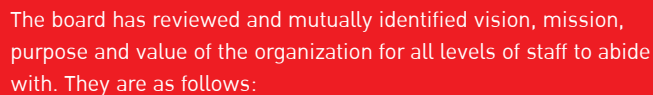




“NEW NORMAL แบบที่ใช้... ไม่มีน้ำตาล”



the communities : Our vision reflects the company's commitment to creating positive methods of work, new innovative usage, technology and employee development along with building the maximum values for customers, partners, employees and the society as a whole.



1. To be a completely integrated beverage company and to maintain the leading position in the southern market, with revenue, sales and profits soaring on a continuous basis.
2. To continue to be the manufacturer, distributor and service provider of high quality products to customers and consumers, so that the Company is trusted as part of the South.
3. To ensure that the Company's personnel have integrity, perform their duties with loyalty and honesty; and have responsibilities to the organization and society as a whole.
4. To be an organization with good governance, through the creation and development of the type of personnel that the society needs; and taking part in the development and improvement of natural resources and environment in a responsible and sustainable manner.



Continually increasing profitable, sustainable unit case sales of our products by satisfying new and existing consumers through excellent service to and with our customers at an increasing return



We will create an organizational culture on the foundation of the following 10 values:

1. **Integrity**
: To be loyal, honest, open and sincere
2. **Individual Initiative**
: To be creative and to initiate new work ideas individually
3. **Customer Value**
: To always focus on customers' needs and expectations and add value to their businesses
4. **Teamwork**
: To work as a team and support co-workers in order to raise overall performance level
5. **People Development**
: To create personnel of quality through continuous training and development process
6. **Mutual Trust & Respect**
: To treat each other with respect and to be trustworthy
7. **Commitment**
: To hold oneself responsible for and to perform the tasks as committed
8. **Always be part of the South**
: To be responsible for the society and environment in order to leave no impact to later generations
9. **Relationship Marketing)**
: To continue to strengthen the relationship with customers, consumers and government agencies of all levels
10. **Fun**
: To have good balance between life at work and personal life, and to work happily on a daily basis

Contents

2

Financial Highlights

4

Message from the Chairman and the CEO

8

Board of Directors

10

Report on Corporate Social Responsibility (CSR) for Sustainability

27

Anti-Corruption Policy

29

Company Profile

30

Nature of Business and Industry Trend

36

Elements of Risk

42

Shareholders Structure

43

Dividend Policy

44

Management Structure

59

Corporate Governance

69

Internal Control and Risk Management System

71

Summary Profile of the Directors and Management

91

Summary Profile of Company Secretary, Head of Internal Audit

93

Related Transactions

95

Management Discussion and Analysis : MD&A

101

Nomination and Remuneration Committee Report

102

Audit Committee Report

104

Report on the Board of Directors' Responsibilities for the Financial Report

105

Independent Auditor's Report

109

Financial Statements

121

Notes to the Financial Statements

181

Audit Fee of the Company and its Subsidiary Company





Financial Highlights

		2020	2019	2018
Statement of Income (THB million)				
Revenue from Sale of Goods		6,425.42	6,775.50	5,704.01
Cost of Sale of Goods		3,741.91	4,183.66	3,780.01
Gross Margin		2,683.51	2,591.84	1,924.00
Total Revenue		6,444.09	6,792.29	5,722.70
Distribution Costs and Administrative Expense		2,052.93	2,107.29	1,624.64
Profit for the year		564.94	440.72	249.07
Statement of Financial Position (THB million)				
Total Assets		5,326.11	4,906.98	4,757.80
Total Liabilities		1,872.14	1,992.26	2,045.52
Total Equity		3,453.97	2,914.72	2,712.26
Shares or Information about Common Shares				
Shares and Fully Paid-up Share Capital	(Million Shares)	200.96	200.96	199.22
Book Value per Share	(THB)	17.19	14.50	13.61
Earnings per Share	(THB)	2.82	2.21	1.25
Dividend per Share	(THB)	1.90	1.76	0.80
Dividend Payout Ratio to Net Income	(%)	67.59	80.08	63.99
Share Price at the End of Financial Period	(THB)	32.00	22.70	13.90
Financial Ratios				
Net Profit to Total Sales Revenue	(%)	8.79	6.50	4.37
Return on Equity (ROE)	(%)	20.20	15.66	9.26
Return Total Assets (ROA)	(%)	12.68	10.37	6.41
Debt-to-Equity Ratio	(Times)	0.54	0.68	0.75

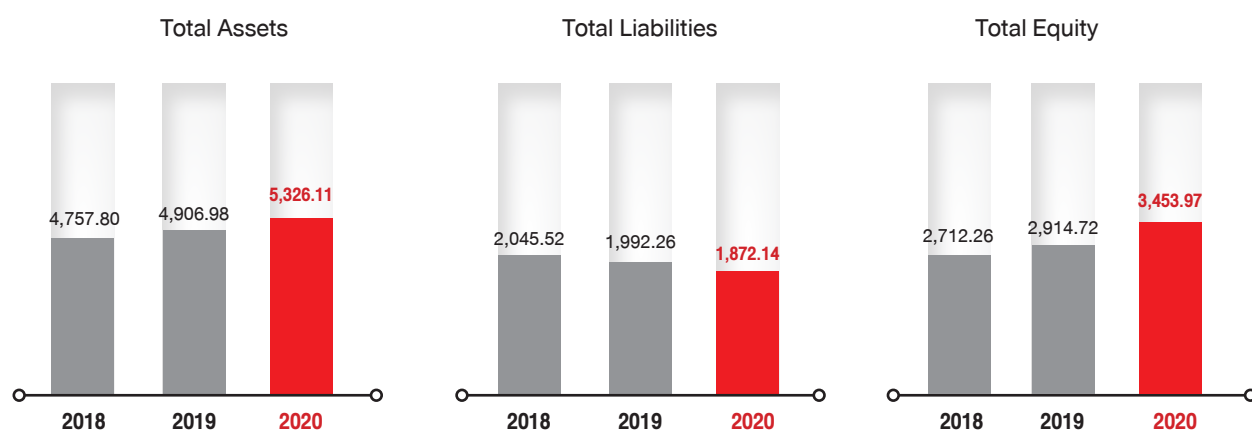
Statement of Income

(THB million)

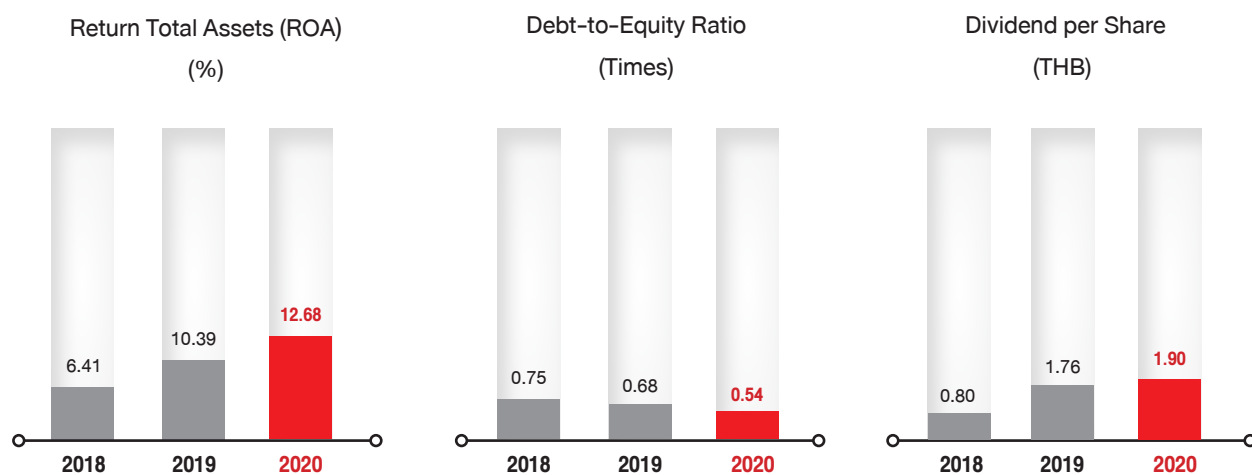


Statement of Financial Position

(THB million)



Financial Ratios





Message from the Chairman and the CEO



To: The shareholders of the Company

The year 2020, as we all know, was the year of economic catastrophe, with the entire world inevitably experiencing an impact from the pandemic of the novel coronavirus 2019 (COVID-19). As a result, all sectors of the economy, from manufacturing industry, tourism and transportation industry, wholesale/retail businesses, to agriculture and fishery, etc., have been encountering an extreme recession like never before. As for HaadThip's business, the impact has been felt ever since the beginning of the year 2020, as a result of a contraction in the number of tourists, especially Chinese tourists. The latter had produced a considerable impact upon the Company's customers, especially those operating in the provinces known as tourist destination. A myriad of businesses related or connected to tourism industry had, sadly, closed down, be it hotels, restaurants, eateries, cafés, as well as tourist-related services and venues such as entertainment

venues, daytime and nighttime attractions, jewelers, restaurants, tour and travel agencies, guided boat tour operators, to traditional Thai massage parlors and so on. The crumbling down and vanishing of many of the above-mentioned businesses had led to a drop in the number of the Company's customers by halves, and even by almost 100% in some sales channels. However, the Company had made a quick move, and hence, a timely adjustment to get itself prepared and ready to face and accommodate the new normal way of the life of its consumers. From another perspective, the situation of COVID-19 pandemic was not only a crisis but also an opportunity. Even though the pandemic of COVID-19 had made us live in a crisis, our life and business must still go on, even though under certain restrictions. We needed to move on and adjust ourselves to the situation through the expansion of our sales channels,

especially to include sales and distribution via online platform, in order to compensate for the decline in sales volume through traditional trade (TT) channel. Following the expansion of customer base through setting up new sales channels and the various state-of-the-art technological means, and the COVID-19 containment measure had been relaxed, the Company was able to immediately take the action in getting the whole system prepared and ready to promptly meet the demand of consumers who were ready to reopen their sales outlets. The Company was able to make adjustment in the product distribution system in a swift and timely manner, for the products to reach the customers and meet the type of needs and demand that had changed ever so abruptly. Even though the sales and revenue figures in 2020 showed a decline, the Company's gross profit had increased as a result of a drop in the cost of production and the implementation of marketing expense control measure, in order to be in line with the market condition during COVID-19 pandemic. All of these actions had yielded a rather satisfactory operating result, with net profit of over Baht 500 million, the highest in the history of the Company, ever since its inauguration. The Company was also able to maintain its market share in the non-alcoholic-ready-to-drink (NARTD) market and the sparkling beverage market at 25.9% and 82.5%, respectively.

Company's Performance

In 2020, the Company's revenue from sales was Baht 6,425.42 million, a Baht 350.08 million or 5.17% drop, and total sales was 59.5 million unit-cases, a 7.2% decline compared to 64.1 million unit-cases in the same period of the year 2019. The main reason was a drop in overall consumption of beverages, as a result of the pandemic of COVID-19.

In 2020, the Company had relocated most of the production lines from Haadyai Production Plant in Songkhla to Poonpin Production Plant in Surat Thani. The relocation was in accordance with the Company's plan to make Poonpin Production Plant the one and only large-scaled production plant of the Company, with Haadyai becoming a large-

scaled distribution center to exclusively serve the purpose of product distribution to warehouses in the lower South of the country. This relocation of production base was an important factor in the increase in gross profit from 3.51% to a whopping 41.76%, by way of support from (1) higher efficiency as a result of the Company reducing its size and economizing the cost of transportation; (2) adjustment in product formula to low-sugar formula as well as the launch of the new no-sugar formula; and (3) adjustment in the price of some products and some distribution channels, which had already been implemented since the second half of the year 2019. Not to mention lower cost of distribution as a result of a decline in fuel price, lower number of delivery trips, and lower marketing expenses. All of which had led to a net profit of Baht 564.94 million in the year 2020, an increase of Baht 124.22 million or 28.19% from a net profit of Baht 440.72 million in the year 2019.

From the operating results of the year 2020, net profit was Baht 564.94 million, or equivalent to Earnings Per Share of Baht 2.82. As such, the Board of Directors had proposed for dividend payout from the operating results to the shareholders of the Company at the rate of Baht 1.90 (One Baht and Ninety Satang) per share, totaling to Baht 381,824,950 or 67.59% of profit for the year according to the Consolidated Income Statement and in accordance with the Dividend Payment Policy of the Company. However, interim dividend had already been paid out to the shareholders of the Company at the rate of Baht 0.78 on 28th September 2020. Therefore, the remaining dividend to be paid out shall be Baht 1.12 per share, with the dividend payment date set to take place on 20th May 2021.

Social and Environmental Responsibility

The Board of Directors of HaadThip Public Company Limited has a policy to operate the Company's business with complete awareness of its responsibility to the society and determination to reduce the impact upon the environment as a result of business growth and expansion, while also committing to generating a sound operating result. The Company had proceeded with activities together with the

public and private sector, to help reducing the impact on the environment via various projects. Examples of such projects included the 3rd Marine Camp that took place at the beachfront of Baan Koh Bulon School, Amphoe La-ngu, Satun province, for the purpose of coral growing and conservation, to return and restore beautiful corals back to nature in a bountiful and sustainable manner; Check Dam and Mountain Irrigation Project for Baan Lang Aye Mee Community, Tumbon Wang Ang, Amphoe Cha Uad, Nakhon Si Thammarat, to reduce the gush of water during monsoon seasons and to store water for the dry seasons; Natural Resource Restoration along the Banks of Wong Canal Project of the year 2020, for the purpose of ecological restoration along the canal banks and improvement of the landscape around the canal in the area of Moo 6, Tumbon Namnoi, Amphoe Haadyai, Songkhla province.

In order to participate in the activity to help and find a solution to the problem of climate change, the Company had continued to proceed with its policy to assess the level of its greenhouse gas emission, or by means of assessment of Carbon Footprint for Organization (CFO) and Carbon Footprint for Products (CFP) continuously since the year 2013. In 2020, the Company received the Certificate of Carbon Footprint for Organization from Thailand Greenhouse Gas Management Organization (Public Organization) for both Haadyai Production Plant in Songkhla (carbon footprint of 10.076 tons of carbon dioxide-equivalents per year) and Poonpin Production Plant in Surat Thani (carbon footprint of 10.839 tons of carbon dioxide-equivalents per year), with production information of the year 2018 as a basis, as per the rule and criterion set forth by Thailand Greenhouse Gas Management Organization (Public Organization). The Company is determined to continue to establish measures in trying to reduce the level of greenhouse gas emission on a continuous basis. It will also proceed with the assessment of Carbon Footprint for Products to ensure total coverage of all SKUs manufactured by the Company, to be in line with

the UN Sustainable Development Goals (SDGs) as well as to help and support the government policy to achieve the goal in dealing with climate condition issue for environmental sustainability.

In 2020, the Stock Exchange of Thailand announced that the Company was selected to be included in the list of Thailand Sustainability Investment (THSI) of the year 2020. HaadThip had been on the list for 3 consecutive years (2018-2020), and the Company was 1 out of 124 listed companies and 1 out of 16 listed companies in the Agro & Food Industry sector to be selected for THSI list. In addition, the Company had been selected as one of the “100 listed companies renowned for sustainable business practices (ESG100)” of the year 2020, and this was the third time that the Company had been selected (years 2015, 2019 and 2020), through the assessment of environmental, social and governance performance of the year. Moreover, the Company had been assessed and earned “4 symbols of recognition (🏆🏆🏆🏆)” or a “Very Good” level for corporate governance performance” from Thai Institute of Directors (IOD).

Anti-Corruption Policy

The Company always places emphasis on the subject of anti-corruption and bribery of all types, be it giver or taker of bribes. The Board of Directors had, therefore, passed a resolution to approve the signing and declaration of intent to participate in the Thai Private Sector Collective Action Against Corruption (CAC) since the year 2013, and was certified as a member in 2015 and 2018. The Company has been passing the evaluation process for the purpose of membership renewal, and maintaining the membership status with the Thai Private Sector Collective Action Against Corruption (CAC) until today.

In 2020, the Company continued to create and expand the network of collective action against corruption by promoting and asking for cooperation from its trade partners and suppliers by inviting a total of 14 SME trade partners to join

the CAC SME Certificate Program, in order for the trade partners and suppliers to learn and understand the impact from fraud and corruption. As a result, all of the 14 trade partners of the Company had collectively declared an intent to join the network and adopt the anti-corruption policy together with the Company. This marked the second year of the CAC SME Certificate Program by the Company and its trade partners.


Future Trend in Business Operation


For the business operation plan of the year 2021, the Company has set a target for sales growth to be at approximately 3-6% from the year 2020, through consideration of the forecast that the economy will start to recover in the second half of the year 2021 with the support from government spending, both on consumption and investment. However, the COVID-19 pandemic situation remains a variable that has the power to navigate and set the direction of world economy as well as Thai economy in the year 2021. Amid the research and development of the COVID-19 vaccines, there is an issue on the availability and sufficiency of as well as accessibility to the vaccines as well. As a result, the plan to open up the country and welcome foreign tourists into the country can most likely only be gradual, from the second half of the year onwards. As for the 5-year goal, the Company has set a target to increase its market share in the non-alcoholic-ready-to-drink (NARTD) market from the current level of 25.9% to 30% by the year 2025.

In the past year, the Company had followed its diversification plan, for the purpose of sustainable growth, through the establishment of subsidiary companies, in order to create an opportunity to expand its business and diversify its portfolio. The Company had ventured into new businesses in which HaadThip is able to maximize its potential, with an objective being diversification of risk from the core business; to accommodate future changes and expansion; as well as

to create addition income from new business ventures. HaadThip holds 99.99% of the shares in the new subsidiaries established by the Company. In the past year, the 2 new subsidiary companies that had already started to operate were (1) HaadThip Food and Beverages Company Limited (HTFB), which is an operator of food and beverage sales and services business. Initially, a joint venture company had been established under the name KinDeeYuDee 2020 Company Limited, which is a joint venture between ZEN & SPICY Company Limited (holding 25% shares) and HaadThip Food and Beverages Company Limited (holding 71% shares), for the purpose of expansion of “Kiang” restaurant chain in the south of Thailand. Currently, 5 outlets of Kiang restaurant have already been opened for operation; and (2) HaadThip Commercial Company Limited (HTCom), which is a distributor of FMCG products (First Moving Consumer Goods), since product distribution is already HaadThip's strength and expertise. In 2021, HaadThip plans to introduce another of its subsidiary companies, HaadThip Development Company Limited, that operates a property business, with an objective to make use of its current inventory of vacant land, through development of the currently vacant land for the purpose of additional revenue generation.

Lastly, the Board of Directors would like to thank all of the parties involved for their kind support in HaadThip's business all along. The Board of Directors would also like to thank the Management and all of the employees and staff for their wholehearted cooperation and devotion in performing their tasks to the best of their ability, to help the Company get through this challenging time satisfactorily and successfully. The Board of Directors is also confident that the love, the unity and the capability of the Company's personnel, as well as solid business and financial structure of the Company are the main factors that contribute to the continuous and sustainable growth of the Company.

Gen. 
(Charan Kullavanijaya)
Chairman

Maj. Gen. 
(Patchara Rattakul)
Chief Executive Operation



Board of Directors





1. Gen. Charan Kullavanijaya

Independent Director / Chairman of the Board

2. Maj. Gen. Patchara Rattakul

Authorize Director / Chief Executive Officer

3. Mr. Prakit Pradipasen

Independent Director /
Chairman of the Audit Committee

4. Mrs. Yupares Thiengtham

Director /
Chairman of Nomination and
Remuneration Committee

5. Ms. Smornluk Mahasmiti

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

6. Mr. Philipp Hugo Gutsche

Director/
Member of the Nomination and
Remuneration Committee

7. Mr. Johan Willem Maarten Jansen

Independent Director

8. Mrs. Pariya Chirabandhu

Authorize Director /
Member of the Nomination and
Remuneration Committee

9. Mr. Yanyong Maethapanich

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

10. M.L. Dhisana Sritavaj

Director

11. Mr. Dumrongrugs Apibalsawasdi

Authorized Director

12. Mrs. Kerry Ann Shipp

Director





Report on Corporate Social Responsibility (CSR) for Sustainability

“HAADTHIP”

received a certificate of Carbon Footprint
for Organization (CFO)
from Thailand Greenhouse Gas
Management Organization
(Public Organization) for both plants,
Haadyai, Songkhla and
Poonpin, Surat Thani.



“HAADTHIP”

had been listed in the
“Thailand Sustainability Investment: THIS”
of the Stock Exchange of Thailand
for 3 consecutive years
(2018 – 2020).



“HAADTHIP”

was selected as one of the top 100
Environmental, Social and
Governance (ESG 100)
2020 for the 3rd time
(2015, 2019 and 2020).



The Board of Directors of HaadThip Public Limited Company has a policy of business operations that are aware of responsibilities to the society and the environment in line with the good performance of the company in order to build business growth along with sustainable society development in adherence to the moral, ethics and human rights respect. The company also is determined to produce quality products and services with concerns about the environment, benefits of all the stakeholders, to educate staff on conscious responsibilities to the society and the environment, to utilize resources to the maximum benefits, to fairly treat consumers, to comply with the Labor Laws and other regulations or any related international code of conduct as well as to emphasize upon cooperation of continuous and sustainable community development.

1. Commitment to Fair Business Practice

The Company is committed to fair business practice and strictly abides by the law and other requirement set forth by regulatory agencies. The Company is also committed to operate its business by following the Code of Conduct, which has been put in writing as explicit guidelines and regulations for the directors, management and staff of all levels to follow, in order to treat all stakeholders such as shareholders, customers, business partners, competitor, staff and employees with fairness and without seeking an opportunity to serve one's own interest that would be in conflict with the Company's interests.

The Company has established a policy and principles of conduct in regards to non-violation of intellectual property or copyright as part of the Company's regulations under the subject of the Utilization of Computer network, Information and/ or Electronics Equipment Act (B.E. 2549), in line with all of the Computer related Crime Acts. Violation of or infringement upon such regulations shall result in the maximum penalty of employment termination and possibly prosecution.

The Company has a Personal Data Protection Policy that helps to protect personal data of the people outside of the

Company. The data protection measure of the Company is of international standard and in accordance with the law and regulations stipulated under the Personal Data Protection Act B.E. 2562 (2019) as well as other related laws and amended versions in the future. Detailed information can be found on the website: www.haadthip.com

The Company has a compensation measure for stakeholders in the case that damage has been inflicted upon the stakeholders as a result of the Company's violation of the legal rights of the stakeholders. The Company also provides an opportunity for notification of tips and clues or complains in regards to violation of the law or Code of Conduct through the Company's Consumers Information Center (CIC). The CIC shall act as a center to receive news and information and consumers' complains. Following the notification of tips or clues, information shall be verified and then reported to the Audit Committee and the Board of Directors. The Company has also arranged for a communication channel for employees to submit their suggestions and complaints on any subject of constraints or frustration in the workplace. Every suggestion shall be taken seriously into consideration, and an effort shall be placed in finding a solution to the problem that shall benefit all parties connected. This is also in line with the human rights principle and development of good working relationships in the workplace. The Company shall provide an opinion box and electronics channel for all staff and employees to have equal and inclusive opportunities to submit their opinions.

The Company has also established the guidelines in regards to appropriate manners of giving and receiving gifts, assets or any other benefits. The objective is to try and prevent any possible channel of fraud or reasons to decide to treat the giver in a way that may lead to inequitable compensation or unfair treatments to other related persons. However, the Company shall take priority in considering the intention of the giver and the receiver in this case in addition.

The Company has established a set of guidelines for the roles and responsibility of the management and staff of all levels as

well as the Code of Conduct and responsibilities towards all of the interested persons and stakeholders. Such guidelines shall be proven beneficial, as it shall set the standards of job performance for the management and staff on the basis of honesty and integrity. Performance shall be followed up on a regular basis to ensure conformity to the established regulations, with considerateness and respect for the rights of others who coexist in the same society.

Hence the company has communicated the aforementioned policies to its trading partners so that they have the same procedures in compliance with the company's policies. The company has also announced the same policies to staff for their acknowledgement and compliance.

2. Respect for Human Rights and Fair Labor Treatment



The company gives an emphasis upon fair business operations in adherence to social responsibilities and all the stakeholders with good ethics. As for the human rights, the company strictly complies with national and international laws, especially support and compliance with the United Nations Global Compact: UNGC and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Human Rights Policy

The Board of Directors and all the staff are well aware and give an emphasis upon respects to the human rights in all aspects, inclusive of individuals, institutions, society and community, international laws and treaties that each country has an agreement to equally comply without any discriminations and to avoid any acts which might violate the human rights, to support and promote the human rights, to communicate and provide knowledge and understandings, to set up a guideline and give support to any other related parties throughout the Business Value Chain, suppliers, contractors as well as joint venture in cooperation with the Human Rights Principles.

Furthermore, the company focuses on fairly taking care of the staff as part of the organization as they deserve in compliance with the Labor Protection Act and the standard of the Thai Labor, including the following related laws and other regulations:

1. **Recruitment Procedure:** Appointment, transfer, salary and compensation & benefits payment shall be implemented with fairness and in accordance with moral principle. Staff shall receive higher wage than the minimum wage and has an opportunity to progress in their career path in consideration with their knowledge, capabilities and performance. The staff shall learn of the compensation and benefits of the company on the 1st day of employment as specified in the employee manual and new staff orientation program. In addition, within the company, staff shall be equally treated with no discrimination of gender, race, religions and others which shall lead to conflicts and inequalities such as the current recruitment of 22 disabled staff out of the 2,109 staff members in total (in accordance with the Labor Law 100 ordinary staff: 1 disabled). At present, the company employs 24% of the overall staff and 42% of the entire management.
2. **Welfare / Fringe Benefit:** Medical treatment and safety are considered the Company's responsibility, to ensure the welfare of its employees and maintain the right, safe and sanitarian environment of the workplace. The Company shall strictly abide by all labor-related laws, and make the welfare of employees its priority.

In 2017, the Company had established a Provident Fund as additional benefit for the employees, in order to provide additional financial security for the employees in the form of retirement savings. The program started off applying only to employees with duration of employment with the Company of 1 year or more, with employee's contribution at 3% and the Company's (employer's) contribution at 3%.

3. **Complaints / Whistleblowing:** HaadThip Public Company Limited has intended to perform business operation along the line of fairness and transparency, by adhering to the fact that it must be responsible to the society and all parties of stakeholder, as per the principle of good corporate governance, with the code of ethics as guideline and indicator to business operation. In order to operate in an equitable manner for all parties concerned, as well as show that the Company places utmost importance on verifiable transparency, the Company has, therefore, established the means for employees and staff to be able to report or provide information on any wrongdoings in business operation, be it in the area of financial transaction, conformity to the law, regulations, code of conduct or business ethics, via the provided channels for whistleblowing. In order to build confidence among employees or whistleblowers, the Company shall ensure that such employees will not get into trouble, be harmed or affected in anyway by reporting or providing information on any wrongdoing. As such, the Company has established the methods and channels for whistleblowing or making a complaint on fraud and corruption as follows:



To report or provide information

It is considered the duty of the Company's employees and staff to report on any situation deemed unlawful, nonconformity to the regulations, code of conduct or business ethics. Employees or whistleblowers can choose to report or provide information in a safe and secured manner, under the policy and guidelines regarding the process of whistleblowing or providing information on behaviors considered unlawful and nonconformity to the regulations, code of conduct and business ethics in relation to the Company's working procedure and operation. The Company shall fully protect each and every whistleblower or reporter of the mentioned information, in such a way that the whistleblower approves and finds suitable for him/herself.

Whistleblowing or information providing methods can be done via the following channels:



Management of Complaints / Whistleblowing

The CEO shall consider complaints, recommendations and all other aspects by considering setting up an investigation committee so as to build up a judicial administration for investigation and assign the disciplinary committee to take into consideration of such wrongdoing.

Protection for Whistleblowers or Information Providers

The company has a standard of Protection for Whistleblowers or Information Providers and shall not disclose any information to any irrelevant parties, except in the cases of investigation process, prosecution, witness or cooperation with courts and government agencies in authority.

In 2020, the Company did not find any issue regarding fraud, corruption or unethical practice within the Company.

4. **Knowledge and Ability Development for Employees :** The Company provides inclusive opportunities of employee development and training, both on and off premise, and on a regular basis. For example, the Company has provided educational sessions to its employees on various topics related to each employee's job, in order to develop their skills, vocational ability, technological knowledge, knowledge on domestic and international laws, as well as regulations and requirements. The intention is to improve employees' performance efficiency through implementation of their acquired knowledge and skills, and also to stimulate and create teamwork and maintain good relationships among work colleagues through training programs as well as activities organized on premise.
5. **Occupational Health and Environment :** The Company has a policy in regards to safety, occupational health and environment in the workplace, in realizing the importance of a healthy environment at work; believing that accidents, injuries, diseases and ailments inflicted in a workplace can be prevented through safety awareness and employees' cooperation. The Company is prompt to provide any resources for its employees to support and encourage safety in the environment of the workplace and while driving; mitigation of occupational accidents, ailments, diseases and loss; prevention of public hazard; as well as continuous improvement and development on this particular area. This policy shall be communicated to all of the employees of the organization, visitors, contractors, general public and any other interested parties for the purpose of acknowledgement.

Accident Statistics in the past 3 years:

Year	Total Cases of Accident (No. of Person)	By degree of severity			
		Off-Work (Person)	Able to Work (Person)	Total Off-Work (Day)	Total Able to Work (Day)
2018	12	11	1	145	-
2019	9	7	2	64	-
2020	8	6	2	103	-

The Company has proceeded with and arranged for activities, both by the requirements of the law and by the Company's desire to train and provide knowledge to the employees in regards to accident prevention.

- The "5S for Safety and Environment" course was set up to train and teach the employees/staff on the principle of 5S, safety at a workplace, and waste management, through real-life practice at the real location.
- A "Hand-in-Hand to Report Harmful Behavior or Environmental Hazard via QR Code Project" was put in place, with an objective to prevent possible accident in the workplace; and to serve as a channel to report the behavior or environment considered unsafe or hazardous for daily operation of the workers, both inside and outside of the production plant.
- The "Traffic Control Volunteer Course" was set up to provide knowledge and understanding to the employees/staff on the Land Traffic Act, B.E. 2522; how to use hand and voice signal when acting as a traffic control volunteer;

and how to drive/ride safely. Higher volume of vehicles on the road in front of the Company came with more congested traffic, and hence, in order to reduce possible number of accidents, the Security Department had placed its priority to facilitate the employees/staff before and after office hours.

- The “Advance Fire Extinguisher Training Course” at Poonpin Plant had been set up for the firefighter team of each area and location of the Company to have the knowledge and understanding of the principle and the origin of a fire; how to extinguish a fire in a timely, accurate and safe manner; and for the firefighter team to know how to use the fire extinguishing tool and equipment correctly and efficiently.

The Company has been certified with OHSAS 18001 of the Occupational Health and Safety Management System; and received an Honorary Plaque from The Federation of Thai Industries of Songkhla, for being a model company of a Happy Workplace.

3. Responsibility to Consumers

The Company is committed to fair business practice and the business operation that creates benefits for the consumers and clients, by giving heed to quality, safety and occupational health, from the production process all the way to the quality of product delivery and services that meets the level of international standards. Moreover, the Company has imposed a stricter management system responsible for the control of the production proceed as well as product verification and analysis. As a result, the customers and consumers have placed trust in the Company’s product and service standards up until these days. The Company’s principles of conduct are as follows:

- The Company manufactures products of high quality and standard, as it has always been strict in terms of safety and quality of products by the standard of The Coca-Cola Quality System that ensures the same standard worldwide. The Company has also been certified with the following standardized systems:
 - Certified by ISO 9001:2008 that sets out the criteria for quality management system
 - Awarded with a Gold Medal from “Technical Stewardship Excellence Awards 208 (TSEA 2008)” as the best manufacturer in Southeast and West Asian region, from a total of 30 manufacturers in 6 countries namely Thailand, Vietnam, Cambodia, Malaysia, Singapore and Indonesia
 - Certified by ISO 22000 Food Safety Management, an international standard that specifies the requirements for a food safety management system
 - The first manufacturer in Southeast and West Asian region (SEWA Division) to be certified by Q3 (The Process Focus Stage in the Quality Management System) of The Coca-Cola Quality System
 - Certified by the Standard for Corporate Social Responsibility, Department of Industrial Works (CSR-DIW Awards) in the year 2010 and certified by CSR-DIW Continuous Awards in 2011, by the Department of Industrial Works, Ministry of Industry
 - The Poonpin Factory was certified for CSR Beginner and CSR-W 2019 from the Department of industrial work, the Ministry of Industry.
- The Company gives precedence to the operation under consumer-related laws, for example, Consumer Protection Act B.E. 2522 (1979), as amended by the Consumer Protection Act (No.2) B.E. 2541 as well as Act on Prices of Goods and Service B.E. 2542 (1999)
- The Company can communicate with its consumers through various communication channels as follows:
 - The Company has a Consumer Information Center (CIC) to receive news and information as well as complaints from consumers
 - The Company has a procedure to perform customer satisfaction survey (Voice of Customers Project)
- The Company has been marketing its products in a fair manner, and providing accurate, sufficient and up-to-date news and information to the customers. There is no marketing activities conducted with youth under 12 years of age in whatever communication channels.
- The Company respects and maintains customers’ confidentiality.

- The Company makes a contact with its customers in a courteous manner; business partners and consumers place trust in the Company; the Company always ensures promptness in responding to customers as well as in delivering products to the customers.
- Educating consumers is one of the Company's priorities, especially in regards to the Company's activities, products and services. For examples, the Company has educated consumers on the subjects of consumer health and safety, consumer protection and the product labels.
- The company has appointed IMCI (Incident Management and Crisis Resolution) from the managerial members to analyses, make decisions and notify related parties so as to reduce effect upon the products or company.

4. Environmental Management

The Company truly realizes its responsibility for the environment, especially in regards to the possible impact on the environment as a result of the Company's business operation. The Company would like to express its intention and commitment in regards to the environmentally related principle through the establishment of an Environmental Management Policy in order to create a framework for its employees to perform their tasks under the established objectives and goal. This, ultimately, intends for the conservation of environment and to urge the management and staff to progress in the same direction

The Company had passed the standard for environmental management system and certified by ISO14001: 2015. In the year 2017, Haadyai Production Plant had been awarded with a Green Industry Plaque of level 4, in honoring its achievement of the Green Culture level from the Ministry of Industry. The Company is determined to reach level 5 (Green Network) of the Green Industry, and has already set a plan together within the organization to build a network of green throughout its supply chain, by creating and enhancing relationship and bond through environment-related activities with all of the stakeholders throughout the entire supply chain as well as the community and consumers.

The Poonpin Plant has been constructed in such a way that makes it a prototype of the Green Factory that helps to conserve the environment. It is equipped with skylight roof to receive natural light; makes appropriate use of rain water, with a water quality control system installed to ensure acceptable water standards; equipped with a state-of-the-art waste water treatment system that saves energy during the operation; helps to conserve nature through conservation and planting of trees; and last but not least, its vetiver grass cultivation project has helped to prevent erosion of soil surface. The vetiver grass cultivation project to prevent soil surface from erosion has allowed the Company to become the first and only private company to have won the "Golden Vetiver Grass" award, with a Royal Plaque received as the winner of His Majesty King Bhumibol Adulyadej's vetiver award.

The Company has proceeded according to the policy it has announced, in accordance with the framework and guidelines below:

1. The Company shall proceed strictly in accordance with the following environmental laws:
 - Notification of Ministry of Industry on the subject of Determination of Particulates Emissions from Stationary Sources B.E. 2549 (2006)
 - Notification of Ministry of Industry on the subject of Disposal of Waste and Unusable Materials B.E. 2548 (2005)
 - Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992)
 - The Energy Conservation Promotion Act B.E. 2535(1992)
 - National Energy Policy Council Act B.E. 2535 (1992)
 - The Groundwater Act (No.2) B.E. 2535 (1992)
2. The Company is determined to become the leader of beverage industry that places values and importance on energy conservation and protection of climate condition. For example, through the use of the new version of refrigerators that utilizes 50% less energy and is free of CFC substance, meaning that it is not harmful to the atmospheric layers and environment.

3. Carbon Footprint Project



HaadThip received a certificate from the Thailand Greenhouse Gas Management Organization (Public Organization), the Ministry of Natural Resources and Environment.

The company has still remained to implement the policy of analysis of Carbon Footprint for Organization: CFO and Carbon Footprint of Products: CFP since 2013 until now. This year the company received a certificate from the Thailand Greenhouse Gas Management Organization (Public Organization), the Ministry of Natural Resources and Environment for both Haadyai Factory, Songkhla Province (Greenhouse gas emission 10,076 tons in equivalent to carbon dioxide per year) and Poonpin Factory, Surat Thani Province (Greenhouse gas emission 10,839 tons in equivalent to carbon dioxide per year) in reference to the production details as of 2018 in accordance with basis on the rules of the Thailand Greenhouse Gas Management Organization (Public Organization). Thus, the company is still committed to setting up other measures to continuously reduce the Greenhouse gas emission along with the operation of the Carbon Footprint of the products to cover all the SKUs that the company produces so as to be in accordance with the UN Sustainable Development Goals: SDGs and to support the Government's policy to successfully cope with the climate for sustainable environment.

4. The company is committed to responsibly using water resources. The goal is to return the equivalent amount of the water used for production to the community and the nature in a safe and sustainable manner. The company is equipped with state-of-the-art Waste water Treatment System "Waste Stabilization Pond" which is an energy saving system that utilizes natural resources for the treatment, for example, sunlight and water hyacinth, with aerobic and anaerobic decomposition of original material. In addition, the company is also in cooperation with projects of both public and private sectors in order to meet the aforementioned objective such as the construction of Check Dam and Mountain Irrigation Project for Bann Lang Aye-Mee, Tumbon Wang Ang, Amphoe Cha - Uad, Nakhon Sri Thammarat Province, the Rehabilitation of natural resources project on the river bank of Klong - Wong at Baan-Bor-Pho Community, Nam-Noi sub-district, Haadyai district, Songkhla province for sustainable ecological integrity on the 3 km river bank of Klong — Wong.

5. Energy Saving Project:



1. Solar Rooftop Project

The company did install the Solar Rooftop System at the Poonpin factory with 600 kilowatts of the power generation capacity and 1,880 solar panels in the total area of 3,760 square meters. The system is capable of generating electricity power of 732,778 kwh in total per year. This is another attempt in solving Global Warming and it can reduce greenhouse gas at 462,550.07 kgCO₂e and is the energy that is friendly to the environment.

2. To push forward the use of NGV in transportation and product distribution to all areas of the South

The Company still continues with the policy to operate its business with responsibility to the society and is determined to reduce environmental impact resulting from the growth and expansion of the Company. One policy is to reduce utilization of fossil fuel, by using electric power and LPG as fuel for forklifts instead. Moreover, the Company is now pushing for the use of NGV instead of petroleum for transportation and product distribution trucks traveling to all areas of the South, in order to mitigate environmental impact that would lead to the global warming effect.

The Company has established an annual budget for training and educational courses for employees in regards to the environment that take place on a regular basis. These courses include on-the-job Training as well as sending employees to participate in external seminars organized by other institutions or agencies, in regards to environmental issues. In 2020, the Company had organized training courses and sent out employees to participate in environmental seminars altogether 36 courses with a total of 204 employees participating in the events, and the total budget for the year was approximately Baht 111,082

5. Innovation and promulgation of innovative creations derived from business operation with responsibility to the society, environment and Stakeholders

The Company has a policy to support the development of innovative creations with responsibility to the society and environment. The Company has been certified by ISO 14001:2004 since the year 2007, which is the highest of international standards in environmental management. The innovation on packaging that the Company has been applying, has enabled the Company to reduce the use of plastic by 1,700 tons per year. Moreover, the Company has been able to reduce energy consumption in the production process by 10% since the year 2012 and more than 99% of garbage and waste generated by the manufacturing plants have been through the recycled process, and hence, reused.

1. The Company has developed and created environmental-friendly packaging by way of reducing the quantity of raw materials and resources utilized in the production process. For example, reducing utilization of plastic in the production on PET products; reducing the use of aluminum in the production of 325ml can products; and using plastic wrap without having to use the paper trays.
2. The company has developed packaging format by using all the glass bottles of the company and can be 100% reused as well as production from the recycled raw materials by 30% in average, PET packaging or plastic can be reused 100% as well. Can packaging which is made of aluminum can also be reused 100% and are produced from the recycled aluminum at 50% approximately.

3. “Namthip” product has certainly been designed for today’s world and in an environmental-friendly manner. The design and concept used in creating the product is totally new, by using the innovative PET packaging that is extra light. The high technology used in the production of this product is able to help reducing the utilization of such raw material as plastic by 35%, compared to the previous type of packaging. This is another determination in business operation by Coca-Cola throughout the world. This particular PET bottle design is the most lightweight in Thailand. The design also allows consumers to twist the bottle when emptied, in order to reduce space and increase efficiency in the collection and management of recycled waste. The used bottles can go through recycle process and become usable again. The production of “Namthip” Drinking Water helps to reduce emission of greenhouse gases or carbon footprint; plus “Namthip” has also received Halal Certification from The Central Islamic Council of Thailand.



6. Participation in Community and Social Development

The Company has a policy to reinforce and strengthen the community by getting involved in “our community” for the purpose of sustainability. The Company shall perform its duties in the areas and localities of its business with total responsibility, be it to provide support, promotion or development for the quality of life, society and environment, so that the communities of the 14 provinces of southern Thailand to remain strong in a sustainable manner. This shall be succeeded through collaboration with all possible sectors/agencies and by means of the 3 fundamental areas of sustainability framework as follows:

ME: Enhancing personal well-being and active living for good health, for “me”

WE: Building stronger communities, for “our communities”

WORLD: Developing and protecting the environment even better, for “our world”



Under the 3 aspects of operations as aforementioned, the company has been in cooperation with the public and the private sectors in the following:

1. Provision of support to sports and exercise



Support to the 21st Thailand Coke Cup Tournament



HaadThip participated in the 7th long distance cycling “Tour of Phang Nga” on 2nd August 2020



Support Charity walking and run competition “TOSHIBA RUN” 5 regions 5 provinces “Wing Khanom-Sichon Khon Muang Khon” to compete for the royal trophy of Her Royal Highness Princess Bajarakitiyabha Narendiradebhavati and to generate funds to purchase medical equipment for provincial hospitals on 27th September 2020 at Khao-Plaidum, Khanom district, Nakhon Sri Thammarat province.



HaadThip bike club participated in the “Pun Pun Rak Pak Pak Tai Project” to boost up economy and tourism of 3 provinces, namely Songkhla, Satun and Trang.

2. Participation in the Southern Cultural Inheritance



Chak-Phra Festival & Make and off-season offering of robes, Surat Thani Province during 29th September to 7th October 2020 at nearby the area of Wai-Tai Hotel by the bank of Pee River Dam and Naris bridge, Surat Thani



Bunsart Festival, Nakhon Sri Thammarat during 11th — 20th September 2020 near The Princess Mother Somdet Pra See Na Ka Rin Park 84, Nakhon Sri Thammarat, by participating in the Conservation of the Traditional Way of Life.

3. Planting with Dharma and Do it by Heart Project

Planting with Dharma and Do it by Heart Project took place at Chinnawongpradit Temple, Ban Phru sub-district, Haadyai district, Songkhla province on 23rd October 2020 to build a learning platform of local sufficient economy in accordance with the royal idea of His Majesty King Bhumibol Adulyadej The Great based upon organic without using any chemicals and to develop and transform into learning resources or demonstration plots.



Images of vegetable picking produced by Planting with Dharma and Do it by Heart Project took place at Chinnawongpradit Temple

4. Support of the Society and Community in the situation of COVID – 19 Pandemic

โคคา-โคล่า จับมือมูลนิธิริชัยพัฒนา
มอบเงินเริ่มต้นกองทุน **รับมือโรคโควิด 19**
มุ่งช่วยเหลือบุคลากรทางการแพทย์และสาธารณสุข

“Coca-Cola Business Group in Thailand”, which consists of ThaiNamThip Company Limited, HaadThip Public Company Limited and Coca-Cola (Thailand) Co., Ltd. provided financial support to the Chaipattana Foundation to the Agencies and Health Personnel of the Chaipattana Fund Fighting for COVID - 19 and other plagues in accordance with the royal thought of Her Royal Highness Princess Maha Chakri Sirindhorn after Coca Cola temporarily paused advertisement on television and digital channels on 31st March 2020 in order to financially support mission of solving the COVID — 19 epidemic problem. Initially, “Coca-Cola Business Group in Thailand” donated 25 million Baht and on 25th May 2020 donated 400,000 US Dollars or more than 12 million Baht by support of the Coca-Cola Foundation which is a Charitable Organization under the Coca-Cola Company (America). Furthermore, “Coca-Cola Business Group in Thailand” also delivered some medical equipment to prepare for Agencies and Health Personnel after the Government had eased up the control standard of the pandemic throughout the country.

In addition, the company had delivered products and equipment to help customers, society and community during the COVID - 19 pandemic such as hand sanitizer, N95 masks, cloth masks, one — off masks and face shield to more than 600 hospitals and clinics, on - field officers (soldiers, police, screening points) more than 500 places, foster home, children, elderly, disabled, foundations, Department of Local Administration and other agencies more than 500 places.



5. Conservation and Restoration of Natural Resources and Environment

1. Check Dam and Mountain Irrigation Project

Baan Lang Aye Mee Community, Wang-Ang, Cha- Uad, Nakhon Sri Thammarat Province

Check Dam and Mountain Irrigation Project behind the Aye Mee Community, Wang-Ang, Cha Uad, Nakhon Sri Thammarat Province is a sustainable project that had continued for 3 years and after the company had cooperated with the Baan Lang Aye Mee village in order to build the Water softening weir in attempt in reducing water flow during rainy season and retaining water during dry season until complete. The company then built up 1 medium mountain water restoration so that the community could use the water for consumption throughout the year.

The company also embraced the royal words of His Majesty King Bhumibol Adulyadej The Great, regarding benefits of planting the Vetiver Grass so as to protect landslides. The company got 1,500 Vetiver Grass from the Poonpin Plant, Surat Thani and planted it on the embankment of mountain water to reduce landslides.



2. Natural Resources Restoration Project Moo 6, Nam Noi, Haadyai, Songkhla Province

"Khong Wong Environmental Resources

Restoration Project 2020" had been run in 2 consecutive years to restore the ecology of the coast and to adjust the landscape around Klong Wong in the area of Moo 6, Nam Noi, Haadyai, Songkhla Province for sustainable abundance. This was done in association with the local State sector and people, planting 2,000 trees and 1,000 mangroves. This is a long process project to provide the abundance of the ecology on the bank of Klong Wong sustainably.



3. The 3rd Southern Sea Coral Reef Conservation Project (Marine Camp)

โครงการ อนุรักษ์ปะการังทะเลใต้ (Marine Camp) ครั้งที่ 3



HaadThip in association with the Satun Provincial Administrative Organization, Reef Guardian Thailand and Marine National Park Operation Center 3, Trang Province, organized the 3rd Marine Camp during 3rd - 7th February 2020 on the beach in front of Baan Ko Bolon school, Amphoe La-ngu, Satun province, to conserve and breed reef back to the nature so as to remain beautiful and sustainable abundance. There was a training activity for youth, people, tourism business operators, fishermen in the area of Ko Bolon, HaadThip volunteers and students from Baan Ko Bolon school for over 200 people. We provided knowledge of propagation and retention of coral reef, advice on garbage sorting based upon Coca - Cola principle. The voluntary team participated in the propagation of coral reef and cleaned up the garbage on the beach. Divers also picked up garbage under the sea around "Kong Hin Kao", an important diving place nearby so as to reduce impact to the environment and sea ecosystem as well as to create more beautiful landscape to extend the success from 2019 - 2020 that was capable of propagating around 1,000 plants in replacement of those either damaged by the nature or fishing. This created a balance of the sea ecosystem, a variety of biological and additional 14 fish species.



Follow up on the Growth of the Coral Reefs and Garbage Collection under the sea Project 2020

The 3rd Marine Camp at Koh Bulon, La-Ngu district Satun province, could generate the breed of coral reefs, Staghorn coral in the amount of 300 plants with the follow up on the growth of the coral reefs as follows:

16th April 2020

Plots 1 - 2 and 3 Survival rate was 50% because of storm. Growth rate was 6.6 centimeters high, 8.28 centimeters (width and height expansion) and 7.01 centimeters width (sideway). On the 3rd plot, the growth rate came with an average height of 2.21 centimeters, 2.09 centimeters (width and height expansion) and 2.28 centimeters wide (sideway). In addition, around 15 species of fish as well as boneless aquatic animals were found in a total of around 211.

12 - 13 December 2020

Plots 1 - 3 Survival rate was 10% because diffusion of sediment might spread to have an impact on the breathing of the coral reefs, causing eventual death. Such impact was on direct physical aspect. Growth rate on the plots 1 — 2 had an average height of 5 centimeters, 8.46 centimeters (width and height expansion) and 8.7 centimeters wide (sideway). As for the 3rd plot, the average height was 3.43 centimeters, 5.95 centimeters wide (height expansion) and 6.45 centimeters wide (sideway).

Garbage Collection under the Sea Capable of collecting 8.45 kilograms in total from fishing nets with a length of around 68.80 meters and 1.60 meters wide.

Follow up on the growth of the coral reefs



Garbage Collection under the sea





Anti-Corruption Policy

The Company always places an emphasis on putting an effective anti-corruption and anti-bribery system in place, and hence, the Board of Directors had passed a resolution for the Company to sign in declaration of intent to join the Private Sector Collective Action Against Corruption (CAC) program, a program set up by Thailand Institute of Directors (IOD) and supported by the government as well as the Office of the National Anti-Corruption Commission (NACC) since the year 2013. The Company has thence proceeded with the certification process and renewal of membership throughout the years, and has had its certificate renewed from its original period of membership on 5th November 2018.

The Company has established an “Anti- Corruption Policy and Guideline” for the Company’s personnel to observe and follow. The policy stipulates that the Company’s personnel must not proceed with or get involved in any act of fraud, corruption or bribery of all forms, be it directly or indirectly. The Company’s personnel must seriously proceed according to the guidelines and policy that cover all possible areas with possible misconduct or misinterpretation. For examples, donations for charitable purposes, facilitation payment, gift giving and receiving, event organizing or any other payments for benefits. All detail and information on the Company’s anti-corruption policy and guidelines can be found on www.haadthip.com

In 2020, the Company had carried on with the CAC SME Certification Program for the second consecutive year, where the Company invited 14 trade partners from the SME group of companies to join the program, in order for the trade partners and suppliers to learn about and understand the impact that would have caused as a result of fraud and corruption. As a result, all of the 14 trade partners of the Company had declared an intent against corruption together with the Company.

Moreover, in 2020, the Company had updated and made improvements to its principle of good corporate governance in order to catch up and be up-to-date with the fast-moving world and swift change of era. The Company had made some adjustment to the “Policy and Guideline for Facilitation Payment”; added to the Notification, the “Policy and Guideline on Employment of Civil Service Personnel”; as well as placed importance on protection of personal information of related parties, all of which had been included in the new and improved version of the Company’s Code of Conduct. The core elements of the Company’s anti-corruption measure include:

- The Company’s personnel must perform their tasks and duties with honesty and in a transparent manner, without negligence or ignorance when stumbling upon


a trace or hint of action deemed an act of fraudulence or corruption. The Company shall protect and ensure safety of the whistleblower in the best possible manner.

- Do not get involved in any type of bribery, be it giving or taking, or whether through transactions made with the public or private sector.
- Do not make inappropriate payment to a government agent or make payment via a third party for the purpose of convenience or to expedite or make a short-cut for an administrative process.
- All donations must be made for the purpose of charitable causes and not for any other expectations or an agenda for other benefits that can be interpreted as fraudulence or corruption.
- Gift giving or receiving must be carried out in a traditional and acceptable manner. The value of the gift must not exceed the norm or present an impact upon important decision-making process. Gift giving/receiving must be proceeded in accordance with the policy set forth by the Company.

The Company promotes knowledge acquisition on the subject of anti-corruption for employees and staff of all levels through the form of training/seminar, workshop and other activities, in order to lead the way to a sound

organizational culture. The Company has also been doing so by promoting and instilling corporate ethics through an arrangement for an anti-corruption workshop orientation for new employees/staff for the purpose of acknowledgement and practice. Moreover, the Company has organized some relating activities to create awareness on dishonest behaviors and their impact, through activities within the organization such as creative video clip contest on the subject of anti-corruption; an essay contest on the subject of "The Boss's Tale" - a story-telling essay on the former CEO's virtue, morality and teachings to be inherited from generation to generation; and essay contest on the subject of "Competent, Honest, Committed" all of which reflect a sound behavior of a good employee/staff.

The Company continues to announce its intent to the public in regards to the Company's "No Gift Policy" for all occasions, in order to create a sound operational standard for its personnel and in trusting that Company's personnel of all levels shall perform their tasks to the most of their ability without expecting any form of personal benefit to satisfy own interest in return. In 2020, the Company did not find any issue regarding fraud, corruption or unethical practice within the Company.



Company Profile

Company's Name	HaadThip Public Company Limited
Abbreviation	HTC
Registration Number	0107537002206
Registered Capital	201,210,180 ordinary shares at a par value of Baht 1 per share totaling Baht 201,210,180
Issued and Paid-up capital	200,960,500 ordinary shares totaling Baht 200,960,500
Nature of Business	Sparkling Beverage Industry

Location

Head Office	87/1 Karnchanavanich Road, Baan Pru, Haadyai, Songkhla 90250 Tel: (074) 210-008-18, (074) 210-025-33 (074) 209 -240-1, (074) 439 -644-53 Fax: (074) 210-006-7
Poon pin Office	206/1 Moo 3, Tha Rong Chamg, Poonpin, Surat Thani 84130 Tel: (077) 357 - 385-89 FAX: (077) 313 - 640
Bangkok Office	36/6 Soi Ramkhamhaeng 21 (Navasri), Yaek 5, Phlabphla, Wang Thonglang, Bangkok 10310 Thailand Tel: 0 2391 4488 Fax: 0 2381 2257
Website	http:// www.haadthip.com
Accounting Period	1 January — 31 December
Anti-Corruption progress indicator	Level 4

Reference

Registrar	Auditor
Thailand Securities Depository Company Limited 93 Rachadapisek Road, Dindaeng, Bangkok 10440 Tel: 0 2009 9000 Fax: 0 2009 9991 SET Contract center: 0 2009 9999 E-mail: SETContractCenter@set.or.th Website: http://www.set.or.th/tsd	KPMG Phoomchai Audit Ltd. Empire Tower, 50th - 51st Floors, Yanawa, Sathorn, Bangkok 10120 Tel: 0 2677 2000 Fax: 0 2677 2222 E-mail (general issues): info@kpmg.co.th E-mail (service request): yyothakarnpinij@kpmg.co.th Website: kpmg.co.th



Nature of Business and Industry Trend

HAADTHIP Public Company Limited is a sparkling beverage manufacturer, granted a franchise by the Coca - Cola Company (USA), Atlanta, Georgia, as a producer and distributor of sparkling beverages under the trademarks of “Coca-Cola,” “Fanta” and “Sprite,” and other products owned by Coca-Cola Company such as Minute Maid, Namthip drinking water, and “Bon Aqua” 100% natural mineral water. The Company has 2 manufacturing plants located in Amphoe Haad Yai, Songkhla, and Amphoe Poonpin, Surat Thani, with the products distributed exclusively to the 14 southern provinces of Thailand namely Chumphon, Ranong, Yala,

Krabi, Phuket, Phang-nga, Trang, Phatthalung, Surat Thani, Nakhon Si Thammarat, Songkhla, Satun, Pattani, and Narathiwat.

The products are manufactured by the Company, with some of the products purchased from a business partner in Bangkok for distribution. The products comprise of the followings:

1. Sparkling beverages that include Coke, Fanta and Sprite
2. Non-carbonated/ Still beverages that comprise of Minute Maid, Namthip drinking water and “Bon Aqua” 100% natural mineral water.

The Company’s main source of revenue is derived from the sales of sparkling beverages in the south of Thailand. The Company’s revenue structure for the past 3 years is as follows:

Detail	2020		2019		2018	
	Million Baht	%	Million Baht	%	Million Baht	%
Sparkling beverages	6,013.99	94.74	6,375.17	94.20	5,400.70	94.68
Non - carbonated products	333.74	5.26	392.68	5.80	303.31	5.32
Total Revenue from Sales	6,347.72	100.00	6,767.85	100.00	5,704.01	100.00

Industry Trend and Future Competitive Environment

Major players in the soft drink industry in Thailand at present comprise of ThaiNamthip Ltd., a manufacturer and distributor of Coca - Cola products in all regions of the country, in exception of the 14 southern provinces covered by HAADTHIP Public Company Limited; Pepsi - Cola (Thai) Trading Company Limited, a manufacturer and distributor of “Pepsi”; Serm Suk Public Company Limited, a manufacturer and distributor of “Est Cola”; AJE THAI Co., Ltd., a manufacturer and distributor of Big Cola, and 2 - 3 other small operators in the industry.

The soft drink industry in Thailand is an oligopoly by nature. It is considered difficult for a new operator to enter the industry because high level of investment is inevitable for the purchase of machinery, creation of demand, as well as

construction of building structures such as stock warehouses, in addition to sales and distribution vehicles. The characters of the products in the market also do not differ much, and so from the consumers’ point of view, each and every product is substitutable. As such, each operator is making an utmost effort to differentiate their products from the others, be it the taste of the products, the image of the products or the image of the Company, especially through regular introduction of new products to the market. Sparkling beverage industry is currently a highly competitive industries, therefore, each Company is in need for adjustment and adaptation at all times. As a result, each bottler is placing great emphasis on continuous advertising and sales promotions throughout the year, in order to maintain exposure and brand recognition;

create faith and trust in the products; and prevent consumers from losing interest in the products while creating brand loyalty. Business operators would continue to create value added services or introduce the latest innovation on a regular basis, in order to stimulate and entice the market, with an objective to maintain and acquire more market shares through unique marketing strategies designed and executed by each company.

Sparkling beverages are seasonal by nature, with sales volume often higher during the summer than other seasons. As such, major players usually concentrate their tactics and marketing efforts through main media channels namely television media, social media and printing media in order to generate feedback from the consumers through sales promotion activities to reach as much consumer target group as possible. The Company's strategy is to emphasize on the advertising campaigns to suit the target groups in each area as well as promote good relationships with vendors, community and society in all aspects, while also emphasizes genuine, prompt, reliable and consistent services, with the Coca - Cola standard and quality of products - the products that can be conveniently found and consumed anywhere and anytime, and come in various sizes to satisfy every consumer's preference possible.

Year 2020 was a very challenging year for HaadThip PCL, with the pandemic of COVID-19 that produced a huge impact upon the tourism industry, which is the main economic activity of the South; as well as the demand for the Company's products that kept changing according to the rigidity of government measures issued to contain the spread of COVID-19. As such, the Company had made some adjustments to the internal operation and work system, to be in line with consumer needs and demand that changed with the ever-changing COVID-19 containment measures as follows:

1. To build confidence among consumers and the market that large-sized products and drinking water were sufficient and readily available to meet the demand for home consumption and stock-up, through sales and distribution channels considered most convenient for consumers such as hypermarket/ supermarket and local grocery stores in the communities.
2. To add promotional activities to online channels and home delivery service.
3. When the COVID-19 pandemic control and containment measure had been relaxed, and the lockdown measure lifted, the Company immediately took the action in getting the whole system prepared and ready to promptly meet the demand of the consumers who were ready to reopen their sales outlets. The Company was able to make adjustment in the product distribution system in a swift and timely manner, for the products to reach the customers and meet the type of needs and demand that had changed ever so abruptly.

As a result of the flexibility, preparedness and readiness of the Company in adapting to and making adjustment to accommodate the situation in a timely manner, the Company was able to maintain its market share in the NARTD market and sparkling beverage market from the beginning to the end of the year 2020 at 25.9% and 82.5%, respectively. Total sales of 59.5 million unit-cases showed a 7.2% decline, compared to 64.1 million unit-cases in the same period last year. As for the non-alcoholic-ready-to-drink (NARTD) market of the South, a 12.5% contraction was considered much better than the overall performance of the market. This was the result of active marketing and market visits by the Company as well as adaptation and implementation of various means of technology to boost efficiency in sales.

In 2020, the Company applied different strategies to different sales channels as follows:

Traditional Trade (TT) group of customers: The Company's goal was to expand the customer base and increase the number of retail stores as much as possible. Even though there were sales outlets that, inevitably, had to close down as a result of the COVID-19 pandemic, the Sales Department never ceased to search for new markets for the Company, to replace those that had closed down. At the same time, the Company also tried to stimulate consumer demand for the products by integrating a Customer Loyalty System or M Game (Merchandise Game) into sales at storefront. In order to do this, the stores needed to have the Company's products readily available and on display in their display refrigerators at all time.

Consumers and the community: The Company also put a focus on adding new products to its portfolio, for example, healthy beverages, as an additional choice for consumers. The Company also created trust by ensuring quality control of the products alongside the effort to reduce pollution produced by its production process in order to help protecting the environment. In addition, the Company puts an emphasis on creating close relationship with its customers, in line with the “HaadThip alongside southern folks” concept, through the Company’s CSR activities as well as charities.

Our objective was to increase efficiency in the management and administration of sales as well as product distribution, to be able to add new stores to our portfolio while at the same time maintaining the current customer base. In doing so, we had improved our customer information collection process and system, to ensure that the information is accurate, up-to-date and systemized. EDS (Every Dealer Survey) Team had been established to perform the survey on all of the existing stores and sales outlets, including the ones with no business transactions or relations with the Company, in order to find a way to reach out to more stores with an opportunity to sell the Company’s products.

The Company had developed and implemented two new Sales Operation and Management Systems known as “Pre-sell” and Tele-Sale” methods. These operational systems had proven to meet the demand and satisfy the needs of the customers and consumers in terms of products and services in exactness as well as within the target area of sales and distribution; increase efficiency in customer service and market operation; as well as reduce the cost of sales and distribution in the long run.

The Company had also developed a project called Logistic for Ex-Factory, to distribute the products directly from the factory to wholesale customers for the case of full truckload purchase. This method had helped to cut down the process of making product delivery trips via stock warehouses; meet the needs and demand of customers in a more timely manner; and reduce the cost of transportation for the Company.

Modern Trade (MT) group of customers: We placed an emphasis on constant development and improvement of our teams in order to keep raising our service level and ensure that our products are always readily available, to prevent the problem of product shortage. We did so through efficiency in supply chain management, by drawing up business plans together and closely with our customers in order to meet and satisfy the needs of our customers the best way we could. We also focused on selling our new products through convenient stores, to be in line with the changes in consumer behavior.

Moreover, we had developed and improved the information management system by means of our HaadThip Improvement Project (HIP), to manage and administer business activities through the use of the SAP (System, Applications, and Products) Program in a more efficient manner.

The information from Kasikorn Research Center indicated that the growth rate of non-alcoholic-ready-to-drink (NARTD) market in the year 2021 will be slightly higher than that of the year 2020 by approximately 0.5-1.5%. But with the Company’s determination to make adjustments to improve the management policy of all business sectors, to ensure higher efficiency in a continuous manner, the Company is confident that it will be able to move forward and achieve the operating results that is better than the overall market condition. The Company’s growth in general will stem from the implementation of additional marketing strategies to meet and satisfy the needs of our primary groups of customers, which are end consumers and the communities, Traditional Trade (TT) customers, Wholesale / Indirect group of customers, and Modern Trade (MT) customers.

For the year 2021, the Company has set its sales target at 3-6% higher than the sales target of the year 2020, depending on the COVID-19 containment situation and measures. The estimated growth rate stems partly from the forecast that the economy will start to recover in the second half of the year 2021, following distribution of the vaccines, which will also present a positive impact on the tourism sector of Thailand as well as the overall economy of the country. The Company continues to place value on and avidly participate in the activities of the local community and society, especially through provision of support and sponsorships

to events related to the culture and traditions of the South, sports events, education and by lending a helping hand to the local communities when affected by the incidents of natural disasters as well as the unrest in Southernmost border.

The Company has also set in advance its 5-year target, which is to increase the market share in the non-alcoholic-ready to-drink (NARTD) market from the current level of 25.9% to 30% in the year 2025.

Marketing Strategies

1. To create higher revenue growth through extension of the no-sugar group of products such as Coca-Cola No Sugar; as well as extending the no-sugar group to other products such as Fanta No Sugar and Sprite No Sugar, in order to add these products into the Company's portfolio of no-sugar group of products and to be in line with the health-conscious group of consumers and trend.
2. To induce sales growth of Returnable Glass Bottled products (RGB) by encouraging the use of containers that help to mitigate the global warming condition, with an emphasis on sales channels such as local grocery stores, eateries and cafés. The Company will also introduce a new 200ml-sized product, which will be an ideal size for consumers, and will be offered at an attractive price.
3. To continuously push for the sales of Still Beverages such as Bon Aqua Mineral Water and Minute Maid product lines through every sales channel, by using all sorts of sales promotions. In addition, the Company shall focus more on communication with end consumers through printed materials, billboards and online advertising.
4. To expand the sales and distribution channels through online platform such as the Company's own website, Market Place & Pure Player, in order to successfully sell and distribute the products even more widely. The

Company has also added online communication channels and created brand recognition via You Tube and websites. Moreover, it has started to push the stores and sales outlets to enter into online communities and use the online platform such as Food Delivery Service Application, in order to expand their sales channels, and hence, successfully meet the needs of modern-day consumers.

5. To adjust and improve its approach to marketing activities, in order to be in line with real-life situation where the COVID-19 pandemic is still in place, by focusing more on creating an opportunity for home consumption.
6. To use the strategy to captivate and win the heart of the customers who are also our valuable business allies, through HaadThip's customer privilege/loyalty program (MVIP Program).

Target Market

Teenagers, working-age group, senior citizens as well as Thai and foreign tourists.

Pricing Policy

To set a policy deemed suitable considering the market condition and the area of business, by ensuring that the set price covers the cost and expenses, and generates a reasonable amount of profit. The set price must also be appropriate, considering what the customer will get in return.

Type of Customers of the Company

The Company has categorized its customers into 3 main types as follows:

1. Traditional Trade (TT): This type of customers consists of retail stores, sub-stores such as grocery stores, eateries and cafés, restaurants, entertainment venues, clubs, hotels, bus terminals, food and beverage trolleys/carts, beauty salons, night markets, pharmacies, government agencies, piers, academic institutions, residence, etc.

2. Wholesale/ Indirect: This type of customers includes wholesalers and Macro.
3. Modern Trade (MT): This type of customers consists of Supermarket/Hypermarket type such as Tesco Lotus, Big C, Tops or convenient stores such as 7-Eleven, Family Mart, etc.

By comparing the 3 groups of customers, we currently find that the Company's major group of customers is the Wholesale/Indirect type, with the total sales of this group accounting for approximately 41% of total sales of the Company in the year 2020. The rest would be Modern Trade (MT) group of customers, with total sales accounting for approximately 23% and Traditional Trade (TT) - direct channel, with total sales accounting for approximately 36% of total sales of the Company.

The fact that the Company has formed such good relationships with the customers is considered an important marketing strategy. In order to form a tight bond, the Company has to meet the needs of and satisfy the customers with quality products as well as good, impressive services, be it before sale, during sale or after sale services. By creating such good impression, new customers will eventually become regular customers, and current and regular customers will continue to be very well-taken-care of, and hence, still remain. The intended end result is for all customers to continue to and neverendingly purchase our products.

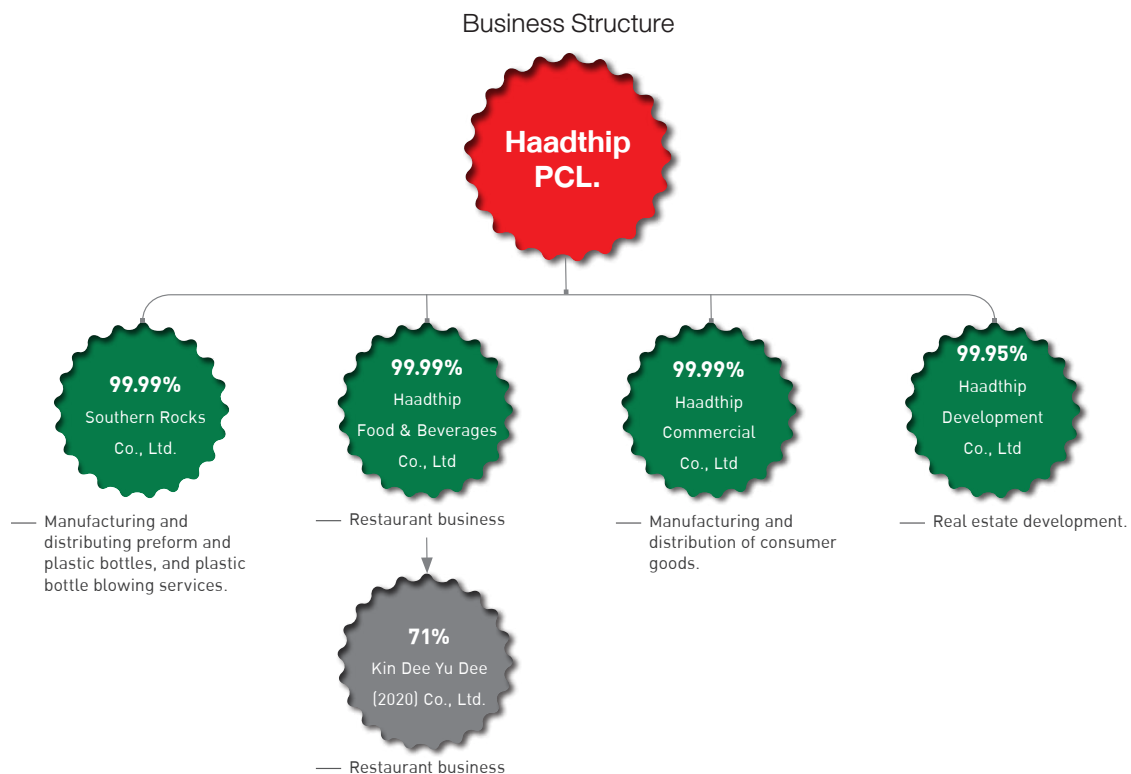
The Company also cooperates with the public and private sectors in trying to improve the standard of living of the community and society members of the South in all aspects, by providing help and support in the areas of education, sports, local culture and tradition, promotion for and cooperation in sustainable environmental conservation, as well as aiding the southern folks when natural disaster strikes.

Sales and Channels of Distribution

There are 3 types of sales and channels of distribution as follows:

1. Direct Sales: The Company has a production plant in Amphoe Haadyai, Songkhla province and another production plant in Amphoe Poonpin, Surat Thani province, as well as 18 warehouses spreading across the 14 southern provinces of the country namely Chumphon, Ranong, Phuket, Surat Thani, Nakhon Si Thammarat, Phang Nga, Krabi, Trang, Phatthalung, Satun, Songkhla, Pattani, Yala and Narathiwat. There is more than one warehouse in some of the provinces, and the types and channels of sales and distribution are as follows:
 - Conventional Route Sales
 - Vending Machines
 - Pre-sell and Tele-sale system, where a customer places an order in advance, and delivery will be made on the set date and time.
2. Indirect Sales
 - Selling the products via wholesalers who help to distribute the products across all areas of coverage.
 - Selling the products through Macro, since the majority of Macro's customers are retail stores and sales outlets.
3. Sales via Modern Trade: For examples, Tesco Lotus, Big C or convenient stores, but exclusive of Macro.

Investment in Subsidiaries



Subsidiaries

- **The Southern Rocks Co., Ltd.** operates a business of manufacturing and distributing semi - finished plastic bottles and blowing plastic bottle service with the investment promotion from the BOI. The company has a registered capital in the amount of BHT97 millions, in equivalent to 99.99% shareholding by HaadThip Public Company Limited. The company has an authority to directly and indirectly control a set-up of the financial and operational business operations of the subsidiary.
- **HaadThip Food and Beverage Co., Ltd.** operates the business of sales and services of food and beverages with a registered capital in the amount of BHT 20 millions, in equivalent to 99.99% shareholding by HaadThip Public Company Limited. The company has an authority to directly and indirectly control a set-up of the financial and operational business operations of the subsidiary
- **HaadThip Commercial Co., Ltd.** operates the business of manufacturing and distribution of consumer products with a registered capital in

the amount of BHT16 millions, in equivalent to 99.99% shareholding by HaadThip Public Company Limited. The company has an authority to directly and indirectly control a set-up of the financial and operational business operations of the subsidiary.

- **HaadThip Development Co., Ltd.** operates business of real estate development with a registered capital in the amount of BHT1 million, in equivalent to 99.99% shareholding by HaadThip Public Company Limited. The company has an authority to directly and indirectly control a set-up of the financial and operational business operations of the subsidiary.

Indirect Subsidiary

KinDeeYuDee 2020 Co., Ltd. operates business of sales and services of food and beverages. It is a joint venture between Zen and Spicy Co., Ltd and HaadThip Food and Beverages Co., Ltd. (holding 71% shares). KinDeeYuDee 2020 Co., Ltd. has a registered capital amounted to BHT 30 million and called up BHT 16.5 million.



Elements of Risk

The Company has set up a Risk Management and Corporate Governance Committee that comprises chief executives from various departments, with Maj. Gen. Patchara Rattakul, CEO, as the Chairman of the Committee.

Risk Management and Corporate Governance Committee is responsible for corporate risk management, to ensure that the risks are at an acceptable level and in accordance with the target set by the Company. The Committee has also set a Risk Management Policy for all personnel to abide by and observe, and to assess and manage the risks by taking both external and internal factors into consideration, to ensure total coverage of all elements of risk concerned, as can be summarized as follows:

1. Risk from the impact of the infectious coronavirus (COVID-19) :

The pandemic of the infectious coronavirus (COVID-19) has presented a damaging impact throughout the world and upon business operators widely and in various sectors. HaadThip had also been affected, through a drop in the number of foreign tourists as a result of the lockdown measure put in place by the government. Such measure had presented an impact and disruption upon the operation of businesses of the Company's clients, especially retail stores and shops in the areas and provinces known as tourist destination; as well as the closedown of other businesses related to tourism. As a result, total sales and revenue of the Company had dropped and target unreachable. The Company had put in place a risk management measure relating to the pandemic of COVID-19 by placing an emphasis on the virus preventive measure, to ensure that the Company's personnel as well as related parties were safe from virus infection. Moreover, the Company had put a focus on maintaining its liquidity, to ensure that the Company was able to continue with its business operation during the crisis, with directive measure for the risk management as follows:

- 1.1 Establishment of an Employee Safety & Engagement Committee for the purpose of planning and laying down measures to prevent and find solution to the problems arisen from the impact of COVID-19 in the most efficient manner. The outcome and efficiency rate can be assessed based on the fact that there is no infected personnel or death.
- 1.2 Establishment of a Committee by the name of "Central Information and Production Plant & Branch Information Center" to be based at all production plants and branches to ensure that the monitoring and following up on the situation of the COVID-19 pandemic was done in a prompt manner and with accuracy, so that the Management was able to manage, administer and make decisions on providing aid in a timely manner or following up on the status of the infected persons closely. The Company had also set up a 24-hour HOTLINE with nurse practitioners answering every call, to provide recommendations on what to do and how to manage and conduct oneself.
- 1.3 Putting in place a Work from Home measure and facilitating the employees/staff through provision of equipment as well as IT system for them to be able to work from home efficiently. The reason was also to reduce crowdedness at the workplace, which in turn, would reduce the risk of COVID-19 infection from having to travel to work.
- 1.4 Raising the level of strictness to the entrance and exit of the office or operational space, by adding the screening process for all employees/staff and outside personnel before entering onto the premise of the Company. Everyone must go through temperature taking, hand sanitizing and must wear face mask at all time. Moreover, everyone must strictly abide by Public Health Measures for COVID-19.
- 1.5 The Company had arranged for Thaichana Application to be installed and available at every production plant and branch, to be able to manage entries and exits

of all employees and staff through the check-in and check-out process via the application. Handwash station with water, soap and alcohol gel had also been set up at every Thaichana scanning point, as well as every section of the office buildings, to promote cleanliness and hygiene to all of the employees/staff of the Company.

- 1.6 As for the canteen, the Company had provided training and knowledge to the food vendors on cleanliness, hygiene as well as how to set up the dining tables, chairs and how to arrange the queues for food ordering and pick-up, to be in accordance with the social distancing rule.
- 1.7 Establishment of guidelines and procedure for a suspicious case of an employee having contracted the virus from or having been in close contact with an infected person. Consideration process and procedure had been set according to “the risk level of a person with close contact to an infected person and guidelines for practice” in order to separate the group of employees in question in a systematic manner. Substitute employees had also been prepared and arranged, for the purpose of temporarily replacing the employees in question, in order to prevent an impact on and disruption of the Company’s important operations and tasks.
- 1.8 Securing more working capital from various sources of funding as a reserve for an emergency fund, as well as establishing a measure for debt collection and provision of credit term, in order to prevent the possibility of bad debt that may present an impact upon the Company’s working capital.

2. Raw Material Procurement Risk :

There was a risk associating with the quality of raw material in such a way that the quality may not be up to par, since raw material suppliers were looking for ways to reduce the cost of their raw materials in order to economize the cost and to satisfy the customers in term of pricing. By doing so, the

quality of raw materials may not meet the standard set by Coca-Cola. Moreover, there was also a risk of untimely delivery of raw material. Nonetheless, the Company had already planned to reduce the risk by developing and improving the quality of raw materials together with the existing suppliers, while at the same time, searching for new suppliers with potential and technological capability to improve the quality of the raw materials. However, there was still a risk of price fluctuation of raw materials, but the Company had already entered into Futures Contract with a few suppliers, according to the Company’s forecasted volume of production. Moreover, the Company also needed to take into consideration the volume of raw materials inventory, especially for some types of raw material considered necessary and with the possibility to produce an impact upon the production plan; as well as to proceed with raw material auction and negotiation for lower cost of raw material.

3. Risk Associating with Water Source for Production :

Ground water is the main source of water used in the production process. The Company has managed the water source risk through the work of the Water Source Risk Assessment Committee, with an expert from Prince of Songkhla University as a consultant. The Committee is responsible for the assessment and monitoring of water source risk and forecasting the amount of water needed for production, by considering geographical, climate and hydrological condition. Moreover, consideration of legal risk, changes in the price structure as well as drawing up a risk management plan for the case of drought also play an important part. Especially for the purpose of management of water source in an efficient manner, and in a way that will not present an impact upon the Company’s operation and nearby community.

The company has set up an annual target in order to control water usage as per the strategic management plan for the water usage based on 3Rs (reduce, reuse, recycle)

4. Price Risk :

Sparkling beverage is a category of product under close surveillance by Department of Internal Trade, Ministry of Commerce, a reasonable price increase is difficult.

5. Risk resulting from changes in consumer preference :

1. Changes in consumer preference according to the social trend towards becoming more health conscious have shifted consumers' attention to more healthy beverages such as milk, fruit juice, bottled water, mineral water, green tea, etc., and cutting down on the consumption of food and beverages considered harmful to their health. As such, sparkling beverage industry, which has been viewed as non - beneficial to health, has therefore, felt the impact.
2. Changes in consumer preference on product types to non - returnable products: Consumers now prefer to consume beverages in the form of non - returnable PET bottles or cans to returnable glass bottles, since non - returnable or one - way products are easily portable. At present, one - way products are sold mainly through channels such as modern trade and convenience stores, with the latter being the most popular among the current generation of consumers.

6. Human Capital Risk :

1. This is an element of risk associated with the policy and strategy in the planning of manpower, especially in association with the nomination and selection of personnel with qualification and attributes suitable for the positions. The risk is also associated with promotion of unsuitable personnel or ones with insufficient knowledge, ability and skills. All of which will present an impact upon the Company's strategic goals and their accomplishment. In order to manage this particular risk factor, the Company has performed the analysis and arranged for a human resource management plan as follows:

- 1.1 Increasing appropriate personnel recruitment channels for each level of personnel. For example, for executive level recruitment, to use a website that is well-known among experienced personnel who are on the verge of changing jobs to a more challenging one with the possibility of career growth; or to recruit personnel in operation level from agencies in the area, and also by recruiting military personnel who have been discharged;
- 1.2 Setting up an appropriate format and tool for the selection and recruitment of personnel to fill in a particular position in an explicit manner. Moreover, the interview technique used shall be on the basis of competency, so that the interviewer can train the new recruit to work on the assigned task in a competent and effective manner.
- 1.3 Developing and improving the employee promotion system into a more appropriate, transparent and equitable one, with a plan to develop each and every personnel, and a clearer and more concrete succession plan.
2. There is also a risk factor associating with personnel development in order to become suitable for a particular position, especially to become a good leader of the organization. It is, therefore, imperative to evaluate the potential and strength of each employee, and try to develop and substantially improve such strength. On the other hand, employees with weaknesses in some area may present obstruction to their performance, and hence, their career advancement in the future. Therefore, it is crucial that the Company arranges for a personnel development plan, on an individual basis, by adopting such human resource development techniques as mentoring program, coaching program, etc. In addition, personnel development for each individual employee is needed in order for each employee to perform his/her task in a way that meets the Company's expectation and that performance evaluation can be applied to each employee. The ongoing actions and results shall help to reduce employee turnover rate, and employee satisfaction level shall increase as a result.

7. Risk Associating with Fraud and Offender :

This type of risk is usually associated with the operation part of the business and has been classified as asset-related fraud. For example, asset misappropriation or the act of using the Company's assets or Company's advances/ petty cash for own benefit. The Company has laid out the guidelines that shall be put to practice in dealing with fraud and offender risk as follows:

1. The Company has set up a mechanism for monitoring, following up and whistleblowing;
2. The Company has stipulated that every unit is to arrange for operation regulations and working procedure via E-document system of Document Control Center, Quality Department;
3. The Company has arranged for investigation procedure for the investigation of fraud committed by employees, which shall be carried out by Investigation Committee and Disciplinary Action Committee;
4. The Company has arranged for a training course on Ethics in Business Operation for new employees in order for every employee to strictly adhere to the Anti-Corruption Policy;
5. The Company has been supporting anti-corruption-related activities all along. For example, through the arrangement of the anti-corruption video clip contest 2020; and promotion and commendation of employees with loyalty and honesty. As for employees who commit fraud, which is wrongful to their duty and the Company, the highest disciplinary action shall certainly be imposed upon such employees. Such disciplinary action shall be set as standard for all employees to acknowledge and understand clearly;
6. With the leader of the organization setting a good example for all employees, trust and confidence will be built in the workplace, and the employees will fully and whole-heartedly cooperate in resisting corruption in the workplace.

8. IT System Risk :

In order for the Information Technology and Network System of the Company to be secured, safe and able to facilitate the Company's operational purposes in a continuous manner; to be used in a correct and rightful manner and in accordance with legal requirements; as well as to be protected against all kinds of threat that may cause damage to the Company, the Company had, therefore, managed the risks relating to the IT system by the following means:

1. To arrange for and improve the policy for Disaster Recovery Plan, and to communicate to the personnel of the organization, for them to acknowledge and be aware of the importance of the IT system of the organization.
2. To arrange for the Disaster Recovery Plan testing, to take place at least once a year.
3. To arrange for a training or teaching session that created awareness in the area of security and safety among the Company's personnel at least once a year, to have knowledge and true understanding of as well as the ability to use of IT system in a safe and secured manner.
4. To arrange for IT risk assessment to take place on an annual basis, and to set up a plan to reduce the risk or problem that may possibly occur.
5. To promote and support human resource development, for personnel to enhance their knowledge, capability and skill for work on a continuous basis.
6. To promote and support improvement and development of the IT system on a continuous basis.

9. Market Risk:

1. Sparkling beverages are seasonal products, with higher demand during the summer season. The Company is, therefore, inclined to encounter the risk of shortage in production during the summer and excess capacity during other seasons. However, the management has already drawn up a production plan and a plan for machinery investment in the most cautious manner, with the use of SAP system to help with the management of this issue.

2. Stiff competition especially in the modern trade market both from competitors in the same industry and other healthy drink companies in particular.
3. Limitation in market expansion because of the Company's distribution territory is limited only to 14 southern provinces, while its major competitor is able to distribute the products nationwide. The scales of operation are, therefore, highly different, allowing the competitor to produce at a lower cost per unit, and hence, having more money on hand for marketing activities.

10. Risk that may produce an impact on Shareholders' right or investment :

The Company's major shareholders were Rattakul family (35.63% shareholding), and Gutsche Family Investments (Proprietary) Limited (24.40% shareholding) which was incorporated in South Africa and the Company's business ally. As such, the 2 groups of shareholders hold all together 60.03% (over 50%) of the total paid - up capital. There are therefore, able to control almost all of the resolutions at the shareholders, meeting, be it the appointment of directors and other request for approval that need the majority votes from the shareholders' meeting. Exception, however, is made for the agendas, that either required by the law or the Company's Code of Conduct, for 3 out of 4 votes to be obtained at the shareholders' meeting to call it unanimous. Therefore, it is possible that no other shareholders would be able to try and collect votes in order to verify and offset the votes on the agenda proposed by major shareholders.

11. Other Risk Factors :

1. There is a risk that may be induced by public policy like the imposition of the excise tax. Since an increase in the rate of taxation or changes in the method of tax imposition would certainly produce a material impact upon the Company's cost of production i.e. the imposition of excise tax on beverages with sugar as an ingredient, at the rate according to the level of sweetness. The Company has been preparing for this upcoming new tax by experimenting on a new

formula with less sugar content; as well as introducing additional new products such as Coca-Cola Zero No sugar and Sprites Zero No sugar in order to reduce the cost of production as well as tax expenditure

2. Natural disasters seem to strike the south of Thailand on an annual basis. However, the level of severity of the natural disaster that lands in the South can never be predicted in advance. Each catastrophic incident often causes lives as well as damages to the assets of the community, including damages and disruptions in the realm of transportation and travels.
3. Ongoing unrest in the 3 southernmost provinces continues on ever since the month of January 2004 until now.

Guidelines to dealing with risk factors that may impact the Company's operating results

1. Invest in new machineries in order to increase production efficiency; reduce wastage from the production process; and control the cost of production and operating expense. In addition, the company also has a project of relocating production lines from the Haadyai factory to the Poonpin factory to make it become the only large production factory. This will allow the management to manage the most appropriate and effective production capability.
2. Develop some new distribution channels and seek opportunities to create sales and profits in both existing and new markets, as well as restructure the product mix according to areas of distribution and the principle of BPPC (Brand, Pack, Price and Channel).
3. Reduce the cost of logistics. The Company has improved its product distribution technique in order to increase efficiency in customer service, by developing a way to promptly distribute products to customers at lower transportation cost. The distribution technique has been altered from the previous 100% sales truck technique to the technique that combines the following 4 methods together:

1. The traditional sales truck method;
 2. Vending Machine method;
 3. Pre-sell and Tele-sale techniques, which require advance order of products for delivery on a set date and time; and
 4. Direct delivery of products to customers' stores / retail stores (for modern trade or National Account (NA) customers, or wholesalers with high-volume order at a time).
4. Introduce non-carbonated beverages to provide alternatives to health-conscious consumers, by launching products such as Minute Maid in the fruit juice category (Minute Maid Splash, Minute Maid Pulpy and Minute Maid Vita Kids); Namthip Drinking Water; Bon Aqua natural mineral water; a new launch of Coca-Cola Zero No sugar as well as "Coke Light," for the new generation of consumers who prefer to control their calorie intake while still wanting to enjoy the refreshingly sparkling taste that is the signature of everyone's favorite drink; and also "Coca-Cola Zero Sugar," the new recipe that tastes just like Coke but comes with no sugar. "Coca-Cola Zero Sugar" has been certified by The Nutrition Promotion Foundation, Institute of Nutrition, Mahidol University, as a healthy alternative to sparkling beverages. The company also launches a new Sprites Zero No sugar that has still the refreshingly sparkling taste with the smell of lemon lime that is the signature of the original Sprites that consumers favors.
5. Improve the IT system so that users can analyze the information more expeditiously and accurately. As a result, the management will have a more reliable piece of information for planning and decision-making. The Company had carried out IT development and improvement process in order to improve efficiency of the work and management procedures; and provide a complete network throughout the organization. The software system that the Company has been using since the year 2010 is Enterprise Resources Planning (ERP) by SAP ECC 6.0. During the year 2017, the Company had arranged for the HaadThip Improvement Project (HIP) with an objective to improve and revise the SAP system to ensure higher efficiency level, and also with the ability to provide a more complete coverage to all of the work processes and procedures of all units of the Company. After the completion of the HIP project as planned, the company has continually developed and improved the effectiveness of the SAP system in order to support the technology that is developing and changing rapidly.
6. Adhere to the policy that maintains a longstanding relationship with customers and related organizations outside of the Company, for the purpose of understanding and trust in the Company's product quality and service standards.
7. Continue to proceed with the "HaadThip alongside the Southern Folks' policy by participating in good times and bad times alongside the people of the south, especially when they encounter catastrophic incidents. The Company also participates in a variety of activities to promote and support the local culture and tradition, youth education, sporting events, community development; and plays an important role, in conjunction with the community, in environmental conservation.



Shareholders Structure

1. The Company's Capital

As of 31st December 2020, the company had a registered capital of BHT201,210,180, consisting of 201,210,180 common stocks with a par value of 1 Baht per share, paid up capital of BHT200,960,500, consisting of 200,960,500 of common stocks.

2. Shareholders Structure


List of the first 10 Shareholders as of 26th March 2021 (The record date on which shareholders have the right to attend the 2021 AGM.)

Name – Surname	Number of shares	% of paid-up shares capital
1. GUTSCHE FAMILY INVESTMENTS (PROPRIETARY) LIMITED	49,040,726	24.403
2. Sec. Lt. Phairoch Rattakul's group		
1. Sec. Lt. Phairoch Rattakul	24,439,839	12.162
2. Mrs. Prabhansri Rattakul (spouse)	20,136,281	10.020
3. Miss Pannapa Rattakul (daughter)	15,628,647	7.777
4. Maj. Gen. Patchara Rattakul (son)	10,381,044	5.166
5. Mr. Pichakorn Rattakul (son)	1,473,144	0.733
3. Mrs. Pariya Chirabandhu's group		
1. Mrs. Pariya Chirabandhu	8,843,375	4.401
2. Mr. Apichart Chirabandhu (spouse)	214,272	0.108
3. Mr. Harith Chirabandhu (son)	3,003,400	1.495
4. Miss Chanya Chirabandhu (daughter)	2,047,300	1.019
4. Thai NVDR Company Limited	4,678,800	2.328
5. Miss Sirincha Sitichaivises	4,491,426	2.235
6. ABERNDEEN SMALL CAP FUND	3,423,723	1.704
7. Mrs. Chira Sritavaj na Ayudhya	3,183,807	1.584
8. Miss Suwannee Sitichaivises	1,690,300	0.841
9. Miss Wonchalerm Sataman	1,626,264	0.809
10. Mr. Thitiwut Boonsuk	1,540,000	0.766
11. Others	45,118,152	22.45
Grand Total	200,960,500	100.000

Distribution of shares by nationality

Nationality	Number of shares	% of paid-up share capital
Thai	147,508,716	73.40
Forieng	53,451,784	26.60
Total	200,960,500	100.000

Remarks : Forieng shareholding limit is 35%



Dividend Policy

HTC's dividend policy

"The Company's has a policy to pay out dividend at the rate of no less than 50% to 80% of the remaining Net Profits after deduction of all types of reserves required by the law and set forth by the Company. Dividend shall be paid out accounting to the appropriation of Net Profits from the Company's Consolidated Financial Statements. However, dividend payments shall be based upon the Company's cash flow, investment plan, other necessities and circumstances deemed appropriate in the future.

Dividend payments for prior years are shown below for reference:

Details of Dividend Payment	2020	2019	2018
Number of paid - Up capital (shares)	200,960,500	200,960,500	199,218,000
Profit for the year (million Baht)	564.94	440.70	249.07
Basic earnings per share (Baht)	2.82	2.21	1.25
Dividend per share (Baht/share)	1.90 ^{1/}	1.76	0.80
Total dividend payment (million Baht)	381.82	352.33	159.37
Dividend as % of profit for the year (%)	67.59	80.08	63.99

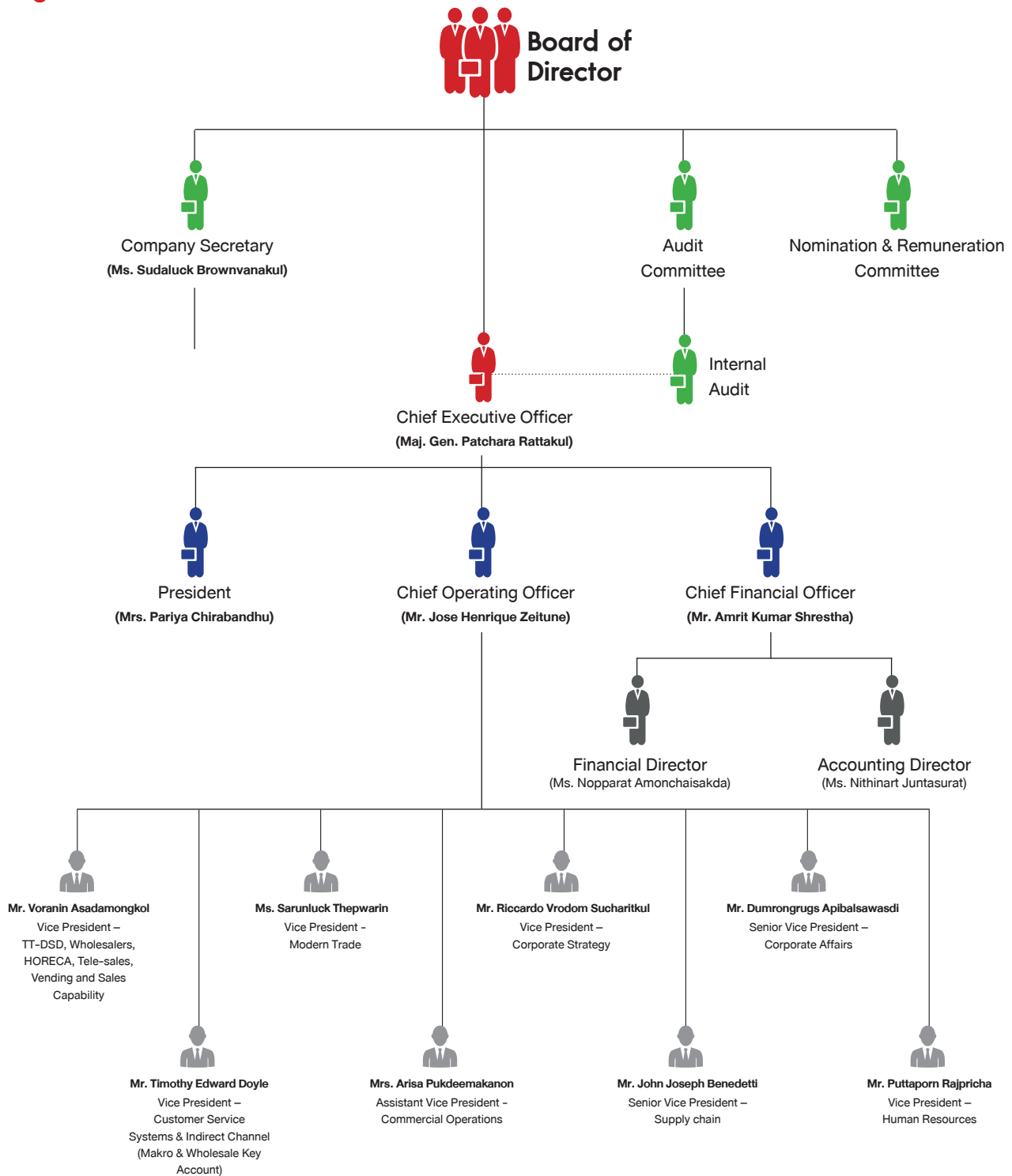
^{1/} The resolution had been passed by the Board of Directors' Meeting 1/2021 held on 11th March 2021 to approve the 2020 dividend payment at the rate of Baht 1.90 per share, the company already paid interim dividend of Baht 0.78 per share on 28th September 2020 for the result of operation for the first half of 2020, and the remaining dividend Baht 1.12 per share. The Company has fixed the Record Date on which shareholders have the right to receive the remaining dividend on 6th May 2021 and the dividend shall be paid on 20th May 2021.

Subsidiary's dividend policy

Concerning subsidiary's dividend policy, may decide dividend payment by taking into account its remaining cash flow. If the cash flow is substantial enough after legal provisions, the subsidiary may proceed with payment.

Management and Administrative Structure

Organization Chart



Management and Administrative Structure

The Management and Administrative Structure of the Company comprises of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, and Management Team. Each member must hold the following qualifications, roles and responsibilities:

1. The Board of Directors

The Board of Directors is composed of qualified individuals with experience, leadership character, vision, and independent decision making process, who devote their time and utmost effort in carrying out duties under their responsibility with caution and integrity for the best interest of the Company, shareholders and all stakeholders concerned.

The structure of the Board of Directors of the Company is quite diverse, for examples, it comprises a variety of professions and skillsets, areas of expertise, and different genders. The Board of Directors comprises 12 individuals, with 9 non-Executive Directors which account for 75% of the entire Board of Directors, and 3 Executive Directors as follows:

- Independent Directors : 5 persons, which is more than one-third of entire board.
- Non - Executive Directors : 4 persons
- Executive Directors : 3 persons

Name	Position	Number of Board of Directors' Meetings	
		2020	2019
1. Gen. Charan Kullavanijaya	Independent Director/ Chairman	5/5	6/6
2. Maj. Gen. Patchara Rattakul	Director/ CEO	5/5	6/6
3. Mr. Prakit Pradipasen	Independent Director	4/5	6/6
4. Ms. Smornluk Mahasmiti	Independent Director	5/5	6/6
5. Mr. Yanyong Maethapanich	Independent Director	5/5	6/6
6. Mr. Martin Jansen	Independent Director	3/5	1/6
7. Mr. Philipp Hugo Gutsche	Director	4/5	3/6
8. Mrs. Yupares Thiengtham	Director	5/5	6/6
9. Mrs. Pariya Chirabandhu	Director	5/5	6/6
10. M.L. Dhisana Sritavaj	Director	5/5	5/6
11. Mr. Dumrongrugs Apibalsawasdi	Director	5/5	6/6
12. Mrs. Kerry-Ann SHIPP ^{1/}	Director	4/5	1/6

^{1/} Mrs. Kerry-Ann Shipp was elected as a newly Director as per the resolutions of the Extraordinary Shareholders' Meeting on 21 October 2019

Authorized Directors of the Company : Maj. Gen. Patchara Rattakul, Chief Executive Officer, is to sign and affix the Company's seal, or Mrs. Pariya Chirabandhu and Mr. Dumrongrugs Apibalsawasdi to co - sign and affix the Company's seal.

Scope of Duties and Responsibilities of the Board of Directors can be summarized as follows:

1. To perform duties in accordance with the statutory regulation, objectives, and regulations of the Company as well as the resolutions from the Shareholders' Meeting, with responsibility, discretion and integrity and in the best interest of the Company, and to perform in accordance with the rules and regulations stipulated by the Stock Exchange of Thailand, the Securities and Exchange Commission and Capital Market Supervisory Board

2. To establish policies and strategies, objectives, work plans and annual budget as well as to monitor the management activities performed by the Directors and Executives and ensure that such duties are efficiently performed according to their individual assignments, also with regular follow - up system imposed on the work progress of the Management
3. Establishing the policy for the organizational structure of the Company, to comprise a variety of factors necessary for business operation such as professions and skillsets, areas of expertise and gender differences, for examples.
4. To set up a review and to participate in determining vision, mission, purposes and values of the company for the management and all employees to follow in the same direction.
5. To formulate and ensure appropriate and adequate internal control system and risk management system
6. To set a guideline for transactions that may have conflict of interest or may be considered connected transactions
7. To demand that the company holds board of directors meeting and AGM, prepares financial statements and sufficiently and consistently discloses the company's information to related parties.
8. To appoint the sub - committees as necessary through consideration of the Nomination and Remuneration Committee, as well as specify the scope of duties and responsibilities of the sub - committees as follows.
 - A. Audit Committee
 - B. Nomination and Remuneration Committee
9. To stipulate that the Chairman of the Board of Directors and the Chief Executive Officer are 2 different individual. Hence, the scope of duties and responsibilities shall be set as follows.
 1. **The Chairman of the Board of Directors** : shall assume the duties to establish policy, establishing business plan, monitoring the management activities of the Management in order to proceed in an efficient manner, providing advice without intervening in the day - to - day management operations. In addition, the Chairman of the Board of Directors must possess leadership skill, with an ability to supervise directors to ensure that they are not under the control or influence of the Management. The Chairman of the Board of Directors shall act as Chairman of the meetings. Including Board of Directors' Meeting and the Shareholders' Meeting in an equitable manner. The Chairman of the Board of Directors must support and encourage meeting attendees to exercise their voting rights and strictly follow the principle of good corporate governance as well as proceed in an efficient manner.
 2. **The Chief Executive Officer** : shall assume the duties of managing and administering daily job routines to ensure that they proceed in line with the objectives, policies, targets, strategies and business plan as approved by the Board of Directors, and under the scope of authority assigned by the Board of Directors.
10. To appoint the Company Secretary and establish scope of duties and responsibilities of the Company Secretary to the coordinator among the executives, directors and shareholders of the Company. The Company Secretary has duty to organize meeting and take minutes of the Shareholders' Meeting and Board of Directors' Meeting, to oversee that the disclosure of information is conducted in accordance with the rules and regulations stipulated by the Stock Exchange of Thailand, the Securities and Exchange Commission.
11. To monitor and oversee that the operation and procedure of the Company are in conformity to the laws, regulations and related requirements, as well as the resolutions passed by the Shareholders' Meetings, Securities and Exchange Law; and the requirements and best practice stipulated by the Securities and Exchange Commission, to be in conformity to the Securities and Exchange Act, B.E. 2535, Sections 89/7-89/10.
12. To stipulate that the Board Charter be drawn up and issued for the Board of Directors and every committee/ subcommittee to explicitly determine roles, duties and responsibilities of each board/committee. The Board Charter shall also be used as reference for each and every director and member of the board/committee to perform his/her duty. The mentioned Board Charter must be revised at least once a year, to keep it in line with the direction of the Company's business operation.

13. Approval authority by the Board of Directors:

1. To approve bank borrowings for the purpose of working capital for the Company, for the part of credit line that exceeds the authority of the CEO;
2. To approve the receipt or cancellation of credit line for loans, for the part of the credit line that exceeds the authority of the CEO;
3. To approve the opening or closing of the fixed, savings and current accounts with financial institutions;
4. To approve the establishment, merging or termination of the subsidiary company, affiliated company or joint venture company of the Company as per the requirements in regards to the acquisition or the sales of assets, as stipulated by the Stock Exchange of Thailand, Securities and Exchange Commission and related laws and legal requirements;
5. To approve the investments in fixed assets, such as new production line installation project, in accordance with the requirements in regards to the acquisition or the sales of assets, as stipulated by the Stock Exchange of Thailand, Securities and Exchange Commission and related laws and legal requirements;
6. Other approval authorities shall be in accordance with the Company regulations.

2. Audit Committee

Audit Committee comprises of at least 3 Independent Directors. One of the Directors must hold sufficient qualification and experience to perform the review and evaluate the reliability of the Company's financial statements. The term for each set of Audit Committee is 3 years at a time, but a member whose term has expired can be reappointed for the position. In the case that an Audit Committee member's term has expired, or such member is unable to remain in the position until expiration of term by some other reasons, causing the number of Audit Committee members to fall below the required number, then the Board of Directors must appoint a new member to the Audit Committee immediately or at least no later than 3 months following the date of insufficient number of committee members, in order to ensure uninterrupted work progress. The Directors to be appointed as Audit Committee members must possess all of the qualities stipulated in the notifications by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors has appointed the Audit Committee that comprises of 3 Independent Directors who had held a total of 4 Audit Committee Meetings in 2020 as follows:

Name	Position	Number of Audit Committee Meetings	
		2020	2019
1. Mr. Prakit Pradipasen	Chairman of the Audit Committee	3/4	4/4
2. Mr. Yanyong Maethapanich ^{1/}	Audit Committee Member	4/4	4/4
3. Ms. Smornluk Mahasmiti	Audit Committee Member	4/4	4/4

^{1/} Mr. Yanyong Maethapanich are Audit Committee members with sufficient qualification and experience to perform the review and evaluate the reliability of the Company's financial statement, with Ms. Nithinart Juntasurat, Financial Director, as a Secretary to the Audit Committee

Scope of duties and responsibilities of the Audit Committee as assigned by the Board of Directors are as follows:

1. To review the company's financial report for accurately and completeness.
2. To review the company's internal control and internal audit systems to ensure that they are suitable, sufficient and effective.

3. To review the company's operations to ensure compliance with all relevant and applicable law and standards.
4. To review internal auditor's independence, and approve the appointment and termination of the head of the internal audit function. Outsourcing of the internal audit function has to be reviewed for the independence and approved by the audit committee.
5. To consider and approve internal audit plan, budgets and manpower of the internal audit department.
6. To consider and select as well as propose for the appointment of an Auditor and propose for the Auditor's remuneration; and also to propose for the reappointment of the previous Auditor, and to propose for termination of the previous Auditor, through consideration of trustworthiness and the level of independence of the Auditor; and to attend the meetings with the Auditor without the presence of the Management at least once a year.
7. To review related party transactions and other transactions that may create conflicts of interest, to ensure that they comply with applicable law, are reasonable, and carried out in the best interest of the company
8. To review the company's compliance with private sector's anti- corruption and certification programs, including the Collective Action Coalition against Corruption's Self-Evaluation Tool.
9. The audit Committee should express its opinion on the adequacy of the company's internal control and risk management system, and disclose its opinion in the company' annual report.
10. To prepare the Audit Committee Report for disclosure in the Company's Annual Information Disclosure Form (Form 56-1) and Annual Report (Form 56-2). The Report must be certified and signed by the Chairman of the Audit Committee.
11. Any other assignments required by law or assigned by the board of directors.

The Company has also arranged for an establishment of an Internal Audit Office, in order to oversee and review the Company's progress and performance, to ensure conformity to the established operational system and standard. The internal audit office also acts as a coordinator and provide assistance to the Audit Committee, to ensure good corporate governance.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises at least 3 non-executive directors and at least 1 member shall be an independent director. The committee member shall be appointed by the Board of Directors and shall have an office term of 3 years. If the members of Nomination and Remuneration Committee are below the specified number, the Board of Directors shall select and appoint new member(s) within 3 months for continuity in operation.

The Nomination and Remuneration Committee are as follows:

- | | |
|---|---|
| 1. Mrs. Yupares Thiengtham | Chairman of the Nomination and Remuneration Committee |
| 2. Ms. Smornluk Mahasmiti ^{1/} | Member of the Nomination and Remuneration Committee |
| 3. Mr. Yanyong Maethapanich ^{1/} | Member of the Nomination and Remuneration Committee |
| 4. Mr. Philipp Hugo Gutsche | Member of the Nomination and Remuneration Committee |
| 5. Mrs. Pariya Chirabandhu | Member of the Nomination and Remuneration Committee |

^{1/} Ms. Smornluk Mahasmiti and Mr. Yanyong Maethapanich are independent directors.

In 2020, The Nomination and Remuneration Committee had held a total of 3 meetings, as follows:

Name	Position	Number of Nomination and Remuneration Committee Meetings	
		2020	2019
1. Miss Yupares Thiengtham ^{1/}	Chairman of the Nomination and Remuneration Committee	1/1	2/3
2. Ms. Smornluk Mahasmiti	Nomination and Remuneration Committee member	1/1	3/3
3. Mr. Yanyong Maethapanich	Nomination and Remuneration Committee member	1/1	3/3
4. Mrs. Pariya Chirabandhu	Nomination and Remuneration Committee member	1/1	3/3
5. Mr. Philipp Hugo Gutsche ^{1/}	Nomination and Remuneration Committee member	-	1/1

^{1/} The Board of Directors Meeting on 21st January 2019, approved the appointment of Mrs. Yupares Thiengtham and Mr. Philipp Hugo Gutsche as the Nomination and Remuneration Committee

Authorities and Duties of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has responsibilities as assigned by the Board of Directors to perform their duties with responsibility, caution, and honesty as follows.

1. Consideration of Nomination of Company's Directors and Executives

- 1.1 To establish and review proper structures and qualifications of the Board of Directors, sub - committee and executives, as well as to consider recruitment criteria and process to search for candidates with specific qualifications, suitable for the directorship position by taking into consideration knowledge, specific competencies beneficial to the company, experience in the company's main business and industry so as to enable the Board to determine strategies, policies and supervise so that the strategies are implemented effectively and submit opinion to the Board of Directors for consideration before proposing to the Shareholders' meeting for consideration and appointment.

- 1.2 To consider a structure of the company's Board of Directors to create diversity in other aspects like professional skills, specialized expertise and genders etc.

- 1.3 To consider suitability of individuals nominated for the posts of CEO and the company's secretary so as to propose opinions to the Board of Directors for approval in case of vacancy of such positions. This also includes specification of criteria of successors and other operations as per assignment by the Board of Directors with regards to recruitment of the company's directors and the management.

2. Consideration of Remuneration for Company's Directors and Employees.

- 2.1 To fairly and reasonably establish and remuneration formats and criteria for the Board of Directors and sub — committees by considering a comparison with other listed companies in the same industry registered in the Stock Exchange of Thailand in the same industry. Remuneration is considered based on accountability and

responsibility and annual operating results of the Company to identify remuneration namely annual compensation and meeting allowance paid to the Board of Directors and sub - committees before proposing to the Board of Directors before the shareholders' meeting for consideration and approval.

2.2 To consider performance evaluation formats and criteria for the Company's employees or KPIs (Key Performance Indicators) to determine salary increments and annual bonus payment based on the market and economic situations and submitting opinion to the Board of Directors for consideration and approval.

2.3 To perform other duties as assigned by the Board of Directors.

3. Preparation of Nomination and Remuneration Committee Report once a year to be proposed to the Company's Board of Directors by disclosing it within the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company, signed by the Nomination and Remuneration Committee Chairman. The number of meetings and meeting

4. Independent Directors

As at 31st December 2020, the Board of Directors comprised of 12 Directors, where 5 which was more than one-third of the total number of Directors were Independent Directors as follows:

- | | | |
|----|--------------|---------------|
| 1. | Gen. Charan | Kullavanijaya |
| 2. | Mr. Prakit | Pradipasen |
| 3. | Ms. Smornluk | Mahasmiti |
| 4. | Mr. Yanyong | Maethapanich |
| 5. | Mr. Martin | Jansen |

Selection Criteria for Independent Directors

The Board of Directors has defined the qualification of the Independent Directors which is stricter than those defined by the Capital Market Supervisory Board, the detail of which as in Article 1 the shareholding, as follows:

1. Shareholders who are holding no more than 0.05% of total voting shares of the Company, the parent company, the subsidiary company, the affiliated company, major shareholder or person with controlling interest in the Company, including shares held by related persons to each Independent Director.
2. Neither having a position nor had been the Executive Director, employee, staff or advisor who receive salary from or a person with controlling interest in the Company, parent company, affiliated company, subsidiaries of the same level, major shareholder or of person with controlling interest in the Company, unless has abstained from such duty for at least 2 years. However, the mentioned prohibition shall not include the case that an Independent Director was formally a civil servant or an advisor to the government sector that is a major shareholder or holds controlling interest in the Company.
3. Neither related by blood nor by legal registration as parent, spouse, sibling or child, including spouse of child, executive, major shareholder, person with controlling interest in the Company or person to be nominated as an executive or person with controlling interest of the Company or subsidiaries.
4. Neither having nor had business relationship with the Company, parent company, subsidiary company, affiliated company, major shareholder or person with controlling interest in the Company in such a way that may prevent independent decision making, including not having been or used to be a shareholder deemed material or person with controlling interest in the person with business relationship with the Company, parent company, subsidiary company, affiliated company, major shareholder or person with controlling interest in the Company unless the person has been abstained from such relationship for at least 2 years.
5. Neither being nor had been the Auditor of the Company, parent company, subsidiary company, affiliated company, major shareholder or person with controlling interest in the Company, and not a shareholder deemed material, person with controlling interest or partner of the audit firm with whom the Auditor of the Company, parent company, subsidiary company,

affiliated company, major shareholder or person with controlling interest in the Company is an employee, unless the person has been abstained from such duty for at least 2 years.

6. Neither being nor had been a provider of professional services, including legal or financial services that receive service fees of more than two million Baht per year from the Company, parent company, subsidiary company, affiliated company, major shareholder or person with controlling interest in the Company; and not a shareholder deemed material, person with controlling interest or partner of such service providers, unless the person has been abstained from such duty for at least 2 years.
7. Not a director who has been appointed to represent the Company, major shareholder or shareholders who are related to the major shareholders of the Company.
8. Neither operating the same type and condition of business and considered a major competitor to the business of the Company or subsidiaries; nor a shareholder deemed material of the partnerships or an Executive Director, employee, staff or advisor who receives fulltime salary or holds over 1% of total voting shares of the other Company that operates the same type and condition of business as the Company and is considered a major competitor to the business of the Company or subsidiaries.
9. Not having in possession any other characteristics that may hinder the Director from rendering independent opinions regarding the Company's operations.

The selecting nominees to serve on the Board of Directors

The Board of Directors has assigned the duties to the Nomination and Remuneration Committee to consider and screen personnel with knowledge, abilities and qualification as per the announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand, and to propose the names of the individuals deemed suitable for the director position to the Board of Directors in the following manner, and the names shall be proposed to the Shareholders' Meeting for consideration and approval thereafter:

1. The Nomination and Remuneration Committee shall consider the individual's knowledge and specific skill/

ability deemed beneficial to the Company, as well as experiences in business operation or in the core business in the industry that the Company operates in, so that the Board of Directors can establish strategies, policies and regulations and monitor such individual to conduct the business in such a way that it effectively proceeds in the direction of the Company's strategy. Education and work experiences of such individual shall also be considered without any gender discrimination.

2. The Board of Directors has issued a policy to provide equitable rights to all shareholders, especially minority shareholders, in proposing in advance the names of individuals deemed suitable to become new directors. The rules and methods of proposal had been published on the website of the Company: www.haadthip.com under the subject of "Investor Relations" ▶ "Shareholders" ▶ "Shareholders' Meeting." Thereafter, the Nomination and Remuneration Committee shall perform the consideration and selection process as per the rules previously established, before proposing to the Board of Directors to further propose to the Shareholders' Meeting for final approval.
3. The selection process of the Company's director shall be in conformity to the Company regulations and related legal requirements. The Shareholders' Meeting shall consider and select the directors to the Company in regards to the rules, regulations and methods as follows:
 1. Each shareholder has a voting right equivalent to one share to one vote
 2. In the election process, the shareholders can cast their votes to elect one Director, or a group of Directors at a time, or by any other methods as deemed appropriate by the Shareholders' Meeting. During the voting procedure, however, the shareholders can only exercise their voting right as per condition (1) above, and cannot allocate any portions, less or more, of their voting rights to any one Director or group of Directors
 3. Appointment of Directors shall be decided by majority votes. If the votes are tied, the Chairman of the Meeting shall cast the vote to determine the final outcome

At the Annual General Shareholders' Meeting held each year, one third of the Directors shall be retired. If the number of Directors cannot be divided evenly by one third, the number of retiring Directors shall be as close to one third as possible.

The names shall be drawn and announced, for Directors to retire in the first and second year following registration. But for the following years, the method employed will be to retire the Director with longest tenure. In the case that the number of Directors with longest tenure exceed that of the number of Directors to retire at that time, the names of Directors to retire at that time shall be drawn.

The Directors whose tenure has expired may be re - elected.

Shareholdings of the Directors Report

No.	Name of the Directors	Number of Shares		Increase (Decrease) during the year
		31 Dec 2019	31 Dec 2019	
1.	Gen. Charan Kullavanijaya	-	-	-
2.	Maj. Gen. Patchara Rattakul	10,381,044	10,381,044	-
3.	Mr. Prakit Pradipasen	-	-	-
4.	Mr. Philipp Hugo Gutsche	266,058	266,058	-
5.	Mr. Martin Jansen	-	-	-
6.	Mrs. Yupares Thiengtham	30,120	30,120	-
7.	Ms. Smornluk Mahasmiti	-	-	-
8.	Mrs. Pariya Chirabandhu ^{1/}	9,042,147	8,875,547	166,600
9.	Mr. Yanyong Maethapanich	-	-	-
10.	M.L. Dhisana Sritavaj ^{1/}	3,183,807	3,183,807	-
11.	Mr. Dumrongrugs Apibalsawasdi	-	-	-
12.	Mrs. Kerry-Ann Shipp	-	-	-

Notes : ^{1/} Inclusive of shares held by spouses

5. Management Team : As at 31st December 2019, the Company's Management Team comprised of the followings:

No.	Name – Lastname	Position
1.	Maj. Gen. Patchara Rattakul	Chief Executive Officer
2.	Mrs. Pariya Chirabandhu	President
3.	Mr. Jose Henrique Zeitune	Chief Operating Officer
4.	Mr. Amrit Kumar Shrestha	Chief Financial Officer
5.	Mr. John Joseph Benedetti	Senior Vice President – Supply Chain
6.	Mr. Dumrongrugs Apibalsawasdi	Senior Vice President – Corporate Affairs
7.	Mr. Riccardo Vrodom Sucharitkul	Vice President – Corporate Strategy
8.	Mr. Voranin Asadamongkol	Vice President – TT-DSD, Wholesalers, HORECA, Tele-sales, Vending and Sales Capability
9.	Mr. Puttaporn Rajpricha	Vice President – Human Resources
10.	Mr. Timothy Edward Doyle	Vice President – Customer Service Systems & Indirect Channel (Makro & Wholesale Key Account)
11.	Ms. Sarunluck Thepwarin	Vice President – Modern Trade
12.	Mrs. Arisa Pukdeemakanon	Assistant Vice President – Commercial Operations

Scope of duties and responsibilities of the Chief Executive Officer

1. The Chief Executive Officer shall determine the vision, mission, corporate value, objective, policy, business plan as well as the Company's business operation strategy, financial planning, human resource management and the annual budget.
2. The Chief Executive Officer shall also follow up and evaluate the Company's operating results on a regular basis, in order to prevent any possible risks that may incur from both internal and external factors, which may cause failure to meet the established objectives.
3. The Chief Executive Officer holds the power to appoint the working teams and committees for the best interest of the Company and for the purpose of efficient and transparent management activities.
4. The Chief Executive Officer holds the power to issue rules and regulations, orders, requirements and notifications, for all operations and tasks to progress according to the policies and to the best interest of the Company, as well as to maintain the code of conduct within the organization in the most efficient manner.
5. The Chief Executive Officer shall possess authorizational power as stipulated in the regulations, and approval authorization as considered and approved by the Board of Directors' Meeting.
6. The Chief Executive Officer shall ensure that business is operated and progressed in accordance with the rules and regulations, orders and requirements established by the Company as well as rules and regulations as per the Securities and Exchange Act; and the requirements and operational guidelines set forth by the Securities and Exchange Commission, the Stock Exchange of Thailand and any other rules related to the Company's business.

Shareholdings of Management Team Report

No.	Name	Number of Shares		Increase (Decrease) during the year
		31 Dec 2019	31 Dec 2019	
1.	May. Gen. Patchara Rattakul	10,381,044	10,381,044	-
2.	Mrs. Pariya Chirabandhu ^{1/}	9,042,147	8,875,547	166,600
3.	Mr. Jose Henrique Zeitune	119,600	99,600	20,000
4.	Mr. Amrit Kumar Shrestha	-	-	-
5.	Mr. John Joseph Benedetti	-	-	-
6.	Mr. Dumrongrugs Apibalsawasdi	-	-	-
7.	Mr. Riccardo Vrodom Sucharitkul	99,600	99,600	-
8.	Mr. Voranin Asadamongkol	99,600	99,600	-
9.	Mr. Puttaporn Rajpricha	-	-	-
10.	Mr. Timothy Edward Doyle	99,600	99,600	-
11.	Ms. Sarunluck Thepwarin	99,600	99,600	-
12.	Mrs. Arisa Pukdeemakanon	99,600	99,600	-

Notes : ^{1/} Inclusive of shares held by spouses

Director and Management Remuneration

1. Director Remuneration

The Company's Board of Directors has assigned duty to the Nomination and Remuneration Committee to consider the remuneration for the directors and executives and propose its opinion to the Board of Directors for consideration of the remuneration for the executives and employees of the Company. As for the remuneration for the Board of Directors, it shall be proposed to the Shareholders' Meeting for its consideration. However, the remuneration for the directors is considered by

comparing with other companies in the same industrial sector that will also provide incentive and sufficient retain qualified Directors, before proposing to the Shareholders' Meeting for approval.

The Annual General Shareholders' Meeting of the year 2020, was held on 22th July 2020, a resolution had been passed for the remuneration of the Board of Directors and sub-committee of the year 2020 at the same rate as that of 2019 as per the following detail:

Unit: Baht

Committees	Position	2020		2019	
		Remuneration (Person/Year)	Meeting Allowance (Person/ Meeting)	Remuneration (Person/Year)	Meeting Allowance (Person/ Meeting)
Board of Directors	Chairman	253,000.00	10,000.00	253,000.00	10,000.00
	Directors	181,500.00	10,000.00	181,500.00	10,000.00
Audit Committee	Chairman	253,000.00	5,000.00	253,000.00	5,000.00
	Member	181,500.00	5,000.00	181,500.00	5,000.00
Nomination and Remuneration Committee	Chairman	16,500.00	3,000.00	16,500.00	3,000.00
	Member	11,000.00	3,000.00	11,000.00	3,000.00

1.1 Monetary Remuneration: Summary of Monetary Remuneration per Director for the year ending 31st December 2020

Name-Lastname Position	Remuneration (Baht/person/year)			Meeting Allowance (Baht/Person/meeting)			Total (Baht)
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Board of Directors	Audit Committee	Nomination and Remuneration Committee	
1. Gen. Charan Kullavanijaya Independent Director/ Chairman	253,000.00	-	-	50,000.00	-	-	303,000.00
2. Maj. Gen. Patchara Rattakul Director / CEO	181,500.00	-	-	50,000.00	-	-	231,500.00
3. Mr. Prakit Pradipasen Independent Director/ Chairman of the Audit Committee	181,500.00	253,000.00	-	40,000.00	15,000.00	-	489,500.00
4. Mrs. Yupares Thiengtham Director/ Chairman of the Nomination and Remuneration Committee	181,500.00	-	16,500.00	50,000.00	-	3,000.00	251,000.00
5. Ms. Smornluk Mahasmiti Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee	181,500.00	181,500.00	11,000.00	50,000.00	20,000.00	3,000.00	447,000.00
6. Mr. Yanyong Maethapanich Independent Director/ Audit Committee Member/ Nomination and Remuneration Committee	181,500.00	181,500.00	11,000.00	50,000.00	20,000.00	3,000.00	447,000.00
7. Mrs. Pariya Chirabhandhu Director/ Nomination and Remuneration Committee	181,500.00	-	11,000.00	50,000.00	-	3,000.00	245,500.00
8. Mr. Philipp Hugo Gutsche Director/ Nomination and Remuneration Committee	181,500.00	-	11,000.00	40,000.00	-	-	232,500.00
9. Mr. Martin Jansen Independent Director	181,500.00	-	-	30,000.00	-	-	211,500.00
10.M.L. Dhisana Sritavaj Director	181,500.00	-	-	50,000.00	-	-	231,500.00
11.Mr. Dumrongrugs Apibalsawasdi Director	181,500.00	-	-	50,000.00	-	-	231,500.00
12.Mrs. Kerry-Ann Shipp Director	181,500.00	-	-	40,000.00	-	-	221,500.00

1.2 Non- Monetary compensation : Directors' and Officers' Liabilities Insurance or D&O

2 Management Remuneration

1. Monetary Compensation

Management remuneration has been set through the policy and requirements established by the Company, which are also linked to the operating results and Key Performance Indicators (KPI). The remuneration is always set at a level that will provide incentive and sufficient retain qualified Directors. Management remuneration in monetary term for the year ending 31st December 2020 is as follows:

	No. of Persons	Amount (Baht)
Monthly Salary	12	118,110,889.00
Bonus	12	39,685,828.00
Contribution to provident fund	12	2,119,606.00
Total		159,916,323.00

2. Non - Monetary compensation : Company' car

: Employee Stock Option Program under HTC-ESOP Scheme

: Accident Insurance (Group)

Employee Compensation Policy

HaadThip Public Company Limited has instituted an Employee Compensation Policy of the Company in order for attraction, competency development and retainment of employees with distinguished performance, in a competitive market environment. The employees shall be offered a suitable and competitive rate of compensation and in accordance with the market rate and guideline. Appropriate and decent compensation shall serve as encouragement to employees to create a sustainably satisfactory result, which shall then lead to continuous growth for the Company.

The Company has established a performance evaluation system to be applied at the business unit level as well as individual level, starting from setting targets for work performance, laying down a plan, tracking the progress and evaluating the results, by comparing to the Key Performance Indicator (KPI) of each individual. Such system has been placed to ensure that performance management of personnel, business unit and the organization progresses in the same direction and on the basis of trustworthiness, accuracy, equitability and with encouragement for employees to eagerly perform their tasks. The Company has set for performance evaluation to take place twice a year, with the first round being consideration and evaluation of work performance in the months of January-June, and the second being the months of July-December.

Through this method of performance tracking, employees shall be able to acknowledge their individual performance evaluation in relation to their individual KPI as well as the overall performance indicators of their business unit, department and organization in a continuous manner. Their supervisor will assume a role of an advisor to provide advice, recommendation and encouragement to employees, in order for them to develop and improve their performance, which will then lead to a related rate of compensation and reward for their performance (bonus). This performance tracking and evaluating method shall also help to develop and improve the employees' knowledge and competency, which will gradually lead to effectiveness in progressing toward the intended result and reaching the desired target, and hence, progressing into higher ranking in the Company in the future.

The rate of compensation and basic welfare allowance shall be set at a level comparable to the rate set by other companies in the same industry. Such rate shall be set through consideration of employees' potential and competency as well as the ability to perform their tasks according to their knowledge and capability in their positions, without prejudice and with equal opportunity, whether they were of female gender, individuals with disability or of underprivileged background. We shall adhere to the principle of human rights and determine to promote and encourage career advancement, for the employees to grow alongside the Company in a sustainable manner, both in short term and long term as follows:

1. **Short-term Compensation** : The Company has conducted a survey on the salary structure and also abided by the labor law, in order to set the salary and wage rate as well as compensation at a suitable standard. The rate has been set at a comparable rate to others in the same business, for the purpose of competitiveness in the realm of human resource management. Moreover, the Company has set for the payment of variable bonus from the operating results of each accounting year. The rate of which relates directly to employees' performance, in order to motivate and encourage employees to perform according to their individual KPI as well as the Company's intended result and target of the year.
2. **Long-term Compensation** : The Company has initiated a Competency Development Program through the use of a Competency Assessment tool, to conduct an evaluation on the knowledge, skills and competency of each individual employee. In doing so, the Company can make use of the evaluation results to formulate a solid Individual Development Plan, which will certainly lead to increased efficiency and career growth of each employee, and shall also be in line with the Succession Plan of the Company.

In addition to compensation made to employees according to the effectiveness of their performance, management and administration of other welfare and benefits has also been carried out in an appropriate manner and in line with the economic and societal condition and under certain circumstances such as an arrangement for annual health check-up programs and provident funds for the purpose of security and financial guarantee for employees following their retirement or the end of their employment status with the Company.

Company's Personnel

As of 31st December 2020, the company employed 2,214 staff whereas its subsidiary had 120 staff, are as follows:

The Figures of Employees Classified by Levels	Number of Persons	
	Company	Company's Subsidiary
Operation Worker Level	1,640	95
First - Line Manager Level	308	7
Middle Manager Level	234	16
Top Manager Level	32	2
Total	2,214	120

Number of staff based on types of employment	Company		Company's Subsidiary	
	Male	Female	Male	Female
Permanent staff	1,674	530	50	70
Temporary staff	7	3	-	-

In 2020, the company employed 24 disabled employees which is equal to 1.08% of the entire staff.

Total expenses for the Company's employees' benefits in 2020 and 2019 are of Baht 988.89 million and Baht 933.05 million, respectively, which are consisted of Monthly salary, wages, overtime pay, welfare medical expenses, contribution to provident fund and other grants, etc.

The Company has not been engaged in any labor disputes in the past 3 years because the Company has had good relationship with its employees. Staff turnover rate is considered low, in 2020 the employee resignation rate was at 0.45% decreasing from 2019 by 0.97% and no union has been established for the employees.

Human Resources Development Policy

"Human Resources" is a fundamental key to drive the organization's success for sustainable growth. The company has developed training programs for employees so as to build up skills, knowledge and competencies at every level to cover and link with the company's goals with a return of values to the company.

In order to effectively increase competencies and skills during current and future operations as well as opportunities to progress in the employees' career paths in the future, the company had developed a Competency Based Development System, in association with the PIM HR Excellence Center under the name of "HAADTHIP SMART MOVE" during May — November 2020)

“HAADTHIP SMART MOVE”



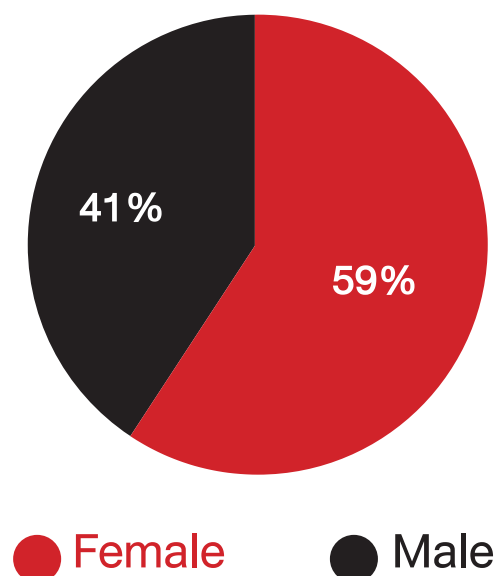
In order to promote the operations of Labour Policy which can be adapted to apply in the organization under the conceptual framework and system of the Human Resources Development, the company has planned to develop career advancement and growth of employees, using Competency Assessment so as to use results to develop Individual Development Plan during phase 2 (Jan – Apr 2021).

In 2020, the company organised training and development programs with the following results:

- Training expenses spent in a total amount of 8.4 million BHT.
- Average number of training hours of all the employees (hours/person/year) in equivalent to 15.49 hours per year with the following classifications.

Genders	No. of Training Hours per person per year
Female	151.64 hours
Male	104.26 hours

No. of Training Hours
(per person per year)



- No. of training hours with a classification of staff levels (operations/ supervisors/department managers/ management)



- Classification of training and development programs.

Types of Training Programs	No. of Training Courses
Corporate Culture	4
Quality, Safety and Environment System	26
Skills development	199
Supervisory Skills Development	15
Total No. of Training Courses	244

Apart from the training and development programs that the company organizes every year, the company also has a policy of promotion and support to further education for the employees, leading to an improvement of operation effectiveness, other knowledge integration in order to develop to the maximum benefits of the company. During the past 3 years, the company had considered the following scholarships for the employees.

- In 2018, 1 scholarship of Master's Degree
- In 2019, 4 scholarships, consisting of 1 Bachelor's Degree and 3 Master's Degree
- In 2020, 7 scholarships, consisting of 4 Bachelor's Degree and 3 Master's Degree



Corporate Governance

The Board of Directors has placed an importance on the principle of Good Corporate Governance and understands its roles, duties and responsibilities to the Company, shareholders and all stakeholders concerned. The Company has been abiding by the policy and procedure for the Board of Directors of a listed company, in accordance with the guidelines set forth by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). According the company was rated in the Corporate Governance Scoring for 2020 with average 86% at a rate of “Very Good” or 4 stars level (, by Thai Institute of Directors (IOD).

Policy on Corporate Governance

The Board of Directors has established a Corporate Governance Policy for the Company, which is in line with the guidelines set forth by The Stock Exchange of Thailand (SEI) and Securities and Exchange Commission, Thailand (SEC), in order for directors, management and employees of all levels to adhere to in performing their tasks with responsibility, caution and honesty. The guidelines can be summarized as follows:

1. The Board of Directors shall perform their duties with dedication, responsibility, independence, caution and honesty in order to accomplish the established objective and mission. The roles and responsibilities for the Chairman and CEO are explicitly and completely separated.
2. The Board of Directors plays a crucial role in establishing vision, strategy, policy and crucial plans of the Company, through consideration of risk factors and establishment of suitable management guidelines, as well as ensuring that the accounting system, financial reporting system and auditing system are reliable.
3. The Board of Directors shall be the leader in the realm of ethics; be a good example in performing their duties according to good corporate governance; monitor, take care of and solve the problems concerning conflicts of interest and connected transactions.
4. The Board of Directors may appoint an Adhoc Committee when deemed appropriate, to help considering and filtering essential pieces of work in a cautious manner.
5. The Board of Directors is responsible for the establishment of the Company's philosophy and Code of Ethics, for the Board of Directors, management, officers, staffs of all levels as well as employees to follow as operational guidelines, together with the Company's Articles of Association.
6. The shareholders of the Company shall be treated in an equitable manner; hold the rights to gain access to the information system as well as appropriate channels of communication with the Company.
7. The Company must have a system for selection of suitable personnel to take on the responsibility in a management position; and a nomination process that is transparent and impartial.
8. The Company must disclose financial and non-financial information in a sufficient, reliable and prompt manner, in order for the shareholders and stakeholders of the Company to receive the information in an equitable manner; and must arrange for an investor relations officer to be responsible for provision of information to investors and general public.
9. The Board of Directors must set up a system that provides support on anti-corruption matters in an efficient manner, as an assurance that the management is seriously aware of and recognizes the gravity of anti-corruption matters, and strictly follows the anti-corruption measures.

The actions deemed material and in accordance with the Corporate Governance Policy that the Company has already excuted can be summarized as follows:

1. Shareholders' Rights

The Company has a policy to proceed in a fair manner on the preservation of fundamental and equitable rights of all shareholders as required by the law. As the owners, the

shareholders are entitled to attend shareholders' meeting, take adequate deliberation time, and acknowledge meeting minutes.

1. Arrangement of Shareholders' Meetings

The Company has set a requirement for the Annual General Shareholders' Meeting to be held one time per year, and within 4 months after the end of the Company's accounting period. In case of urgent matters that may impact or relate to the benefits of the shareholders or to the terms and conditions or requirements or law enforcement that require approval from the shareholders, the Company shall call for the Extraordinary Shareholders' Meeting on a case-by-case basis.

In 2020, the AGM was scheduled on Thursday April 23, 2020 at 14.30 hrs. at the Ballroom 2, 5th Floor, S31 Sukhumvit Hotel, 545 Sukhumvit 31, Klong Toey Nua, Wattana, Bangkok. As a result of the continuous outbreak of the Coronation Virus 19 in Thailand and the announcement from the Government regarding the state of emergency in all areas throughout Thailand on 25th March 2020. The company had closely monitored the situation throughout, resulting in a decision of the board of directors to postpone the AGM. Once the situation had calmed down, the company organized the AGM 2020 on 22nd July 2020 at 10.00 a.m. at the Ballroom 1, 5th Floor, S 31 Sukhumvit Hotel, 545 Sukhumvit 31, North Klong Toey, Wattana, Bangkok.

2. Advance distribution of the Letter of Invitation

The Company has appointed Thailand Securities Depository Co., Ltd. (TSD), its securities registrar, to send out invitation letters to the shareholders. Each Letter of Invitation shall contain the meeting agendas in detail, supporting documents, copy of the previous meeting, Annual Report and proxy form, to be sent out to shareholders at least 14 days prior to the meeting date. Advertisement shall also be placed in newspapers for 3 consecutive days and at least 3 days prior to the meeting in order to allow ample time for shareholders to prepare for the meeting.

For the Annual General Shareholders' Meeting, the Company has disclosed the information on the Letter of Invitation and supporting documents on the Company's website at www.haadthip.com at least 30 days prior to the Meeting date.

3. Facilitation for Shareholders

In spite of the organization of the AGM under the COVID - 19 pandemic that requires to take into crucial considerations of occupational health and safety of shareholders, the company still makes the best attempts to facilitate the shareholders in all aspects under the "Social Distancing Measurement" by providing sufficient number of staffs to take care, welcome, facilitate, verify correctness of documents. Registration is carried out 2 hours before the meeting through Barcode Technology for convenience and accuracy of counting votes. The company also extends duration of registration before the last agenda being considered. Shareholders who attend after the start of the meeting shall have the rights to vote the agendas being considered without any resolutions.

As for shareholders appointing proxy, the Company has prepared the stamp duty to be affixed on the proxy form.

4. Rules of Procedure for Annual General Shareholders' Meeting

Prior to the start of each AGM, the Chairman of the meeting shall introduce the Board of Director Members, the Management and the Auditor of the company to the meeting and then and informs the rules as well as the ballot counting method for the shareholders' votes in each agenda of the meeting in accordance with the Articles of Association. After that the Chairman shall provide an opportunity to the shareholders to make suggestions, recommendations and inquiries with regards to each agenda. This year, for good sanitation, the company has prepared papers for the shareholders to make inquiries in stead of microphones. The Chairman and the Management then shall clearly answer each question to the point and give emphasis upon each inquiry before allowing the meeting to cast a vote to pass a resolution for such agenda. For the agenda on the election of directors, the Chairman shall ask the shareholders to individually cast a vote for each director.

The Chairman shall proceed according to the agendas in a consecutive manner. The Chairman shall not present additional agendas without notifying the shareholders in advance unless the Meeting has passed a resolution to modify the order of the agendas with no less than two-third of the number of shareholders attending the Meeting, or shareholders whose accumulated number of shares is no less than one-third of total share outstanding. In this case,

they can request the Meeting to consider matters other than the agendas indicated in the Letter of Invitation. Nevertheless, no changes occurred regarding to the order of the agendas at the Annual General Shareholders' Meeting of the year 2020, there was no request for the Meeting to consider matters other than the ones indicated in the Letter of Invitation.

The Chairman shall then inform the meeting on the outcome of the vote for each agenda, after the consideration process of each agenda has ended. Total time spent at each Annual General Shareholders' Meeting is approximately 1-2 hours. The Annual General Shareholders' Meeting of the year 2020 had been set to commence at 10.00 hrs, with the registration process starting from 8.00 hrs. At commencement of the meeting, there was a total of 127 shareholders attending the meeting. There were 35 shareholders present in person with a total of 21,745,568 shares, and 92 shareholders by proxy totaling to 78,712,299 shares, totaling to 100,466,867 shares or 49.9933%, which exceeded one-third of the issued and paid-up shares capital of the Company totaling 200,960,500 shares.

After the Meeting has begun, more shareholders and proxy holder gradually arrive, which has led to an increase in the total number of shareholders to 161 shareholders, totaling 105,855,197 shares or 52.6746% that can be divided in to 61 shareholders attending in person totaling 21,867,652 shares and 100 shareholders attending by proxy to 83,987,545 shares

The directors, management and auditor were also attendees at the Meeting and were present to provide the meeting with the following information:

List of Attending Directors

- | | | |
|----|-------------------------------|---|
| 1. | Maj. Gen. Patchara Rattakul | Director/ Chief Executive Officer |
| 2. | Mr. Prakit Pradipasen | Independent Director/ Chairman of Audit Committee |
| 3. | Mrs. Yupares Thiengtham | Director/ Chairman of Nomination and Remuneration Committee |
| 4. | Mr. Yanyong Maethapanich | Independent Director/ Member of Audit Committee/
Member of Nomination and Remuneration Committee |
| 5. | Mrs. Pariya Chirabandhu | Director/ Member of Nomination and Remuneration Committee |
| 6. | Mr. Dumrongrugs Apibalsawasdi | Director |

Non-attending Directors

- | | | |
|----|---------------------------|---|
| 1. | Gen. Charan Kullavanijaya | Chairman |
| 2. | Miss Smornluk Mahasmiti | Independent Director/ Member of Audit Committee/
Member of Nomination and Remuneration Committee |
| 3. | Mr. Martin Gensen | Independent Director |
| 4. | Mr. Philipp Hugo Gutsche | Director/ Member of Nomination and Remuneration Committee |
| 5. | Miss Kerry-Ann Ship | Director |
| 6. | Dhisana Sritavaj | Director |

Management

- | | | |
|----|---------------------------------|---|
| 1. | Mr. Jose Henrique Zeitune | Chief Operating Officer |
| 2. | Mr. Raffaele Guidi | Chief Financial Officer |
| 3. | Mr. Riccardo Vrodom Sucharitkul | Chief Financial Officer |
| 4. | Mr. Sarapas Thiengtham | Managing Director - HT Food & Beverage Co., Ltd. (HTFB) |
| 5. | Mrs. Arisa Pukdeemakanon | Assistant Vice President - Commercial Operations |
| 6. | Mr. Pongsakorn Thiengtham | Financial Advisor to the CEO |
| 7. | Miss Plernpun Rutchakitprakarn | Executive Assistant to COO |
| 8. | Miss Nithinart Juntasurat | Accounting Director |

KPMG Phoomchai Audit., Ltd.

1. Miss Marisa Tharathombunpakul CPA license no. 5155
2. Miss Pawinee Nissaisuk Division Head – Audit

5. Guideline for Managing Conflict of Interest

The Board of Directors has established operational guidelines for the Annual Shareholders' Meeting. If a director becomes aware that he/she may be a stakeholder or may have an interest that conflicts with the interests of the Company in an agenda, the mentioned director must declare his/her concern to the meeting and withdraw him/herself from the meeting and abstained from the voting procedure of such agenda.

6. Post-procedure of Annual General Shareholders' Meeting

Following the Meeting date, the Company shall send the summary of the resolutions passed by the Shareholders' Meeting to the Stock Exchange of Thailand no later than 9.00 hrs the next day. The Company shall also send the report of the Shareholders' Meeting comprising of the Minutes of the Meeting, the votes recorded as well as questions raised by the shareholders in each agenda (if any) to the Stock Exchange of Thailand within 14 days as required; and disclose the Minutes of the Meeting via the Company's website at www.haadthip.com within 14 days

2. Equitable Treatment of the Shareholders

The Company shall treat all shareholders in an equitable manner regardless of sex, age, race, nationality, religion, belief, political view or disability, even though the number of shares held by each shareholder may not be equal. Even if the shareholders are absent from the Meeting, by any reasons of inconvenience, such shareholders are eligible to the rights to issue a proxy to the third party to attend the Meeting on behalf of them. The Company also has preventive measures to avoid conflicts of interest or wrongful use of internal information for own and other benefits.

Best Practice for fair treatment to shareholders**1. Proposal of additional agenda and a candidate for Director position**

In order to allow minority shareholders to take part in the Company's operation, the Company has established a set of rules and regulations in provision of rights to minority shareholders to propose the Meeting agenda and/or nominate a candidate for the Director position in advance. The regulations established in

regards to the provision of rights to minority shareholders have been disclosed via the Company's website at www.haadthip.com

For the provision of rights to minority shareholders to propose the Meeting agenda and/or nominate a candidate for the Director position in advance for the Annual General Shareholders' Meeting of the year 2020, the Company had disclosed the regulations for the rights to minority shareholders via the website at www.haadthip.com from 18 October 2019 to 31 December 2019 and posted the notification on the website of the Stock Exchange of Thailand. However, there have been no proposals of additional agenda or candidate for Director's position.

2. Language of the Meeting

The Company is a public company limited established according to the statute of the Kingdom of Thailand with Thai as an official language. Since the majority of attending shareholders are of Thai national, the Annual General Shareholders' Meeting shall be conducted in Thai.

3. Issuance of a proxy to a third party

In order to preserve the rights for non-attending shareholders, the shareholders can issue a proxy to a third party or one of the Independent Directors of the Company. The Company shall indicate the name of a third party on the proxy form, in accordance with the requirement of the Ministry of Commerce, as a Meeting attendee with unconditional rights to cast the votes on behalf of the absent shareholders.

The Company has posted the Proxy Form on the website of the Company at www.haadthip.com at least 30 days prior to the Meeting. Shareholders might make further inquiries about this through the telephone number: 0-2391-4488 extension 103 or e-mail address: cs.bkk@haadthip.com

4. Use of Voting Ballots

The Company supports use of voting ballots in important events, e.g. consideration and election the Directors, connected transactions, acquisition or disposal of assets etc. for transparency and accountability in case of any dispute in the future.

5. Maintenance of Internal Information Usage

The company has specified guidelines of the Maintenance of Internal Information Usage in order to enable the company's employees to comply with. The company must maintain the usage of internal information or confidentiality which has not been disclosed to public as confidential and must not reveal the internal information that they have access to others or must not wrongly use the internal information for own benefits which includes securities trading. The Board of Directors and the employees with access to the internal information (Insider Trading) are prohibited to trade the company's securities, especially under important circumstances such as issues of additional common stock, debentures or any circumstances which bears effect upon value of the company's securities.

3. Roles and Responsibilities of Stakeholders

The Company has placed an importance and consideration on all of the stakeholders, as per the related laws. The Company shall not perform or enter into transactions in such a way to infringe on the legal rights of the stakeholders, in order to promote the act of responsibility between the Company and all groups of stakeholders namely shareholders, employees, customers, business partners, competitors, creditors, the community and environment as follows:

Shareholders: Apart from the fundamental rights established by the laws and Company's regulations, for example, the rights to attend and cast the votes at the Shareholders' Meeting; the rights to offer independent opinion in the Meeting; as well as the rights to receive dividends in an equitable manner, minority shareholders have also been given the rights to propose in advance additional agendas for the Meeting and/or qualified candidates for the Director positions. The Company provides opportunity and offer right for the shareholders to propose meeting agenda deemed important by the shareholders and to propose name list of persons with appropriate qualifications for nomination as the new director in advance.

Employees: The Company treats its employees fairly and equally; has respect to human rights; provides appropriate compensation; and places an importance on employees' development of knowledge and ability by providing equal opportunities to employees of all levels on a regular basis.

The company also maintains the quality of the working environment; strictly abides by labor-related laws and regulations; as well as encourages employees to prevent and get rid of all kinds of fraud and corruption, by providing appropriate protection to an informant and keeping his/her name highly confidential.

Customers: The Company produces high quality products of acceptable standard and strictly adheres to high safety and quality standard in conformity to The Coca-Cola Quality System and is certified by FSSC 22000 Food Safety Management, an international standard that specifies the requirements for a food safety management system. The Company shall refrain from charging excessive price or setting unfair business conditions; keep customers' information in a confidential manner and arrange for a customer service unit to deal with customers' complaints in a prompt manner, to ensure highest satisfaction in the Company's products and services.

Business Partners: The Company purchases goods and services from business partners as per the normal trading terms and conditions, and strictly abides by the business agreements and promises made to the business partners, without any request for bribery or other unlawful benefits, or receive from or provide to customers thereof in anyway.

Competitors: The Company shall operate the business within the boundary of decent competition and create a healthy competitive environment by maintaining the standard of the code of conduct. The Company shall avoid exploitation of competitors' information in an unethical or dishonest manner, and avoid unlawful proceedings in order to cause damages to competitors. In the past year, the Company was not engaged in any competitor-related disputes.

Creditors: The Company shall strictly adhere to the terms and conditions agreed upon with the creditors in terms of repayment, guarantee and other conditions. The Company shall also ensure proper use of loans as stipulated in the loan agreement.

Community and Environment: The company has established quality, safety and environment policies and promoted all employees to comply with these policies so that the related parties can rest assured that the company is aware of quality, safety and environment issues and has developed such factors continuously. The company is certified by ISO

14001; Environmental Management System and CSR - DIW Award (Corporate Social Responsibility, the Department of Industrial Works, the Ministry of Industry) in 2010. In 2011, the company was awarded the CSR - DIW Continuous Awards from the Department of Industrial Works, the Ministry of Industry. The Poonpin Plant was also certified of the CSR Beginner CSR - DIW in 2019 by the Department of Industrial Works, the Ministry of Industry.

Apart from placing an importance upon stakeholders of all groups, the Company also pays great attention to all recommendations, opinions and information on traces and evidents that can possibly lead to the development, improvement and rectification of the Company's operation. The Company has created channels of communication through which the stakeholders can communicate with the Company in case there are inappropriate or wrongful situations that the stakeholders would like to report, rectify, request for clarification or provide suggestions. Communication can be made through the email address of the Company's Internal Audit Office at internalaudit@haadthip.com or telephone number 074210008-18 extension 124 or 307 or through the Company's Consumer Information Center (CIC): 07421008-18 extension 242 or 252.

4. Disclosure and Transparency of Information

The Board of Directors has issued a policy for the Company to perform with transparency, verifiability and sufficient information disclosure to all parties concerned. Information shall also be disclosed in an accurate, complete, timely and reliable manner, with equal opportunity to access the information for all parties concerned.

Guidelines for appropriate information disclosure and transparency

1. The Company recognizes the importance of disclosure of the important information, both financial and non financial information to shareholders and investors in an accurate, complete, timely and reliable manner, as per the requirement set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand, via SET Community Portal: www.setlink.set.or.th and the website of the Company at www.haadthip.com both Thai and English languages, to allow users to access the information in an equitable manner.
2. The Company has disclosed the information on the Annual Disclosure Form (Form 56-1) and Annual Report (Form 56-2) as per the requirement set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.
3. The Company has established that the audit fees and other services fees of the auditor be disclosed with in the Annual Redistration Statements (Form 56-1) and the Annual Report (Form 56-2)
4. The Company has appointed the Board of Directors to issue the Statement of the Board of Directors' Responsibilities to the Financial Reports, to be presented together with the Auditor's Report in the Annual Report (Form 56-2).
5. The Company defines criteria, conditions, and methods for reporting interest of directors, executives, and relevant personnel in accordance with Section 89/14 of The Security and Exchange Act (No.4) B.E. 2551 (2008)
6. The Company has established that there shall be disclosure of the roles and responsibilities of the Board of Directors and sub-committees; the number of meeting sessions, and number of meeting attendance by each committee member in the past year in the Annual Disclosure Form (Form 56-1) and Annual Report (Form 56-2).
7. With regards to the Investor Relations, Mrs. Anyanee Kerrick, the Manager of Investor Relations Department is the person in charge of the investor relations. She has a responsibility for contacting, coordinating and providing information to the Institutional Investor, Analysis and Investors as well as answering inquiries from the shareholders. She can be contacted at 0-2391-4488, Ext. 138, 8248 or e-mail address ir@haadthip.com. In 2020, the company met representatives from the Institutional Investor (Company Visit), Analysis and answered inquiries from the investors and the shareholders through the e-mail address ir@haadthip.com and telephone at any times. The company also participated in the Opportunity Day organized by the Stock Exchange of Thailand twice. The 1st event took place on 25th September

2020 between 1315 — 1400 hrs. and the 2nd on 8th December 2020 between 1315 — 1400 hrs.

8. In the case of conflict of interest, the Board of Directors has issued a requirement for transactions with major shareholders, Directors, Executives, or others with relation to the persons thereof, to be considered and approved by the Audit Committee, who will closely supervise the approval process of such transactions and strictly abide by the regulations and measures set forth by the Stock Exchange of Thailand, the Securities and Exchange Commission, and the Capital Market Supervisory Board. The transaction details such as type, value, counterparties of agreement, reasons and assurance of transparency shall be disclosed to the public via electronic media of the Stock Exchange of Thailand, www.setlink.set.or.th and in the Annual Report (Form 56-2) and Annual Disclosure Form (Form 56-1).

The Company has sought approval in principle from the Board of Directors for the case of future engagement in a connected transaction with Directors, Executives, or related persons. In the case that the transaction is a normal business transaction or a normal business support transaction with normal business terms and conditions, the Management shall have the rights to grant approval to such transaction, and shall need to prepare a report of each transaction with the value of more than Baht 50 million per transaction, in order to report to the next Board of Directors' Meeting, in accordance with Section 89/12 (1) of the Securities and Exchange Act (Issue 4) B.E. 2551 (2008).

5. Roles and Responsibilities of the Board of Directors

The Board of Directors comprises of qualified individuals with experience, leadership character, vision and ability to make decisions independently, who also devote their time and utmost effort in performing their duties according to the responsibilities assigned with discretion and integrity for the best interest of the Company, shareholders and stakeholders. The composition, qualification, duties and responsibilities and structure of the Board of Directors and Subcommittees have been established, as well as the rules and regulations concerning nomination and remuneration for Directors and Executives, with complete detail presented under the 'Management Structure' topic.

1. Structure of the Board of Directors

The Board of Directors of the Company comprises 12 individuals of both male and female genders of various professions and skillsets, and from an array of areas of expertise, which is deemed suitable for the structure of the Board of Directors. It comprises 9 Non-Executive Directors which accounts for 75% of the Board of Directors and 5 Independent Directors, or more than one-third of the entire Board of Directors, which is in accordance with the Notification of the Capital Market Supervisory Board. The Independent Directors are Gen. Charan Kullavanijaya, Mr. Prakrit Pradipasen, Mr. Yanyong Maethapanich, Miss Smornluk Mahasmiti and Mr. Martin Jansen (as detailed under the title of Management Structure, Item 2.1, Board of Directors).

2. Audit Committee

The Board of Directors has established and appointed the Audit Committee to perform specific tasks and propose to the Board of Directors for consideration or acknowledgement. The Audit Committee comprises of 3 Independent Directors, Mr. Yanyong Maethapanich equipped with sufficient knowledge and experience to perform and review the reliability of the financial statements. The Audit Committee shall perform the review and ensure that the Company's operation is in conformity to the Company's policy and Articles of Association as well as the laws, regulations and requirements stipulated by the supervisory authorities. The Audit Committee must also promote the development of financial reporting system to that of an international standard; perform regular review of and ensure appropriate internal control system; and ensure prudent, appropriate and efficient risk management system. In addition, the Audit Committee shall perform its duties and issue opinions in an independent manner, with Internal Control Office reporting directly to the Audit Committee. The Audit Committee shall participate in a meeting with the Auditor without the presence of the Management at least one time per year, to request for the Auditor's opinions on any issues, with complete detail presented under the "Management Structure" topic No. 2.2: Audit Committee)

3. Nomination and Remuneration Committee

The Company's Board of Directors has appointed the Nomination and Remuneration Committee to consider the selection and appointment of the qualified directors and to consider the remuneration for the directors and execu-

tives and propose its opinion to the Board of Directors for consideration of the nomination and remuneration for the board of the directors and all the committees before proposing to the Shareholders' Meeting for its consideration, with complete detail presented under the "Management Structure" topic No. 2.3: Nomination and Remuneration Committee)

4. Number of listed companies in which the Directors are eligible to hold the Director position

The Board of Directors has established a policy regarding the number of listed companies in which the Directors are eligible to hold directorship positions in no more than five listed companies, especially independent directors. At present, there is no directors who holds the directorship positions in more than 5 listed companies.

Since the Chief Executive Officer cannot hold a directorship position in other listed companies besides other its own company's subsidiaries.

5. Segregation of Duties between the Board of Directors and the Management

The Company has segregated the duties and responsibilities of the Board of Directors from those of the Management in an explicit manner. The Directors are responsible for the establishment of policies and supervisory of the Management performance at the policy level; while the Management is responsible for management activities in several different areas to ensure conformity to the established policies.

As such, the Chairman and the Chief Executive Officer must be 2 separate individuals, and both positions must have been through selection process by the Nomination and Remuneration Committee to ensure the most appropriate individuals for the positions. Moreover, the Nomination and Remuneration Committee is responsible for the establishment of succession plan for the top Executive positions.

The Chairman must have in possession the quality of independence; must not hold the Executive Director position; must not take part in the management of the Company; and must not be an authorized Director, to ensure explicit segregation of overall policy-making and supervisory duties from the management of the Company.

Top Executives of the Company shall be assigned with duties and responsibilities, in order to perform under the

established policies; hold themselves responsible for the overall outcome; control expenses and budget within the limit approved and indicated in the annual budget plan; perform as per human resource policy; rectify and find a solution for the problem or conflicts that may pose an impact upon the company; and maintain the effectiveness of communication process with all related parties.

6. Board of Directors' Meeting

The Directors must attend the Board of Directors' Meeting on a regular basis, in order to acknowledge and unanimously make decisions in regards to the Company's operation. Normally, there are approximately 4 Board of Directors' Meetings per year, each with agendas clearly set in advance. Extra meetings may also be called upon in the case of important or urgent matters.

The Chairman and the Chief Executive Officer shall cooperatively establish the agendas for each Meeting, and consider the issues to add into each agenda of the Board of Directors' Meeting, while providing opportunities to each Director to propose issues for consideration as an agenda.

In year 2020, a total of 5 Board of Directors' Meetings were held, all of which had been set in advance. Letters of Invitation along with the agendas and supporting materials were sent to all of the Directors at least 7 days prior to the Meeting, to allow ample time for the Directors to study the information.

In consideration of each matter, the Chairman of the Board of Directors who is also the Chairman of the Meeting shall provide the opportunity to the Directors to share their independent opinions. Majority voting rule shall be applied during each Board of Directors' Meeting, with one vote per one Director, and Directors who are stakeholders to abstain from attending the Meeting and/or from exercising the rights to vote for such matter. If the votes are tied, the Chairman of the Meeting shall cast the vote to determine the final outcome and ensure that at least two third of all entire Board members are present while casting the vote.

The Management shall attend the Board of Directors' Meeting to provide useful information and be informed of the policy in a direct manner, in order to apply such policy to their performance in an efficient manner. The only exemption from participation is when the Meeting agenda is set exclusively for the Board of Directors.

The Board of Directors has also placed an importance upon the management of transactions with conflict of interest in the most discreet, equitable and transparent manner, with information thereof being disclosed in entirety. In the case that a Director is also a stakeholder and may possibly benefit from an issue in the agenda, such Director must abstain himself/herself from the decision making process of the issue.

At the end of the Meeting, the Secretary to the Company shall produce the Minutes of the Meeting in order to propose for approval in the first agenda of the following Board of Directors' Meeting, and to have the Chairman of the Board of Directors signed and certified the accuracy of the report. The Directors are allowed to issue opinions and request for additional items to or correction of the Minutes of the Meeting, in order to ensure utmost accuracy. The Minutes of the Meeting that has been acknowledged and certified shall be archived in the Office of the Chief Executive Officer.

7. Training and Development

The Board of Directors has been very supportive and encouraged the Directors to consider and participate in training courses organized by the Thai Institute of Directors (IOD) or other institutions as deemed appropriate.

In 2020, Mrs. Pariya Chirabandhu, a Director, attended the "Strategic Board Master Class" 9/2020 during 19th - 20th October 2020 organised by the IOD.

8. Secretary to the Company

According to the Board of Directors' Meeting 3/2008 on 14th August 2008, the Board of Directors has passed a resolution to appoint Ms. Sudaluck Browvanakul as a Secretary to the Company. The duties and responsibilities of the Secretary to the Company are according to Section 89/15 of Securities and Exchange Act (No. 4) B.E. 2551 (2008) as well as complying with the laws and regulations of the Company, Board of Directors and resolutions of the shareholders' meeting as followings:

1. Preparing and keeping the following documents:
 - a. register of directors;
 - b. a notice calling a director meeting, minute of the meeting of the board of directors and an annual report of the company;
 - c. a notice calling a shareholder meeting and minutes of the shareholders' meeting;

2. Keeping a report on interest filed by a director or an executive and submitting a copy of the report on interest in accordance with Section 89/14 to Chairman and Chairman of Audit Committee within 7 days of receipt of the mentioned report;
3. Performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In addition, the Secretary to the Company has other responsibilities as followings:

1. To provide advice on the rules and regulations deemed crucial for the Board of Directors to acknowledge and abide by;
2. Arrange for the Board of Directors' Meetings and Annual General Shareholders' Meeting;
3. Coordinate with other departments in the Company to comply with the Board of the Directors and the resolutions of the Shareholders' Meeting;
4. Coordinate with regulatory agencies such as the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to regulate the information disclosure and report the disclosure to the mentioned agencies in accordance with the law;
5. Other duties as assigned.

9. Succession Plan

The Board of Directors, by the Nomination and Remuneration Committee, is responsible for the establishment of a policy for the Succession Plan, in order to make preparation for the purpose of assurance that the Company has a plan to prepare for and make ready suitable personnel for the time of replacement. The succession and retirement system has been laid out in a solid manner, as well as an arrangement of a Career Path for the targeted personnel to gather work experiences in order to become the right man in the right position.

10. Director Orientation

The Board of Directors has arranged for an orientation for newly appointed Directors to attend and acquire knowledge on the Company's business policies as well as other related information namely investment structure and related rules and regulations, together with the distribution of Director's Manual that provides valuable detail and information for those assuming a Director position.

11. Business Ethics

The Board of Directors has established the Code of Conduct in a written format, as guidelines to follow and practice by the Board of Directors, management and all of the employees and staffs, in regards to the treatment of the rights of all stakeholders, be it the internal stakeholders such as employees and staffs, or external stakeholders namely shareholders, customers, business partners, competitors, creditors, society, community and environment; as well as human rights policy, political neutrality and anti-corruption. The Company has posted the Company's Code of Conduct on the Company's website at www.haadthip.com

12. Maintenance of Internal Information Usage

The company had a policy of maintenance and protection, prohibiting the Board of Directors and other related persons with access to the company's internal information to use such fundamental information to disclose which had an effect upon the company's share price and had not been disclosed to the general public for own benefits or others' in a wrong way. The conclusion details were as follow:

1. The Board of Directors, the Management and the employees with a knowledge of the internal information derived from their day to day operations were prohibited to use the internal information which had not been disclosed to the public to trade during 30 days before the financial statements were disclosed to the public and after the disclosure for 24 hours (back - out period). The company's secretary office would notify the back out period schedule of each accounting period in advance.
2. External persons with previous opportunity to be involved with or had access to the company's fundamental internal information were required to sign the Confidentiality Agreement to ensure that such external persons would be careful with the usage of the confidentiality maintenance and the internal information in the same manners of the company's employees.
3. Prohibition of the Board of Directors/Management or Sections with knowledge of the internal information to the external parties or any other individuals with no relations to the duties involved.
4. To control the Board of Directors/Management to report changes in own shareholdings, spouse's and children of no legal age to the Office of Insurance Commission (OIC) in compliance with the section No. 59 of the Securities and Exchange Act B.E. 2535 (1992)



Internal Control and Risk Management

The Board of Directors has considered and reviewed the internal control and risk management systems, in realizing that the internal control and risk management systems serve as a security mechanism for the management, in helping to reduce any possible business associated risks and increase operational efficiency and effectiveness to the level established by the Board of Directors.

1. Internal Control

The Board of Directors has appointed the Audit Committee to supervise the internal control, risk management and corporate control systems of the Company, in order to ensure suitability and efficiency of the systems with a sound audit mechanism and as a counterbalance. The Company also has an Internal Audit Office to perform audit on the operational activities of all work units; provide advice on how to create an effective internal control system for all of the work systems; evaluate the level of efficiency and sufficiency of the internal control, risk management and corporate control systems on the operational activities of each work unit. The scope of work and guidelines for the Internal Audit Office to follow and perform the above-mentioned duties on the internal control, risk management and corporate control systems in a more accurate manner, have been adapted from the international standards of COSO or The Committee of Sponsoring Organizations of the Tread Way Commission; Enterprise Risk Management System; and in accordance with the Principle of Corporate Control set forth by the Stock Exchange of Thailand and Thai Institute of Directors (IOD). All matters relating to the above-mentioned systems shall be reported directly to the Audit Committee; and all activities performed by the Internal Audit Office must be accepted and approved by the Audit Committee.

The management has adopted other technological systems, namely CQR, POD, MOS-IR, RTM Mobile, Road net and VHM to help management the internal control more effectively and increase more systems of the internal control.

2. Risk Management

The Company has set up a Risk Management and Corporate Governance Committee that comprises chief executives from various departments, with Maj. Gen. Patchara Rattakul, CEO, as the Chairman of the Committee.

The Risk Management and Corporate Governance Committee is responsible for monitor, control and manage the level of risk in such a way that the Company accomplishes its goal and the level of risk is acceptable to the organization. The Risk Management Committee is also responsible for the establishment of a Risk Management Policy for all parties to strictly follow. The Risk Management Policy has been established through assessment and management of risks induced by both external and internal factors, which also cover all areas of risk namely strategic risk, operational risk, financial risk and compliance risk as well as risk from fraud, in order to find the best measure to deal with such risks in the most suitable manner. From an analysis of opportunity and effect, risk can be broken down into the following:

RED (Inadequate):	Unacceptable risk level which requires prompt action to manage risk to be at acceptable level
YELLOW (Adequate):	Acceptable risk level which requires preventive action
GREEN (Strong):	Acceptable risk level which requires no preventive nor any further actions

In order to manage the company's risk to the maximum effect, to standardize management process and to build company's culture which emphasize integrated development to make stakeholders confident that the company's risk management plays an important part in the operations of every department. The company has set up risk evaluation at the department level twice a year, covering major factors related to risk, prepared a plan for continual risk reduction, presented reports to the Risk Management Committee and proposed the risk evaluation results to the Management Review meetings that are held twice a year.

3. Operational Control

The Company has explicitly established measures and operational guidelines in the form of orders, rules and regulations, approval authority and operational procedures, in order for the management and staff of all levels to proceed in the same direction and follow the same set of rules and regulations. In addition, the Internal Audit Office shall serve to regularly review the work performance in order to ensure that such orders, rules and regulations, approval authority and operational procedures have been strictly followed, to make certain that internal control system on operational activities is sufficient, suitable and efficient. The SAP system has also been implemented, in order to help speeding up the work process and ensure higher efficiency in the operational routines.

The Audit Committee serves to consider and review the Internal Audit Reports on a regular basis, in order to acknowledge the important issues and problems found from audit process; and make recommendations to the Management to rectify the problems and prevent the same problems from reoccurrence.

4. Information Technology and Communication System

The Company has an adequate data and information storage system that can be used for the benefit of the Company. It has also improved the information technology system in order to develop and improve the working system to a more efficient level. The Company has been using the Enterprise Resources Planning (ERP) software by SAP ECC 6.0 since June 2011.

In 2017, the Company had considered an investment in the HaadThip Improvement Project (HIP), with an objective to develop and improve a SAP software, to ensure higher efficiency and to facilitate the Company's business operations with the work procedure that is subject to change; and to add on another module that shall cover any other and new work procedures and operational activities. The HIP project was implemented on 15th May 2017. After the completion of the project as planned, the company has developed and improved the effectiveness of the SAP so that the company has an effective internal control system that can support other continual changes in the company's operations.

Moreover, in 2020, the Company's information technology system was audited by an external Auditor (KPMG), and it has not been notified by the Auditor of any flaws or errors deemed material.

5. Monitoring System

The Board of Directors has arranged for an evaluation and follow-up system to monitor the internal control system on a regular basis and in completion. The Board of Directors has appointed the Audit Committee to audit, monitor and review the internal control system through the Internal Audit Office; and to perform audit activities on the operational procedures and evaluate the performance by the use of international standards, to ensure that issues found during audit activities or review process can be improved or revised in the most suitable and immediate manner. As for the evaluation of internal control on the accounting and finance side of the Company, the Auditor shall be responsible to perform the audit activities on this part and present the results for consideration by the Audit Committee on a quarterly and yearly basis. The outcomes from the review by the certified Auditor and Internal Control Office had shown no issues deemed defective, in all material aspects.

6. Internal Audit

The Audit Committee has been monitoring the performance of the Internal Audit Office, to ensure performance of the assigned duties. Such duties include building confidence and providing advice in an independent and equitable manner in regards to the audit activities and evaluation of the level of sufficiency of the internal control system; as well as following up on the improvement or revision of the operational procedures to ensure suitability and that all operational procedures of the Company have been covered. All of which shall be reported directly to the Audit Committee, and the Internal Audit Office Charter and the Internal Auditors' Code of Ethics shall explicitly serve as the operational guidelines.

The Internal Audit Office has developed and improved the internal audit procedure in such a way that it is in accordance with the Standards for the Professional Practice of Internal Auditing, in order to continuously improve the performance of Internal Auditors to a more efficient and effective level. The Company also promotes and supports continual internal training & development sessions at every level on the subject of professional practice of internal auditing as well as other professions so as to get staff ready for examinations at the level certified with a Professional Diploma.



Summary Profile of the Directors and Management

1. Gen. Charan Kullavanijaya

Position	:	Independent Director / Chairman of the Board
Age (years)	:	85
Education	:	Bachelor of Science CHULACHOMKLAO ROYAL MILITARY ACADEMY
	:	The Command and General Staff College, Fort Leavenworth, Kansas, USA
	:	Diploma on Economic Development The Nation Institute of Development Administration (NIDA)
	:	30th Thailand National Defense College (NDC)
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	1987 - Present Special ADC to H.M. the King
	:	2013 - Present Chancellor of the University Council, Rajamangala University of Technology RATTANAKOSIN
	:	2006 - 2008 First Vice - President, The National Legislative Assembly
	:	1996 - 2000 Senator, Member of the Senate
	:	1992 - 1996 Senator, Member of the Senate
	:	1991 - 1996 Secretary General of the National Security Council, Office of the Prime Minister
	:	1991 - 1992 Member of the National Legislative Assembly
Date of Appointment	:	29 April 1998 (23 years in total)
Training by Thai Institute of Director	:	
Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	- None -

2. Maj. Gen. Patchara Rattakul

Position	:	Chief Executive Officer/ Authorize Director
Age (years)	:	59
Education	:	M.A Philosophy Politics and Economics St. John's College, Oxford University, UK
% of shareholding	:	10,381,044 shares (5.166%)
Family Relationship of Management Team	:	Mrs. Pariya Chirabandhu's brother Mrs. Yupares Thiengtham's nephew Cousin of Mr. Sarapat Thiengtham
Experience	:	HaadThip Public Company Limited 2019 - Present Chief Executive Officer 2009 - 2019 Chief Operating Officer 2003 - 2009 Advisor
Date of Appointment	:	17 March 2004 (17 years in total)
Training by Thai Institute of Director		
Association (IOD)	:	2005 Director Accreditation Program (DAP)
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Director of none-listed companies under HTC totaling 5 companies

3. Mr. Prakrit Pradipasen

Position	:	Independent Director / Chairman of the Audit Committee
Age (years)	:	79
Education	:	Bachelor of Science of Business Administration Silliman University, Philippines
	:	Master of Business Administration Wayne State University, Detroit Michigan, USA
	:	City Bank Credit Trading Center, Philippines
	:	Senior Executive Program, Stanford National of Singapore, Singapore
	:	3 rd Special Program of Thailand National Defense College, Joint Public & Private Sector
	:	Program for Senior Executive The Sloan School of Management Massachusetts Institute of Technology, USA
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Date of Appointment	:	17 March 1989 (32 years in total)
Training by Thai Institute of Director	:	
Association (IOD)	:	1. Director Accreditation Program (DAP) class 1/2003 2. Role of Chairman Program (RCP) class 15/2007 3. Thailand's 4 National Conference on Collective on Collective Action against Corruption class 1/2013
Board Member / Management of other listed Company	:	2019 - Present Independent Director / Chairman of the Audit Committee Toray Textiles (Thailand) Plc.
	:	2019 - Present Chairman Diamond Building Products Plc.
	:	2003 - Present Chairman / Independent Directors Asian Marine Service Plc.
	:	2000 - Present Independent Directors/ Member of Audit Committee SUSCO Public Company Limited
Other Company (none-listed company)	:	2019 - Present Director Pattaya Grand Village Co., Ltd.
	:	2018 - Present Director Rugby School Thailand
	:	2002 - Present Director Myriad Material Co., Ltd.

4. Mrs. Yupares Thiengtham

Position	:	Director / Chairman of the Nomination and Remuneration
Age (years)	:	84
Education	:	Certificate of Secretary and Commerce Bristol College of Commerce, England
% of shareholding	:	30,120 shares (0.015%)
Family Relationship of Management Team	:	Mr. Sarapat Thiengtham's mother
	:	Relative of Maj. Gen. Patchara Rattakul and Mrs. Pariya Chirabandhu
Experience	:	HaadThip Public Company Limited Working experience with HaadThip Plc. 25 years, retired from the Company as Deputy Managing Director on 31st December 2003
Date of Appointment	:	24 August 1978 (43 years in total)
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	- None -

5. Mr. Philipp Hugo Gutsche

Position	:	Director / Nomination and Remuneration Committee Member
Age (years)	:	83
Education	:	Bachelor of Commerce University of Cape Town, South Africa
% of shareholding	:	266,056 shares (0.132%)
Family Relationship of Management Team	:	- None -
Experience	:	Coca - Cola Beverage Africa (Pty) Ltd. 2 July 2016 - Present Chairman
	:	Coca - Cola SABCO (Pty) Ltd. July 1962 - 2 July 2016 Chairman
	:	Meridian Holdings (Pty) Ltd. 1 March 2016 - Present Board Member
	:	GUSCHE Investment and Management Company 7 September 1976 - Present Board Member
	:	GUSCHE Family Investments (Pty) Ltd. 8 July 1972 - Present Board Member
Date of Appointment	:	30 November 2005 (15 years in total)
Training by Thai Institute of Director	:	
Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Chairman Coca - Cola Beverage Africa (Pty) Ltd.
	:	Board Member Meridian Holdings (Pty) Ltd
	:	Board Member GUTSCHE Investment and Management Company
	:	Board Member GUTSCHE Family Investments (Pty) Ltd.

6. Mr. Johan Willem Maarten Jansen (Martin Jensen)

Position	:	Independence Director
Age (years)	:	63
Education	:	Marketing Degree, HEAO - GRONINGEN (Higher studies Economics and Administration)
	:	NIMA - C Certificate, NIMA (Highest marketing diploma in the Netherlands)
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	Equatorial Coca - Cola Bottling Company July 2007 — Present Non - Executive Director
	:	MYCO Management Consulting Present Executive Director
	:	The Coca - Cola AMATIL January 2011 - May 2018 Non - Executive Director
	:	The Coca - Cola Company January 2010 - May 2018 Region Director & Chairman (Southeast Asia)
	:	Coca - Cola Industries Ltd., China January 2010 - May 2018 Chief Executive Officer
Date of Appointment	:	21 March 2006 (14 years in total)
Training by Thai Institute of Director	:	
Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Non - Executive Director Equatorial Coca - Cola Bottling Company
	:	Executive Director MYCO Management Consulting

7. Miss Smornluk Mahasmiti

Position	:	Independent Director/ Member of Audit Committee / Member of Nomination and Remuneration Committee
Age (years)	:	77
Education	:	Srinakharin Wirot University Prasarnmit Demonstration School (Secondary)
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited Working experience with HaadThip Plc. 26 years, retired from the Company as Deputy Managing Director on 31st December 2004
Date of Appointment	:	21 March 2006 (15 years in total)
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Director of none-listed companies under HTC totaling 1 company

8. Mr. Yanyong Maethapanich

Position	:	Independent Director/ Member of Audit Committee / Member of Nomination and Remuneration Committee
Age (years)	:	55
Education	:	Prince of Songkhla University Bachelor of AccountingMaster of Business Administration
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	1995 — Present Managing Director
Date of Appointment	:	5 November 1999 (21 years in total)
Training by Thai Institute of Director		
Association (IOD)	:	Director Accreditation Program (DAP) year 2002 Role of the Compensation Committee — RCC year 2012 How to Develop a Risk Management Plan (HRP) year 2018
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Managing Director NTADIT C.P.A. Office Co., Ltd.

9. Mrs. Pariya Chirabandhu

Position	:	Authorize Director Member of Nomination and Remuneration Committee
Age (years)	:	60
Education	:	Bachelor of Arts Boston University, USA
% of shareholding	:	9,042,147 shares (4.4995%) (Inclusive of shares held by spouse)
Family Relationship of Management Team	:	Maj. Gen. Patchara Rattakul's sister Mrs. Yupares Thiengham's niece Cousin of Mr. Sarapat Thiengham
Experience	:	HaadThip Public Company Limited 2019 - Present President 2005 - 2019 Senior Vice President
Date of Appointment	:	29 March 1993 (28 years in total)
Training by Thai Institute of Director Association (IOD)	:	Director Accreditation Program (DAP), year 2005 Role of the Compensation Committee — RCC, year 2012 Strategic Board Member year, 2018 “Strategic Board Master Class” Class 9/2020
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Director of none-listed companies under HTC totaling 5 companies

10. M.L. Dhisana Sritavaj

Position	:	Director
Age (years)	:	58
Education	:	Master Degree (Engineering Management) George Washington University, Washington DC, USA
% of shareholding	:	3,183,807 shares (1.584%) (Inclusive of shares held by spouse)
Family Relationship of Management Team	:	- None -
Experience	:	2010 - Present General Manager SUARNABHUMI Marketing Co., Ltd. 2009 - 2010 General Manager ISEPA Asia (Thailand) Co., Ltd. 2002 - 2008 Marketing Director TON - YA - TAI Co., Ltd.
Date of Appointment	:	30 November 2005 (15 years in total)
Training by Thai Institute of Director Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	General Manager SUARNABHUMI Marketing Co., Ltd.

11. Mr. Dumrongrugs Apibalsawasdi

Position	:	Authorize Director
Age (years)	:	59
Education	:	Bachelor of Politics Chulalongkorn University
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited 2019 - Present Senior Vice President - Corporate Affairs 2012 - 2019 Vice President - Sales & Marketing) 2007 - 2012 Sales and Marketing Director 2004 - 2007 Marketing Director HaadThip Commercial Co., Ltd. 20 May 2020 - Present Managing Director 20 May 2009 (12 years in total)
Date of Appointment	:	20 May 2009 (12 years in total)
Training by Thai Institute of Director	:	
Association (IOD)	:	Strategic Board Member, year 2018
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Managing Director of none-listed companies under HTC totaling 1 company

12. Mrs. Kerry – Ann Shipp

Position	:	Director
Age (years)	:	49
Education	:	Nelson Mandela Metropolitan University, South Africa, Bachelor of Commerce Degree (Cum Laude) - 1991, Bachelor of Commerce Honours Degree — 1992
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	GUTSCHE Family Investments Pty Limited July 2017 — Present Director of the Family Office Coca - Cola Beverages Africa / Coca - Cola SABCO December 2012 - June 2017 Group Financial Controller Coca - Cola SABCO April 2005 - November 2012 Group Governance Manager
Date of Appointment	:	21 October 2019 (1 year in total)
Training by Thai Institute of Director	:	
Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Director of the Family Office GUTSCHE Family Investments Pty Limited

13. Mr. Jose Henrique Zeitune

Position	:	Chief Operating Officer
Age (years)	:	56
Education	:	Master of Business Administration (MBA) FUNDACAO DOM Cabral, Brazil
% of shareholding	:	119,600 shares (0.60%)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		22 January 2020 Chief Operating Officer
		7 June 2019 - Present Senior Vice President (Commercial & Growth Strategy)
		5 October 2018 - 7 June 2019 Vice President (Commercial & Growth Strategy)
	:	COCA - COLA THAILAND
		July 2013 - August 2018 Franchise Director for Southern Thailand (HAAD THIP Bottler) and LAOS
	:	COCA - COLA THAILAND seconded to THAINUMTHIP LIMITED
		May 2011 - July 2013 Strategic Planning Director
Training by Thai Institute of Director Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	- None -

14. Mr. John Joseph Benedetti

Position	:	Senior Vice President (Supply Chain and Demand Fulfillment)
Age (years)	:	56
Education	:	St. Josephs College of Further Education, Glasgow, Scotland, UK
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		2015 - Present Senior Vice President (Supply Chain)
		2014 - 2015 Vice President
		2006 - 2014 Operation Director
	:	Operations Manager - Highveld Bottling
		Scarlet Ibis Investments Coca - Cola Southern Africa
	:	Operations Manager - Highveld Bottling, TJC Holding (PTY) Ltd.
	:	Production Manager - Highveld Bottling, TJC Holding (PTY) Ltd.
	:	Bottling Managing - Coca - Cola SABCO
	:	Installation Technician - Bass Clarington Breweries London, UK
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other		
listed Company	:	- None -
Other Company (none-listed company)	:	- None -

15. Mr. Timothy Edward Doyle

Position	:	Vice President - Customer Service Systems & Indirect Channel (Makro & Wholesale Key Account)
Age (years)	:	59
Education	:	Bachelor of Arts - Speech Communication & Business Marketing San Jose State University, San Jose California, USA
% of shareholding	:	99,600 shares (0.050%)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		22 January 2020 - Present Vice President - Customer Service Systems & Indirect Channel (Makro & Wholesale Key Account)
		1 April - 21 January 2020 Vice President (Customer Service System)
		2014 - 31 March 2016 Customer Service System Director
		2006 - 2014 Operations Director
	:	Coca - Cola Southeast Asia Service Company (Coca - Cola Company Asia)
		2011 - 2013 Lao Project Manager - Franchise Director Southern Thailand: TCCC
		2002 - 2010 Company Manager PNG & Pacific Island
Training by Thai Institute of Director Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	- None -

16. Mr. Takerng Kanchana

Position	:	Vice President (CDE & Construction)
Age (years)	:	65
Education	:	Bachelor of Engineering, CHULALONGKORN University
	:	Master of Public Administration, National Institute of Development Administration (NIDA)
% of shareholding	:	123,298 shares (0.061%) (Inclusive of shares held by spouse)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		2015 - Present Vice President (Production)
		2004 - 2015 Plant Director
		1995 - 2004 Plant Division Manager
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	- None -

17. Mr. Thongchai Unchurit

Position	:	Vice President - General Administration & Government Relations
Age (years)	:	67
Education	:	Bachelor of Economics RAMKHAMHAENG University
	:	Master of Public Administration National Institute of Development Administration (NIDA)
% of shareholding	:	9,580 shares (0.005%)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		1 July 2016 - Present Vice President - General Administration & Government Relations
		2007 - 30 June 2016 General Administration Director
		2004 - 2006 General Administration manager
		2002 - 2003 Asst. Marketing Manager
Training by Thai Institute of Director Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Managing Director of none-listed companies under HTC totaling 1 company

18. Mr. Riccardo Vrodom Sucharitkul

Position	:	Vice President - Corporate Strategy
Age (years)	:	43
Education	:	M.A. Law, Bristol University, UK: 2002 - 2004
	:	B.A. Classics, Amherst College, Mass., USA 1996 - 2000
	:	Harrow School, Middlesex, UK, 1990 - 1995
% of shareholding	:	99,600 shares (0.050%)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		22 January 2020 - Present Vice President (Corporate Strategy)
		1 August 2019 - 21 January 2020 Vice President (Future Growth & Diversification)
	:	CANADOIL Group of Companies
		2009 - 2017 Chief Corporate Officer (Final Position Held)
	:	Bank of Thailand
		2000 - 2009 Senior Analyst, Financial Risk Management and Operations Group
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other		
listed Company	:	- None -
Other Company (none-listed company)	:	Managing Director of none-listed companies under HTC totaling 4 companies

19. Mr. Voranin Asadamongkol

Position	:	Vice President — TT-DSD, Wholesalers, HORECA, Tele-sales, Vending and Sales Capability
Age (years)	:	46
Education	:	MBA. Major of Marketing and Strategic Management. University of Southern New Hampshire. USA
% of shareholding	:	99,600 shares (0.050%)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		22 January 2020 - Present Vice President (TT-DSD, Wholesalers, HORECA, Tele-sales, Vending and Sales Capability)
		1 August 2019 - Present Vice President (Future Growth & Diversification)
	:	Siam GS sales Co., LTD.
		2015 - 2019 Managing Director
Training by Thai Institute of Director Association (IOD)	:	- None -
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	- None -

20. Miss Sarunluck Thepwarin

Position	:	Vice President (Modern Trade)
Age (years)	:	52
Education	:	Ph.D. (Business Administration) Institute of International Studies, Ramkhamhaeng University
	:	Master of Public Administration (Public Administration), National Institute of Development Administration
	:	M.B.A. International Business Lincoln University, U.S.A.
% of shareholding	:	99,600 shares (0.050%)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		22 January 2020 - Present Vice President - Modern Trade
		1 July 2016 - 21 January 2020 Director - National Accounts
		28 May 2015 - 30 June 2016 Senior Manager - National Accounts
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other		
listed Company	:	- None -
Other Company (none-listed company)	:	- None -

21. Mr. Puttaporn Rajpricha

Position	:	Vice President - Human Resources
Age (years)	:	51
Education	:	Master Degree of Science, Industrial Relations, University of New Haven, Connecticut, U.S.A.
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited 23 March 2020 - Present Vice President - Human Resources
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other		
listed Company	:	- None -
Other Company (none-listed company)	:	- None -

22. Mrs. Arisa Pukdeemakanon

Position	:	Assistant Vice President (Commercial Operations)
Age (years)	:	43
Education	:	Bachelor of Arts, Columbia College Chicago, U.S.A.
% of shareholding	:	99,600 shares (0.050%)
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited 22 January 2020 - Present Assistant Vice President - Commercial Operations 19 Sep. 2018 — 21 Jan. 2020 Director - Revenue Growth Management and Commercial 28 May 2015 - 18 Sep. 2018 Senior Marketing Manager
Training by Thai Institute of Director		
Association (IOD)	:	- None -
Board Member / Management of other		
listed Company	:	- None -
Other Company (none-listed company)	:	- None -



Summary Profile of the person taking the highest responsibility in finance and accounting (CFO) and the person supervising accounting

1. Mr. Amrit Shrestha

Position	:	Chief Financial Officer (CFO) (Chief Financial Officer: CFO)
Age (years)	:	52
Education	:	Bachelor Degree in Management, Tribhuvan University, Nepal
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited December 2020 - Present Chief Financial Officer
	:	Coca - Cola Thailand May 2015 - November 2020 Regional Finance Director/ Chief Financial Officer for Thailand, Laos and Myanmar
	:	The Coca - Cola Company August 2011 - April 2015 Regional Finance Director for Singapore, Malaysia and Brunei
	:	Coca-Cola Amatil Bottler July 2008 - July 2011 Regional Finance Director for Indonesia and PNG
	:	TCCC and Nestle June 2004 - June 2008 Finance Director, Water Business JV
	:	1996 - 2004 Bottling Financial leadership roles in Vietnam
	:	1994 — 1995 Finance and Admin Manager, Cambodia Bottling Business Bottling
	:	1988 — 1994 Finance Manager, Nepal Bottling
Training by Thai Institute of Director	:	
Association (IOD)	:	Accounting and Finance Preparation (CFO's orientation course) by SET
The orientation training (hours)	:	14
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	- None -

2. Miss Nithinart Juntasurat

Position	:	Accounting Director (The person supervising accounting)
Age (years)	:	49
Education	:	Master of Business Administration RAMKHAMHAENG University
	:	Bachelor of Commerce (Accounts) Chang Mai University
% of shareholding	:	- None -
Family Relationship of Management Team	:	- None -
Experience	:	HaadThip Public Company Limited
		2020 - Present Accounting Director
		2010 - 2020 Accounting Division Manager
		2006 - 2010 Asst. Accounting Division Manager
Training by Thai Institute of Director		
Association (IOD)	:	- None -
The orientation training (hours)	:	12
Board Member / Management of other listed Company	:	- None -
Other Company (none-listed company)	:	Managing Director of none-listed companies under HTC totaling 1 company




Summary Profile of Company Secretary and Head of Internal Audit

1. Miss Sudaluck Brownvanakul

Position	:	Company Secretary
Age (years)	:	71
Education	:	Bachelor of Commerce and Accountancy (Finance and Banking), THAMMASAT University
% of shareholding	:	0.0008% of the paid - up capital and total voting right
Family Relationship of management Team	:	- None -
Experience	:	Haad Thip Public Company Limited <ul style="list-style-type: none"> • 2011 — Present Securities Division Manager • 2004 — 2011 Security Deputy Manager
Date of Appointment	:	14 August 2008
Training by Thai Institute of Director	:	
Association (IOD)	:	Company Secretary Program (CSP) Class 32/2009

2. Mrs. Arunee Praduppeth

Position	:	Internal Audit Department Manager
Age (years)	:	49
Education	:	Bachelor Degree (Accounting) SUHHOTHAI THAMMATHIRAT Open University
Certified Internal Auditor	:	IACP (Internal Auditing Certificate Program) <ul style="list-style-type: none"> • The Institute of Internal Auditors of Thailand • Chief Audit Executive Professional Leadership Program
% of shareholding	:	- None -
Family Relationship of management Team	:	- None -
Experience	:	5 years of work experience in Internal Auditing <ul style="list-style-type: none"> • HAAD THIP Public Company Limited • Ban Suzuki Group Co., Ltd. 18 years of work experience in Accounting <ul style="list-style-type: none"> • Ban Suzuki Group Co., Ltd. • PHIYHAN PHANICH Group Co., Ltd. • A.P.K. FURNISHING PARAWOOD Co., Ltd. • 3KHomeBase Co., Ltd.
Date of Appointment	:	3 January 2017
Training by Thai Institute of Director	:	
Association (IOD)	:	Private Sector Collective Action Coalition Against Corruption (CAC)
External training	:	The Political Science Association of Kasetsart University <ul style="list-style-type: none"> • Personal Data Protection Act for Internal Auditor Academic Service Center, Faculty of Economics, Chulalongkorn University <ul style="list-style-type: none"> • Enterprise Risk Management



Related Transactions

Connected transactions mean transactions between a listed company or its subsidiary with connected person(s) such as an executive, major shareholder or person with controlling interest in the Company, inclusive of a company wherein the connected person is a major shareholder or person with controlling interest.

The Company certainly realizes that entering into a connected transaction may possibly lead to conflicts of interest. Therefore, in order to ensure equal opportunities of transparency and fairness among all shareholders, the Company shall ensure that all transactions are in conformity with the following principles:

1. A connected transaction must go through an approval process deemed transparent, and stakeholders or persons with possible conflict of interest in the connected transaction shall refrain from participating in the decision - making process
2. Consideration to enter into a connected transaction must be based on the best interest of the Company as the top priority
3. Careful consideration by the Audit Committee must be carried out before proposing to the Board of Directors and/or Shareholders' Meeting for approval of such a transaction
4. In the case that a connected transaction is entered as a trade agreement in such a way that any reasonable person would carry out a transaction agreement with another party to a contract in the same situation and with power of negotiation that bears no influences as a result of the reasonable person holding a position of a Director, Executive or related person thereof, depending on the case, or a normal transaction, or a normal business support transaction with general trading terms and conditions; then the Company must propose such an Agreement to the Board of Directors or request for approval in principle from the Board of Directors before entering into such a transaction, as per Section 89/12(1) of the Security and Exchange Act (No.4) B.E. 2551
5. Connected transactions must be disclosed as per the rules and regulations stipulated by the Securities and Exchange Commission, Thailand
6. There must be reliable follow - up and verification systems to ensure that the connected transactions are adhered to the correct procedure

In the year 2020, the Company had entered into the following Related Parties Transactions with the subsidiaries:

Shareholding Proportion

Subsidiary	Percentage of Ownership (%)	Paid-up Shares (Million Baht)
Direct Subsidiary		
Southern Rocks Co., Ltd.	99.99	97.00
HaadThip Food and Beverages Co., Ltd.	99.99	20.00
HaadThip Commercial Co., Ltd.	99.99	16.00
HaadThip Development Co., Ltd.	99.96	1.00
Indirect Subsidiary		
KinDeeYuDee 2020 Co., Ltd.	71.00	16.50

Important Related Parties Transactions

Transaction	STR	HTFB	KDYD 2020	HTCom	HTD	Total	Pricing Policy
Sales of products	-	0.003	0.12	-	-	0.12	Market price
Container purchase	547.78	-	-	-	-	547.78	Cost plus additional profit
Service fee for injection molding of bottle containers	4.47	-	-	-	-	4.47	As per mutual agreement
Space utilization service fee	0.24	0.12	0.03	0.05	-	0.44	As per mutual agreement
Land lease income	0.21	-	-	-	-	0.21	As per mutual agreement
Management and administration fee	-	4.03	-	2.36	-	6.39	As per mutual agreement
Space rental fee for billboard advertisement	-	-	0.12	-	-	0.12	Market price
Dividend income	296.98	-	-	-	-	296.98	As per dividend payment announcement
Other income	-	0.001	0.01	2.17	-	2.18	As per mutual agreement

Future Related Transactions

Related transactions of the Company in the future shall be transactions of normal business operation without transferring any interest between the Company and related companies or persons. The company shall adhere to and strictly follow the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, Thailand (SEC) as well as relevant laws, considering the reasonability and appropriateness of the conditions and market price which can be referred to in order to ensure that the shareholders and every stakeholder receive fair and equitable benefits according to the Company's good governance.



Management Discussion and Analysis (MD&A)

1. The Overall Operating Results

HaadThip Public Company Limited is a sparkling beverage manufacturer, with its main income generated from the sales and distribution, exclusively in the southern part of Thailand, of sparkling products namely Coke, Fanta and Sprite as well as non-carbonated products such as Minute Maid Juice and Juice Drinks, Namthip Drinking Water, and Bon Aqua Mineral Water. In 2020, the Company's Total Sales was 59.5 million unit-cases, a 7.2% decline compared to the same period of the previous year. The main reason for the decline was a drop in consumption of beverages in general, as a result of the COVID-19 pandemic situation.

2. The Operating Results of HaadThip Public Company Limited and the subsidiaries

1. Revenue from Sales

The Company's revenue from sales was Baht 6,425.42 million, a Baht 350.08 million or 5.17% drop, mainly as a result of the overall decrease in beverage consumption caused by the pandemic situation of COVID-19.

Company's Revenue by Type of Business

Unit: Million Baht

Type of Business	Year 2020	Year 2019	Increase (Decrease)
Beverages (inclusive of the sales of containers)	6,347.89	6,775.50	(427.61)
Consumer Goods	70.15	-	70.15
Food	7.38	-	7.38

In the past accounting year, the Company had made some adjustments to its operational system in order to accommodate and meet the needs and demand of consumers that had changed as a result of the government measure issued to control and contain the COVID-19 pandemic. The actions taken by the Company were as follows:

1. To ensure that large-sized products and drinking water were sufficient and readily available to meet the demand for home consumption and stock-up, through the sales and distribution channels that were most convenient for consumers such as hypermarkets/supermarkets and local grocery stores of the communities;
2. To add promotional activities to online channels and home delivery service.
3. When the COVID-19 pandemic control and containment measure had been relaxed, and the lockdown measure lifted, the Company immediately took the action in

getting the whole system prepared and ready to promptly meet the demand of consumers who were ready to reopen their sales outlets. The Company was able to make adjustment in the product distribution system in a swift and timely manner, for the products to reach the customers and meet the type of needs and demand that had changed ever so abruptly.

As a result, the Company was able to maintain its market share in the non-alcoholic-ready-to-drink (NARTD) market and the sparkling beverage market from the beginning until the end of the year 2020 at 25.9% and 82.5%, respectively.

2. Cost of Sales and Gross Profit

Cost of sales was Baht 3,741.91 million, a Baht 441.76 million or 10.56% drop compared to the same period of the year 2019. As a result, gross profit had increased by 3.51%, due to the following factors:

1. Higher efficiency in the cost of production from the fact that the Company had relocated most of the production

lines from Haad Yai production plant in Songkhla to Poonpin production plant in Surat Thani.

2. Adjustment in product formula to use less sugar.
3. Revenue management plan to adjust the price of some products and some distribution channels, which had already been implemented since the second half of the year 2019.

3. Cost of Sales and Gross Profit

Cost of Product Distribution and Selling, General and Administrative Expenses (SG&A) Cost of product distribution was Baht 1,271.89 million, a Baht 143.89 million or 10.16% decrease, with an increase in administrative expenses of Baht 89.52 million or 12.95%. As a result, Selling, general and administrative expenses totaled to Baht 2,052.93 million, or a 2.58% drop compared to Baht 2,107.29 million of the same period last year, mainly as an impact from the following expenses:

1. Cost of product distribution declined as a result of a drop in fuel cost as well as the number of delivery trips. The Company had also managed to increase efficiency in the use of fixed cost, which had helped to mitigate the impact from the COVID-19 pandemic situation.
2. Marketing expense had dropped by 17.6% compared to the same period last year, which was in accordance with the plan to reduce expenses during the COVID-19 pandemic situation.

3. Human resource expenses increased as a result of an increase in employee/staff benefits, to be appropriately in line with the labor market of the South; as well as an increase in employment of skilled personnel to accommodate future business expansion.
4. One-time expense on the removal and relocation of some part of the CAN and PET production lines, due to the relocation of production base.

4. Cost of Finance and Income Tax Expense

Cost of Finance of Baht 16.67 million showed a decrease of Baht 7.60 million or 31.32% following the principal payment toward the Company's loan; while income tax expense had increased by the amount of Baht 31.05 million or 85.43% as a result of an increase in profit before tax.

5. 1. Net Profit and Net Profit Margin

The Company's net profit stated in the Consolidated Financial Statements was Baht 564.94 million, an increase of Baht 124.22 million or 28.19%, compared to the net profit of Baht 440.72 million in the same period of last year. Net profit margin was 8.79%, showing an increase from net profit margin of 6.50% in the same period of last year. Net profit of the Parent Company alone was Baht 566.34 million, an increase of Baht 125.64 million or 28.51%, compared to the net profit of Baht 440.70 million of the Parent Company alone in the previous year.

Company's Net Profit (Loss) by Type of Business

Unit: Million Baht

Type of Business	Year 2020	Year 2019	Increase (Decrease)
Beverages (inclusive of the sales of containers)	575.97	440.72	135.25
Consumer Goods	(1.58)	-	(1.58)
Food	(9.39)	-	(9.39)
Real Estate	(0.06)	-	(0.06)

Profitability and Operational Efficiency Ratios:

Ratios	Year 2020	Year 2019
Gross Profit Margin (%)	41.76	38.25
Operating Profit Margin (%)	8.71	6.45
Net Profit Margin (%)	8.79	6.50
Return on Equity (%)	20.20	15.66
Return on Assets (%)	12.68	10.37

- Gross profit margin increased by 3.51% as a result of efficiency in the cost of production from relocation of production base of most of the product lines to Poonpin production plant, Surat Thani; as well as the adjustment in product formula to use less sugar; and price adjustment of some products.
- Operating profit margin increased by 2.26% as a result of an increase in gross profit margin as well as a decline in marketing and transportation expenses.
- Net profit margin of the year 2020 increased by 2.29% as a result of an increase in gross profit margin and a decline in marketing and transportation expenses.
- Return on equity increased by 4.54% as a result of an increase in the Company's net profit.
- Return on assets increased by 2.31% as a result of an increase in the Company's net profit.

3. 1. Financial Status of HaadThip Public Company Limited and the Subsidiaries

(Unit: Million Baht)

Items	As at 31st Dec 2020	As at 31st Dec 2019	Increase (Decrease)	
			Amount	%
Total Assets	5,326.11	4,906.98	419.13	8.54
Total Liabilities	1,872.14	1,992.26	(120.12)	(6.03)
Shareholders' Equity	3,453.97	2,914.72	539.26	18.50

- As at 31st December 2020, the Company's total assets equaled to Baht 5,326.11 million, an increase of Baht 419.13 million or 8.54% from the end of the year 2019.
 - Cash and cash equivalents had increased by Baht 132.81 million or 103.41% since there was more inflow than outflow of cash from operating activities by the amount of Baht 1,023.35 million; there was net cash used in investing activities in the amount of Baht 269.04 million; and cash outflow for financing activities in the amount of Baht 621.50 million
 - There was a decline of Baht 183.94 million or 28.43% in account receivables, in line with a decline in the volume of sales to major customers with credit term.
 - Other receivables increased by Baht 42.75 million or 80.96%, mainly as a result of accrued financial support for the PET Bottle Recycle Project.
 - There was a decrease of Baht 7.63 million or 2.41% in inventory, as a result of an intention to reduce inventory volume, to be in line with a decline in sales volume.
 - Income tax assets for the current period in the amount of Baht 2.97 million was the same amount as last year since there was an amount of corporate income tax from the previous year to be claimed back by the Company that had not been refunded by the Revenue Department.
 - Other current financial assets increased by Baht 2.60 million or 21.83% as a result of an investment in unit trust.
 - Non-current assets classified as non-current assets held for sales increased by Baht 9.70 million as a result of some machineries being classified as idle and held for sale.
 - Other current assets decreased by Baht 2.26 million or 11.97% as a result of a decrease in advertising and sales promotion materials.
 - Non-current financial assets increased by Baht 1.46 million or 107.10% as a result of an investment in equity classified as securities available for sales.
 - Investment property remained the same as last year's balance of Baht 206.39 million.
 - Land, building and equipment increased by Baht 257.08 million or 7.43% as a result of an investment in fixed assets deemed necessary for business operation, as well as an increase in the appraisal value of land during the year.
 - Right-of-use asset increased by an entire amount of Baht 167.42 million, which stemmed from buildings and vehicles for lease.

- Intangible assets decreased by Baht 2.38 million or 4.57% as a result of 5-year amortization of software license.
 - Other non-current assets increased by Baht 1.41 million or 16.90% as a result of deposit payments for restaurant space rental by the Food Business Unit.
2. As at 31st December 2020, the Company's total liabilities equaled to Baht 1,872.14 million, which could be divided into Baht 950.53 million of short-term liabilities, and Baht 921.60 million of long-term liabilities. This indicated a decrease of Baht 120.12 million or 6.03% in total liabilities from the end of year 2019.
- Short-term loan from financial institutions decreased by Baht 93.00 million or 84.55% from using cash-on-hand to repay the working capital loan.
 - The Company's account payables had increased by Baht 26.39 million or 14.22% as a result of payables in the consumer product group.
 - Other payables decreased by Baht 76.12 million or 12.47% mainly as a result of a decrease in accrued advertising and sales promotion expenses.
 - Long-term loan decreased by a total amount of Baht 97.66 million or 27.48% following the repayment of loans that were due during the year.
 - Financial lease liabilities decreased by a total amount of Baht 0.83 million or 0.50% resulting from the fact that the Company made more loan repayment that was due during the year than creating new debts.
 - Customers' deposits on bottles and crates decreased by Baht 4.88 million or 22.67% as a result of the Company returning deposits on bottles and crates to customers, in line with the declining trend in the sales of returnable-bottle products.
 - Deferred tax liability increased by Baht 75.21 million or 29.29% as a result of an increase in the land value following reappraisal in 2020.
 - Estimation of non-current provision for employee benefits had increased by Baht 17.58 million or 6.12% as a result of additional recognition of estimation of retirement benefits to employee based on pensionable remuneration and length of service, and an upward adjustment in the estimation as per the assumption applied to the estimation according to the actuarial valuation method that has been changed.
3. Shareholders' equity of Baht 3,453.97 million as at 31st December 2020 showed an increase of Baht 539.26 million or 18.50% from the end of year 2019 due partly to an increase in the net profit of the year less dividend payout from the operating results of 2019 at the rate of Baht 0.98 per share to the shareholders in May 2020; and interim dividend payout from the operating results of 2020 at the rate of Baht 0.78 per share to the shareholders in September 2020; and an increase in the appraised land value during the year.

4. Cash Flow

Items (Unit: Million Baht)	Year 2020	Year 2019
Net cash from operating activities	1,023.36	725.60
Net cash used in investing activities	(269.04)	(213.41)
Net cash from (used in) financing activities	(621.50)	(487.06)
Net increase (decrease) in cash and cash equivalents	132.82	25.13

The Company's inflow of cash from operating activities was higher than outflow by Baht 1,023.36 million, an increase of Baht 297.76 million from the previous year. The Company's net cash used in investment activities in the amount of Baht 269.04 million showed an increase of Baht 55.63 million from the previous year. The Company's net cash used in financing activities was Baht 621.50 million as a result of the repayments of short-term and long-term loans; repayment of financial lease liabilities and interest expense; and dividend payout to the shareholders from the operating results of the year 2019 and interim dividend payout from the operating results of the year 2020.

5. Liquidity

Important Liquidity Ratios:

Ratios	Year 2020	Year 2019
Liquidity Ratio (Times)	1.23	1.11
Cash Ratio (Times)	1.02	0.68
Average Debt Collection Period (Day)	31.53	31.85
Average Inventory Turnover Period (Day)	30.44	26.00
Average Debt Repayment Period (Day)	19.38	19.86

- The Company's liquidity ratio of 1.23 times showed an increase by 0.12 times from the previous year, with cash ratio of 1.02 times, or an increase of 0.34 times from the previous year. This was the result of an increase in cash from operating activities.
- The Company's average debt collection period of 32 days was as fast as the previous year.
- The average inventory turnover period of 30 days was slower than the previous year, resulting from the COVID-19 pandemic situation.
- Average debt repayment period of 19 days was slightly faster than the previous year.

6. Financial Policy

Financial Policy Ratios:

Ratios:	Year 2020	Year 2019
Debt-to-Equity Ratio (Times)	0.54	0.68
Interest Coverage Ratio (Times)	38.93	20.66

- Debt-to-equity ratio of 0.54 times was lower than that of the previous year due to the fact that debt built-up for the purpose of investment had been lowered, plus reappraisal of land value had resulted in higher value of land, which had led to an increase in shareholders' equity.
- Interest coverage ratio of 38.93 times showed a huge increase from the previous year, as a result of a notable increase in cash from operating activities and also the Company's full ability in making repayments of both principals and interests to all of the Company's debtors.

7. Credit Term Policy and Credit Period for the Customers of the Company

1. Modern Trade (MT) group of customers such as Makro, Lotus, Big-C, and 7-Eleven, for examples, received a credit term of 45-60 days. Ever since there was a situation of COVID-19 pandemic, debt repayment has been like normal circumstances, with no problem in debt collection in anyway.
2. Wholesale group of customers received a credit term of 15-30 days. Debt repayment has been on time, with no problem in anyway.
3. General Trade customers such as restaurants, local grocery stores, retail stores in general and small hotel operators received a credit term of 7-30 days. Customers who had been affected by the COVID-19 pandemic situation, such as hotels, had stopped purchasing or purchased in smaller quantity from the Company. The Company has a policy that it shall not give credit term to the next purchase of customers who have not repaid old debt to the Company. Not until the old debt has been paid off, that they can then place a purchase order with the Company again. However, the quantity purchased by this group of customers is very low, in proportion to other major groups of customers of the Company.

Ever since the start of the COVID-19 outbreak, that had turned into a pandemic, and started to spread in Thailand since the month of March 2020 and has been so up until today, the business of the Company has not been affected much. Since total quantity purchased by the group of customers in the hotel business is considered low, and even though total purchase order from this group has dropped or some even stopped, it does not really present an impact upon the liquidity and cash flow of the Company. The Company also does not need working capital loans in anyway. Moreover, when considering doubtful debt as percentage of total sales of the Company, the ratio and total amount are very low, as can be seen in the following table:

Unit: Million Baht

	Year 2020	Year 2019
Total Sales	6,497.20	6,854.10
Doubtful Debt	1.70	0.60
Doubtful Debt to Total Sales (%)	0.026	0.0009

8. Disclosure of an Impact from the Situation of the Infectious Coronavirus 2019 (COVID-19) Pandemic

The impact on the Company from the situation of the infectious Coronavirus 2019 (COVID-19) pandemic was only a decrease in the demand for goods and services from the Company. A decrease in the consumption of the non-alcoholic-ready-to-drink (NARTD) products had led to a contraction in sales volume and revenue from sales by 7.2% and 5.17% respectively. However, it has not presented an impact upon the Company's performance, since the Company has swiftly and readily adjusted and adapted itself to accommodate and fight through the situation of the pandemic in a prompt manner, and is always ready to respond and react to the situation that changes ever so rapidly.



Nomination and Remuneration Committee Report

Nomination and Remuneration Committee comprises the following 5 members:

- | | | |
|----|--------------------------|---|
| 1. | Mrs. Yupares Thiengtham | Chairman of the Nomination and Remuneration Committee |
| 2. | Miss Smornluk Mahasmiti | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Philipp Hugo Gutsche | Member of the Nomination and Remuneration Committee |
| 4. | Mrs. Pariya Chirabandhu | Member of the Nomination and Remuneration Committee |
| 5. | Mr. Yanyong Maethapanich | Member of the Nomination and Remuneration Committee |

The Nomination and Remuneration Committee has performed the duties assigned by the Board of Directors, in accordance with the scope of duties and responsibilities described in the Charter, in a prudent, equitable and reasonable manner.

The Nomination and Remuneration Committee held 1 meeting throughout 2020. The below table show details of the Committees who attend to the meetings.

Names – Surname	Positions	No. of attendances
1. Mrs. Yupares Thiengtham	Chairman of the Nomination and Remuneration Committee	1/1
2. Ms. Smornluk Mahasmiti	Nomination and Remuneration Committee member	1/1
3. Mr. Philipp Hugo Gutsche	Nomination and Remuneration Committee member	-
4. Mrs. Pariya Chirabandhu	Nomination and Remuneration Committee member	1/1
5. Mr. Yanyong Maethapanich	Nomination and Remuneration Committee member	1/1

The Meetings considered the following matters:

- To consider and nominate members of the Nomination and Remuneration Committee to replace those retired by rotation, before proposing to the Board of Directors to propose for approval from the Annual General Shareholders' Meeting.
- To consider the remuneration for the Company's Board of Directors as well as Committees and Sub-committees before proposing to the Board of Directors to propose for approval from the Annual General Shareholders' Meeting. The rate of compensation must be appropriate for the scope of duties and responsibilities; within a similar range to compensation set by other companies listed on the Stock Exchange of Thailand with the same operation size and in the same industry; at a sufficient rate to attract and retain qualified directors; and to be in accordance with the annual operating results of the Company.

In addition, the Company had provided the opportunity for minority shareholders to propose in advance the name of an individual deemed suitable for the director position of the Company, prior to the Annual General Shareholders' Meeting of the year 2020. Such proposal was to be submitted as per the rules, regulations and method set by the Company, and to be published on the website of the Company: www.haadthip.com. However, no shareholder had proposed any name of an individual for the selection process.

(Mrs. Yupares Thiengtham)

Chairman of the Nomination and Remuneration Committee



Audit Committee Report

To The Shareholders of the Company

The Audit Committee comprises the following 3 highly qualified Independent Directors:

Name- Surname	position	No. of attendances	
		2020	2019
1. Mr. Prakit Pradipasen	Chairman of the Audit Committee	3/4	4/4
2. Mr. Yanyong Maethapanich	Member of the Audit Committee	4/4	4/4
3. Miss Smornlux Mahasmiti	Member of the Audit Committee	4/4	4/4

The Audit Committee has taken a role according to the scope of duties and responsibilities assigned by the Board of Directors, to review as well as to gear HaadThip PCL towards business operations in accordance with the principle of corporate governance; having in place a monitoring system to ensure law and rules-abiding operation; having in place an adequate risk management and internal control system; being an organization with a focus on transparent operations, while at the same time, being considerate in trying to meet the needs of all groups of stakeholders in all aspects. All of which is in accordance with the Notification of the Securities and Exchange Commission, Thailand (SEC) as well as the requirements set forth by the Stock Exchange of Thailand (SET).

In 2020, the Audit Committee had held a total of 4 official meetings in conjunction with the Auditor and Internal Audit personnel, in order to consider all of the issues under their duties and responsibilities and the tasks assigned by the Board of Directors, and to report the outcome from the meetings to the Board of Directors' Meeting every time the Meeting was held. The outcome can be summarized in material aspects as follows:

1. To consider and review the quarterly financial statements as well as related transactions of the subsidiaries, as well as the financial statements of the year. Such review was carried out via a meeting with an executive from the Accounting sector and the

Auditor, in order to consider and review the report on observations and findings from the audit activities, or to review the financial statements, until both parties were satisfied with the results. The meeting with the Auditor was exclusive of the executives responsible for the subjects for consideration and review. Once a conclusion had been reached, recommendation for rectification would then be issued. As a result, an opinion had been issued on the financial statements of the year 2020 that it was correct, accurate and valid, and had been arranged according to the Generally Accepted Accounting Principle and disclosure of information was sufficient and appropriate.

2. To consider the report on the outcome from internal audit, according to the Internal Audit Plan of the year 2020, as well as the observations on the outcome from the evaluation of internal control system. Also, to try and direct the Company in such a way to raise the standard and systemize in a sustainable manner the method of problem solving and prevention or the issues found by the Internal Audit Office from audit activities on the various work processes. The Internal Audit Office was to analyze the problems or the various issues, and to coordinate with the inspection and verification unit, in order to establish a method for rectification and prevention of such issues in a solid and explicit manner. The Audit Committee also

provided recommendation and followed up on the rectification of issues deemed material, all of which translated to good standard of corporate governance and adequate internal control system.

3. To consider and approve the Internal Audit Plan, Work Development Plan, Personnel Rotation Plan, Human Resource Training, and the budget for the year 2021 of the Internal Audit Office, and to draw up guidelines for the internal audit process of the Company, with an emphasis on the objectives and scope of internal audit that cover all of the important risk factors of each business unit as well as down to the activity level. Also, to set the direction of internal audit in such a way to accommodate the fast-changing market and business environment. Moreover, the Audit Committee has already considered and signed the new Internal Audit Charter that has been improved, to include and to be in accordance with the standard and Code of Ethics of the International Professional Practices Framework (IPPF).
4. The Audit Committee was responsible for the consideration and nomination of the Auditor as well as proposal of remuneration and compensation for the Auditor for the year 2021. The matter was carried out through consideration of the qualification, level of independence, past performance, and appropriateness of the rate of compensation of the Auditor, before proposing to the Board of Directors, who will then propose for approval from the Annual General Shareholders' Meeting thereafter.
5. To consider related-party transactions and disclose information on related-party transactions in the Notes to the Financial Statements of both financial statements of the year and quarterly financial statements. The Audit Committee also provided an opinion in an independent manner on the acquisition or disposal of investment assets of major projects of the Company and subsidiaries.

The Audit Committee has performed its tasks with prudence, independence and issued opinions in a straightforward, transparent and auditable manner, according to the principle of good corporate governance. The Audit Committee is certain that the financial statements of the Company and disclosure of information are accurate, complete and valid, and in accordance with the Generally Accepted Accounting Principle. The Audit Committee is also certain that the Company's risk management and internal audit system is effective, suitable and adequate, and the internal audit activities are conducted in an independent manner; cover all of the operational processes with high risk, with an appropriate law-abiding and by-the-rule supervising system of daily work routine and operations.



(Mr. Prakit Pradipasen)

Chairman of the Audit Committee



Report on the Board of Directors' Responsibilities for the Financial Report


To Shareholders

The Company's Board of Directors shall be responsible for the Financial Statements of HaadThip Public Company Limited and the Subsidiary, which have been prepared in accordance with the Financial Reporting Standards as per the Accounting Act B.E. 2543 and the requirements set forth by The Securities and Exchange Commission on the subject of Financial Reporting, under The Securities and Exchange Act B.E. 2535. The Company has considered and adopted the accounting policy deemed suitable for the Company and has put the policy to practice on a regular basis. In addition, essential information in the Notes to the Financial Statements have been disclosed in a sufficient manner.

The Company's Board of Directors has ensured that the Company has a sound Corporate Governance Policy; Anti-corruption Policy; and has established as well as intended to maintain the Risk Management System and Internal Control System, for the purpose of assurance that every accounting record is accurate, complete and timely, sufficient to preserve the Company's assets and prevent any fraudulence or anomalous operations deemed material. As such, the Company has appointed an Audit Committee that comprises independent directors for the purpose of monitor and control; to perform the review of the Financial Statements in order to ensure reliable and accurate information in the Financial Statements; and to perform an assessment on Internal Control and Internal Audit System to ensure efficiency and effectiveness of the system. The opinions of the Audit Committee appear in the Audit Committee Report, which is presented in this Annual Report.

The Board of Directors issues an opinion that the Company's Internal Control and Internal Audit System serves to assure that the Financial Statements of HaadThip Public Company Limited and the Subsidiary for the accounting year ended 31st December 2020 display the financial status, operating results and cash flows in an accurate manner, in all material respects, and appropriately in accordance with the Financial Reporting Standards. The Auditor has performed a review; disclosed opinions; and issued an unqualified opinion in the Audit Report, which is presented in this Annual Report.

Gen. 
(Charan Kullavanijaya)
Chairman

Maj. Gen. 
(Patchara Rattakul)
Chief Executive Operation



Independent Auditor's Report

To the Shareholders of Haad Thip Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Haad Thip Public Company Limited and its subsidiaries (the “Group”) and of Haad Thip Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

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

Completeness of accrued sales promotion and marketing expenses	
Refer to Note 13 to the financial statements	
The key audit matter	How the matter was addressed in the audit
<p>In a highly competitive market, the Group has to incur more expenditures in relation to sales promotional and marketing activities with various campaigns to help the Group maintain their market shares. Sales are realised through modern trades with different types of sales incentives such as discounts, rebates, marketing support and sales promotion. Due to the variety of contractual terms, the estimate of the expenditure on incentives is complex in nature and highly uncertain depending upon market conditions. As a result, the completeness on estimate of accrued discounts, rebates, sales promotion and marketing support is an area of focus for my audit.</p>	<p>My principal audit procedures to address this matter included:</p> <ul style="list-style-type: none"> - Understanding the process of sales and estimation relating to the accrual of sales promotion and marketing expenses and testing both key manual controls and systems-based controls of such processes with the assistance of KPMG's information technology specialists. This included, but was not limited to, accessing and maintaining customer master data and price list, credit limit approval and accrual rates of sales discounts, rebates, promotions and marketing campaigns. - Sampling the agreements with modern trades and comparing the data of sales discounts, rebates and incentives programs which were specified in those agreements to the data inputs in the system. - Analysing relationships and movements year on year of sales and related movements of discounts, rebates, promotional and marketing programs. - Considering the reasonableness of the accrual calculation on a sample basis, by corroboration of samples of inputs and inspection of underlying contractual terms with modern trades, and considering the historical accuracy of the accrual with actual expenditures incurred. Also performing test of subsequent expenditures incurred with amounts invoiced and payment documents on a sample basis. - Considering whether the amounts have been recognised in the proper period through sampling tests of credit notes and invoices received during the period and post period. - Sampling the sales promotion activities from promotion grid during the end of period and considering whether the sales promotion and marketing expenses have been recognized in the proper period. - Evaluating the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.

Other Information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Thanit Osathalert)
Certified Public Accountant
Registration No. 5155

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2021



Financial Statements

Statement of financial position

Haad Thip Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	6	261,246,413	128,432,944	230,648,932	108,619,434
Trade accounts receivable	23	463,152,814	647,091,567	445,022,546	647,091,567
Other receivables		95,551,066	52,801,092	100,224,944	55,118,130
Short-term loans to related parties	5	-	-	7,000,000	-
Inventories	7	308,226,913	315,851,716	265,538,897	303,987,517
Current tax assets		2,965,840	2,965,842	2,965,840	2,965,842
Other current financial assets	23	14,514,694	11,914,373	1,067,856	777,179
Non-current assets					
classified as held for sale		9,698,894	-	9,698,894	-
Other current assets		16,590,428	18,845,104	15,022,077	18,845,104
Total current assets		1,171,947,062	1,177,902,638	1,077,189,986	1,137,404,773
Non-current assets					
Other non-current financial assets	23	2,816,575	1,360,000	2,816,575	1,360,000
Investment in subsidiaries	8	-	-	133,992,000	96,993,200
Investment properties	9	206,387,935	206,387,935	207,346,499	207,346,499
Property, plant and equipment	10	3,717,698,688	3,460,619,669	3,463,948,881	3,181,452,161
Right-of-use assets	11	167,421,289	-	158,650,454	-
Intangible assets		49,686,490	52,063,466	44,315,357	52,051,999
Deferred tax assets	20	374,619	277,531	-	-
Other non-current assets		9,778,824	8,364,997	7,178,887	8,363,497
Total non-current assets		4,154,164,420	3,729,073,598	4,018,248,653	3,547,567,356
Total assets		5,326,111,482	4,906,976,236	5,095,438,639	4,684,972,129

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

Statement of financial position

Haad Thip Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current liabilities					
Short-term loans from financial institutions	12,23	17,000,000	110,000,000	-	110,000,000
Trade accounts payable		211,889,252	185,503,854	260,486,502	294,219,174
Other payables	13	534,040,480	610,156,886	525,224,530	603,835,020
Current portion of long-term loans	12,23	90,360,000	97,660,000	76,560,000	90,760,000
Current portion of lease liabilities (2019: Current portion of finance lease liabilities)	12,23	65,712,857	57,897,032	62,085,023	57,633,616
Current income tax payable		31,529,544	-	31,529,544	-
Total current liabilities		950,532,133	1,061,217,772	955,885,599	1,156,447,810
Non-current liabilities					
Long-term loans	12,23	167,340,000	257,700,000	121,040,000	197,600,000
Lease liabilities (2019: Finance lease liabilities)	12,23	100,914,163	107,901,022	95,666,882	107,856,136
Customers' deposits on bottles and cases		16,635,323	21,512,724	16,635,323	21,512,724
Deferred tax liabilities	20	331,991,986	256,782,833	331,970,699	256,761,546
Non-current provisions for employee benefits	14	304,722,991	287,144,560	303,581,155	286,878,167
Other non-current liabilities		-	-	390,504	-
Total non-current liabilities		921,604,463	931,041,139	869,284,563	870,608,573
Total liabilities		1,872,136,596	1,992,258,911	1,825,170,162	2,027,056,383

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

Statement of financial position

Haad Thip Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Equity					
Share capital					
Authorised share capital <i>(201,210,180 ordinary shares, par value at Baht 1 per share)</i>	15	<u>201,210,180</u>	<u>201,210,180</u>	<u>201,210,180</u>	<u>201,210,180</u>
Issued and paid-up share capital <i>(200,960,500 ordinary shares, par value at Baht 1 per share)</i>		200,960,500	200,960,500	200,960,500	200,960,500
Share premium					
Share premium on ordinary shares	15	392,838,100	392,838,100	392,838,100	392,838,100
Retained earnings					
Appropriated					
Legal reserve	16	25,000,000	25,000,000	25,000,000	25,000,000
General reserve	16	35,000,000	35,000,000	35,000,000	35,000,000
Unappropriated		1,181,306,792	972,621,200	1,001,078,403	715,926,650
Other components of equity	10	<u>1,615,476,623</u>	<u>1,288,275,645</u>	<u>1,615,391,474</u>	<u>1,288,190,496</u>
Equity attributable to owners of the parent		3,450,582,015	2,914,695,445	3,270,268,477	2,657,915,746
Non-controlling interests		<u>3,392,871</u>	<u>21,880</u>	<u>-</u>	<u>-</u>
Total equity		<u>3,453,974,886</u>	<u>2,914,717,325</u>	<u>3,270,268,477</u>	<u>2,657,915,746</u>
Total liabilities and equity		<u>5,326,111,482</u>	<u>4,906,976,236</u>	<u>5,095,438,639</u>	<u>4,684,972,129</u>

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

Statement of comprehensive income

Haad Thip Public Company Limited and its Subsidiaries

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
(in Baht)					
Revenue					
Revenue from sale of goods	17	6,425,419,037	6,775,501,024	6,387,316,375	6,767,845,677
Dividend income	5, 8	48,200	48,000	297,027,379	305,028,251
Net foreign exchange gain		-	1,952,046	-	961,560
Other income		18,624,843	14,787,330	25,425,707	15,333,662
Total revenue		6,444,092,080	6,792,288,400	6,709,769,461	7,089,169,150
Expenses					
Cost of sales of goods	19	3,741,905,498	4,183,661,227	3,953,811,034	4,444,771,365
Distribution costs	19	1,271,886,189	1,415,770,485	1,267,880,818	1,415,770,485
Administrative expenses	19	781,039,606	691,521,953	763,380,550	684,631,023
Net foreign exchange loss		257,908	-	253,189	-
Total expenses		5,795,089,201	6,290,953,665	5,985,325,591	6,545,172,873
Profit from operating activities		649,002,879	501,334,735	724,443,870	543,996,277
Finance costs		-16,670,316	-24,271,340	(14,237,421)	(21,909,303)
Profit before income tax expense		632,332,563	477,063,395	710,206,449	522,086,974
Tax expense	20	-67,391,366	-36,344,037	(67,471,704)	(36,258,324)
Profit for the year		564,941,197	440,719,358	642,734,745	485,828,650

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

Statement of comprehensive income

Haad Thip Public Company Limited and its Subsidiaries

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2020	2019	2020	2019
		(in Baht)			
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on investments in equity instruments designated at FVOCI	23	(1,041,725)	340,000	(1,041,725)	340,000
Gain on revaluation of assets	10	410,042,947	-	410,042,947	-
Loss on remeasurements of defined benefit plans	14	(4,950,464)	(50,132,492)	(4,866,712)	(50,085,983)
Income tax relating to items that will not be reclassified	20	<u>(80,810,151)</u>	<u>9,958,498</u>	<u>(80,826,902)</u>	<u>9,949,197</u>
Other comprehensive income (expense)					
for the year, net of tax		<u>323,240,607</u>	<u>(39,833,994)</u>	<u>323,307,608</u>	<u>(39,796,786)</u>
Total comprehensive income (expense)					
for the year		<u>888,181,804</u>	<u>400,885,364</u>	<u>966,042,353</u>	<u>446,031,864</u>
Profit (loss) attributable to:					
Owners of the parent		566,335,585	440,700,742	642,734,745	485,828,650
Non-controlling interests		<u>(1,394,388)</u>	<u>18,616</u>	<u>-</u>	<u>-</u>
		<u>564,941,197</u>	<u>440,719,358</u>	<u>642,734,745</u>	<u>485,828,650</u>
Total comprehensive income (expense) attributable to:					
Owners of parent		889,576,192	400,866,748	966,042,353	446,031,864
Non-controlling interests		<u>(1,394,388)</u>	<u>18,616</u>	<u>-</u>	<u>-</u>
		<u>888,181,804</u>	<u>400,885,364</u>	<u>966,042,353</u>	<u>446,031,864</u>
Basic earnings per share					
	21	<u>2.82</u>	<u>2.21</u>	<u>3.20</u>	<u>2.44</u>

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

Statement of changes in equity

Haad Thip Public Company Limited and its Subsidiaries

Consolidated financial statements											
Note	Retained earnings			Other components of equity					Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	General reserve	Unappropriated	Fair value reserve	Revaluation reserve	Total other components of equity			
Year ended 31 December 2020											
Balance at 1 January 2020											
	200,960,500	392,838,100	25,000,000	35,000,000	972,621,200	272,000	1,288,003,645	1,288,275,645	2,914,695,445	21,880	2,914,717,325
Transactions with owners, recorded directly in equity											
Distributions to owners of the Company											
22	-	-	-	-	(353,689,622)	-	-	-	(353,689,622)	-	(353,689,622)
Total distributions to owners of the Company											
	-	-	-	-	(353,689,622)	-	-	-	(353,689,622)	-	(353,689,622)
Change in ownership interests in subsidiaries											
Acquisition of investment in subsidiaries											
	-	-	-	-	-	-	-	-	-	4,786,200	4,786,200
Dividends to non-controlling interests											
	-	-	-	-	-	-	-	-	-	(20,821)	(20,821)
Total change in ownership interests in subsidiaries											
	-	-	-	-	-	-	-	-	-	4,765,379	4,765,379
Total transactions with owners, recorded directly in equity											
	-	-	-	-	(353,689,622)	-	-	-	(353,689,622)	4,765,379	(348,924,243)
Comprehensive income for the year											
Profit (loss)											
	-	-	-	-	566,335,585	-	-	-	566,335,585	(1,394,388)	564,941,197
Other comprehensive income											
	-	-	-	-	(3,960,371)	(833,380)	328,034,358	327,200,978	323,240,607	-	323,240,607
Total comprehensive income (expense) for the year											
	-	-	-	-	562,375,214	(833,380)	328,034,358	327,200,978	889,576,192	(1,394,388)	888,181,804
Balance at 31 December 2020											
	200,960,500	392,838,100	25,000,000	35,000,000	1,181,306,792	(561,380)	1,616,038,003	1,615,476,623	3,450,582,015	3,392,871	3,453,974,886

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

Statement of changes in equity

Haad Thip Public Company Limited and its Subsidiaries

	Separate financial statements									
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			Other components of equity			
				Legal reserve	General reserve	Unappropriated reserve	Fair value reserve	Revaluation reserve	Total other components of equity	
<i>(in Baht)</i>										
Year ended 31 December 2019										
Balance at 1 January 2019		199,218,000	353,945,500	25,000,000	35,000,000	509,228,386	-	1,287,918,496	1,287,918,496	2,410,310,382
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Shares options exercised	15	1,742,500	38,892,600	-	-	-	-	-	-	40,635,100
Dividends to owners of the Company	22	-	-	-	-	(239,061,600)	-	-	-	(239,061,600)
Total contributions by and distributions to owners of the Company		1,742,500	38,892,600	-	-	(239,061,600)	-	-	-	(198,426,500)
Total transactions with owners, recorded directly in equity		1,742,500	38,892,600	-	-	(239,061,600)	-	-	-	(198,426,500)
Comprehensive income for the year										
Profit		-	-	-	-	485,828,650	-	-	-	485,828,650
Other comprehensive income		-	-	-	-	(40,068,786)	272,000	-	272,000	(39,796,786)
Total comprehensive income (expense) for the year		-	-	-	-	445,759,864	272,000	-	272,000	446,031,864
Balance at 31 December 2019		200,960,500	392,838,100	25,000,000	35,000,000	715,926,650	272,000	1,287,918,496	1,288,190,496	2,657,915,746

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

Statement of changes in equity

Haad Thip Public Company Limited and its Subsidiaries

Separate financial statements									
		Retained earnings			Other components of equity				
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	General reserve	Unappropriated	Fair value reserve	Revaluation reserve	Total other components of equity
	Note								Total equity
(in Baht)									
Year ended 31 December 2020									
Balance at 1 January 2020		200,960,500	392,838,100	25,000,000	35,000,000	715,926,650	272,000	1,287,918,496	2,657,915,746
Transactions with owners, recorded directly in equity									
Distributions to owners of the Company									
Dividends to owners of the Company	22	-	-	-	-	(353,689,622)	-	-	(353,689,622)
Total distributions to owners of the Company		-	-	-	-	(353,689,622)	-	-	(353,689,622)
Total transactions with owners, recorded directly in equity									
		-	-	-	-	(353,689,622)	-	-	(353,689,622)
Comprehensive income for the year									
Profit		-	-	-	-	642,734,745	-	-	642,734,745
Other comprehensive income		-	-	-	-	(3,893,370)	(833,380)	328,034,358	323,307,608
Total comprehensive income (expense) for the year		-	-	-	-	638,841,375	(833,380)	327,200,978	966,042,353
Balance at 31 December 2020									
		200,960,500	392,838,100	25,000,000	35,000,000	1,001,078,403	(561,380)	1,615,952,854	3,270,268,477

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

Statement of cash flows

Haad Thip Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
Cash flows from operating activities				
Profit for the year	564,941,197	440,719,358	642,734,745	485,828,650
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	67,391,366	36,344,037	67,471,704	36,258,324
Finance costs	16,670,316	24,271,340	14,237,421	21,909,303
Depreciation	299,105,557	278,190,740	260,458,293	240,884,277
Amortisation	18,960,947	18,372,488	18,607,813	18,368,188
Unrealised (gain) loss on foreign exchange	189,177	(89,959)	184,458	(84,563)
Share-based payment	-	20,892,575	-	20,892,575
Impairment loss for trade and other receivables				
(2019: (Reversal of) doubtful debt expenses)	986,232	(334,094)	986,232	(334,094)
Allowance for obsolete inventories	11,044,487	3,046,560	11,044,487	3,046,560
Gain on disposal of property, plant and equipment	(5,776,595)	(3,559,332)	(5,776,595)	(3,559,332)
Loss on property, plant and equipment written-off	9,006,842	873,769	9,000,684	753,505
Loss on containers written-off	2,569,551	374,323	2,569,551	374,323
Gain on sale of investment units	(621,160)	(1,010,207)	(291,331)	(580,157)
(Gain) loss on fair value adjustment of investment units	20,839	(33,914)	655	(2,551)
Dividend income	(48,200)	(48,000)	(297,027,379)	(305,028,251)
Interest income	(556,025)	(541,212)	(343,379)	(518,539)
	983,884,531	817,468,472	723,857,359	518,208,218
Changes in operating assets and liabilities				
Trade accounts receivable	182,846,504	(111,425,728)	200,976,772	(111,425,728)
Other receivables	(42,491,830)	(16,192,059)	(45,000,797)	(20,173,052)
Inventories	(3,419,684)	(38,732,878)	27,404,133	(63,390,568)
Other current assets	2,254,677	(8,247,480)	3,823,027	(8,247,480)
Other non-current assets	(1,413,827)	1,615,729	1,184,610	1,615,727
Trade accounts payable	26,436,891	(84,321,638)	(33,681,180)	(37,287,829)
Other payables	(90,779,063)	160,264,758	(92,696,324)	160,270,236
Customers' deposits on bottles and cases	(4,877,401)	361,312	(4,877,401)	361,312
Provision for employee benefits	12,627,968	63,000,876	12,226,780	63,429,440
Net cash generated from operating	1,065,068,766	783,791,364	793,216,979	503,360,276
Taxes paid	(41,712,033)	(58,196,439)	(41,559,906)	(58,196,439)
Net cash provided by operating activities	1,023,356,733	725,594,925	751,657,073	445,163,837

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

Statement of cash flows

Haad Thip Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
Cash flows from investing activities				
Acquisition of other equity securities	(2,498,300)	-	(2,498,300)	-
Payment on investment in subsidiaries	-	-	(36,998,800)	(37,496,400)
Proceeds from sale of property, plant and equipment	5,976,248	3,559,360	5,976,248	3,559,360
Acquisition of property, plant and equipment	(256,075,058)	(201,773,196)	(242,283,805)	(181,227,066)
Acquisition of intangible assets	(15,045,972)	(5,786,293)	(10,536,172)	(5,786,293)
Proceeds from sale of investment units	1,003,000,000	1,000,000,000	790,000,000	750,000,000
Acquisition of investment units	(1,005,000,000)	(1,010,000,000)	(790,000,000)	(750,000,000)
Loans to related parties	-	-	(8,500,000)	-
Proceeds from repayment of loans to related parties	-	-	1,500,000	-
Dividends received	48,200	48,000	297,027,379	305,028,251
Interest received	556,025	541,212	343,379	518,539
Net cash from (used in) investing activities	(269,038,857)	(213,410,917)	4,029,929	84,596,391
Cash flows from financing activities				
Proceeds from change in ownership interest in subsidiaries				
without a change in control	4,786,200	3,600	-	-
Proceeds from exercise of share options	-	19,742,525	-	19,742,525
Proceeds from short-term loans	717,000,000	2,265,000,000	700,000,000	2,265,000,000
Repayment of short-term loans	(810,000,000)	(2,355,000,000)	(810,000,000)	(2,355,000,000)
Repayment of long-term loans	(97,660,000)	(91,140,000)	(90,760,000)	(91,140,000)
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(65,320,067)	(62,412,145)	(64,925,519)	(62,158,577)
Dividends paid to owners of the Company	(353,689,622)	(239,061,600)	(353,689,622)	(239,061,600)
Dividends paid to non-controlling interests	(20,821)	(19,749)	-	-
Interest paid	(16,600,097)	(24,169,432)	(14,282,363)	(22,051,537)
Net cash used in financing activities	(621,504,407)	(487,056,801)	(633,657,504)	(484,669,189)
Net increase in cash and cash equivalents	132,813,469	25,127,207	122,029,498	45,091,039
Cash and cash equivalents at 1 January	128,432,944	103,305,737	108,619,434	63,528,395
Cash and cash equivalents at 31 December	261,246,413	128,432,944	230,648,932	108,619,434

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

Statement of cash flows

Haad Thip Public Company Limited and its Subsidiaries

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
Supplemental disclosure of cash flows information				
Non-cash transactions :				
Property, plant and equipment and intangible assets purchased during the years are detailed as follows:				
Property, plant and equipment purchased during the years	268,997,041	231,866,040	255,843,630	223,008,923
Intangible assets purchased during the years	16,583,972	5,451,293	10,871,172	5,451,293
Less : assets acquired by way of finance lease	-	(36,960,969)	-	(36,960,969)
(Increase) decrease in payables on purchases of property and equipment	(12,921,983)	6,868,125	(13,559,825)	(4,820,888)
(Increase) decrease in payables on purchases of intangible assets	(1,538,000)	335,000	(335,000)	335,000
Net purchase of property, plant and equipment and intangible assets paid by cash	271,121,030	207,559,489	252,819,977	187,013,359

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



Note to the financial statements

Haad Thip Public Company Limited and its Subsidiaries

For the year ended 31 December 2020

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Change in accounting policies
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Inventories
8	Investment in subsidiaries
9	Investment properties
10	Property, plant and equipment
11	Leases
12	Interest-bearing liabilities
13	Other payables
14	Non-current provisions for employee benefits
15	Share capital
16	Reserves
17	Segment information and disaggregation of revenue
18	Employee benefit expenses
19	Expenses by nature
20	Income tax
21	Basic earnings per share
22	Dividends
23	Financial instruments
24	Capital management
25	Agreements
26	Commitments with non - related parties
27	Events after the reporting period

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2021.

1 General information

Haad Thip Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in December 1988. The Company’s registered office at 87/1, Kanchanavanich Road, Tambol Banphru, Amphur Hadyai, Songkhla, Thailand.

The Company’s major shareholders during the financial year were Rattakul family (35.63% shareholding), and Gutsche Family Investments (Proprietary) Limited (24.40% shareholding) which was incorporated in South Africa.

The principal businesses of the Company are manufacturing and distribution of soft drinks. Detail of the Company’s subsidiaries as at 31 December 2020 and 2019 is given in note 8.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations which have no material impact on the financial statements and TFRS 16 *Leases* which disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company’s functional currency.

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(l) and 11 Leases:

- whether an arrangement containing a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

4(s) and 17 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from sales of products is recognised over time or at a point in time.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(l)	Determining the incremental borrowing rate to measure lease liabilities;
10	Measurement of land;
13	Recognition of accrued sales promotions and marketing expenses;
14	Measurement of defined employee's benefit obligations: key actuarial Assumptions; and
23	Measurement of ECL allowance for trade receivables key assumptions in determining the weighted-average loss rate.

3 Change in accounting policy***TFRS 16 Leases***

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise right-of-use assets and lease liabilities for leases of low-value assets; and
- apply a single discount rate to a portfolio of leases with similar characteristics.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
At 1 January 2020		
Increase in right-of-use assets	179,274	178,985
Increase in lease liabilities	(15,848)	(15,848)
Decrease in property, plant and equipment	(163,426)	(163,137)
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	20,869	20,869
Recognition exemption for short-term leases	(3,227)	(3,227)
Recognition exemption for leases of low-value assets	(892)	(892)
	16,750	16,750
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	15,848	15,848
Finance lease liabilities recognised as at 31 December 2019	165,798	165,490
Lease liabilities recognised at 1 January 2020	181,646	181,338
Weighted-average incremental borrowing rate (% per annum)	3.5	3.5

Right-of-use assets and lease liabilities shown above were presented as part of soft drinks segments.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated.

(b) *Investments in subsidiaries*

Investment in a subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) *Foreign currencies*

Transactions in foreign currencies are translated to the respective functional currency of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition**Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies applicable before 1 January 2020

Investments in other equity securities

Investment in investment units held for trading are classified as current assets and are stated at fair value which is reference to the value from Asset Management Company at the reporting date, with any resultant gain or loss recognised in profit or loss.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statements of cash flows.

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity and is calculated using standard cost adjusted to approximate average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, plant and equipment are no longer amortised or depreciated.

(i) Investment properties

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

Investment properties are measured at cost less impairment losses.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

(j) Property, plant and equipment

Recognition and measurement

Owned assets

Plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land which are measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. Upon disposal of a revalued asset, any related revaluation reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	10	years
Buildings, structures and leasehold improvements	20	years
Machinery and equipment	5, 10 and 20	years
Furniture and office equipment	5	years
Vehicles	5	years
Containers	5	years
Promotional equipment	5	years

No depreciation is provided on freehold land and assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is based on the cost of the asset.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

Software licences	5	years
-------------------	---	-------

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Leases*Accounting policies applicable from 1 January 2020*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of rental other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease .

As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(m) *Impairment of financial assets*

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant

deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(n) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Employee benefits

Contribution plan

Obligations for contributions to contribution plan are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(q) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(s) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services rendered

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data. Revenue for rendering of services is recognised over time as the services are provided.

(t) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group right to receive payment is established.

(u) Interest*Accounting policies applicable from 1 January 2020**Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(v) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(x) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(y) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

Relationships with subsidiaries are described in notes 8, or other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of Incorporation	Nature of relationships
Gutsche Family Investments (Proprietary) Limited	South Africa	Major shareholder, 24.40% shareholding

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods	Market price
Purchases of containers	Cost plus margin
Blowing plastic bottles service	Contractually agreed price
Service fee for area utilisation	Contractually agreed price
Rental income from land	Contractually agreed price
Management income	Agreed price
Rental expense for installing signboard	Market price
Dividend income	Declared rate
Key management personnel compensation	As defined by the Group's policy

Significant transactions for the years ended 31 December with related parties were as follows:

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	121	-
Purchases of containers	-	-	547,781	704,672
Blowing plastic bottles service	-	-	4,474	9,649
Service fee for area utilisation	-	-	435	2,640
Rental income from land	-	-	210	210
Management income	-	-	6,392	-
Rental expense for installing signboard	-	-	120	-
Dividend income	-	-	296,979	304,980
Other income	-	-	2,179	-
Key management personnel				
Key management personnel compensation				
Short-term benefits	157,388	101,821	157,388	101,821
Post-employment benefits	6,189	22,464	6,189	22,464
Share-based payments	-	8,224	-	8,224
Total key management personnel compensation	163,577	132,509	163,577	132,509

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	20	-
Other receivables				
Subsidiaries	-	-	11,589	2,679
Trade accounts payable				
Subsidiaries	-	-	83,051	126,028

<i>Loans to</i>	Interest rate	Consolidated financial statements			
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
<i>(in thousand Baht)</i>					
2020					
Subsidiaries	1	-	7,000	-	7,000

Significant agreements with related parties

Service agreements for area utilisation

The Company has entered into service agreements for area utilisation with a subsidiary for Hadyai factory and Phoonpin factory of which the agreements have terms of 7 years expired in December 2019 and 8 years expired in February 2021, respectively. The subsidiary has agreed to pay service fees at the amounts as stipulated in the agreements.

Lease agreement for land

On 1 November 2014, the Company entered into a lease agreement for land with a subsidiary for the purpose of building construction. The lease term was for a period of 20 years commencing from 1 November 2014 to 31 October 2034. The subsidiary has the first priority to renew the lease agreement, which can be extendable for successive periods of 10 years each. The subsidiary can renew the lease by informing the Company at least 30 days before the expiry date. The subsidiary agreed to pay the rental fee in the amount as stipulated in the agreement and rental rates will be adjusted every 5 years. Under the term of the agreement, the building including other constructions thereon will be transferred to the Company when the agreement is terminated.

Service agreement for blowing plastic bottles

In February 2015, the Company has entered into service agreement for blowing plastic bottles with a subsidiary. The Company has agreed to pay service fee at the amount as stipulated in the agreement. The subsidiary is able to change the price as appropriate without prior notice to the Company. The Company may terminate the agreement at any time.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Cash and cheques received on hand	20,618	17,569	19,980	17,552
Cash at banks - current and savings accounts	240,628	110,864	210,669	91,067
Total	261,246	128,433	230,649	108,619

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	163,727	188,238	133,641	182,303
Raw materials and packing materials	117,100	78,923	112,231	76,923
Work in progress	45	-	45	-
Spare parts and factory supplies	39,500	38,349	31,767	34,420
Goods in transit	273	18,545	273	18,545
Less allowance for obsolescence	(12,418)	(8,203)	(12,418)	(8,203)
Total	308,227	315,852	265,539	303,988
Inventories recognised in cost of sales of goods				
- Cost	3,737,390	4,180,614	3,949,296	4,441,724
- Write-down to net realisable value	4,515	3,047	4,515	3,047
Net	3,741,905	4,183,661	3,953,811	4,444,771

8 Investment in subsidiaries

On 11 February 2020, the Company established Haad Thip Food and Beverages Co., Ltd. which is new subsidiary. The principal businesses are manufacturing and distribution of food. The subsidiary has registered capital amounted to Baht 20 million which 99.99% shareholding by Haad Thip Public Company Limited.

On 18 February 2020, the Company established Kin Dee Yu Dee 2020 Co., Ltd. which is new subsidiary. The principal businesses are manufacturing and distribution of food. The subsidiary has registered capital amounted to Baht 30 million and called up Baht 16.5 million which 71.00% shareholding by Haad Thip Food and Beverages Co., Ltd.

On 25 February 2020, the Company established Haad Thip Commercial Co., Ltd. which is new subsidiary. The principal businesses are manufacturing and distribution of consumer goods. The subsidiary has registered capital amounted to Baht 16 million which 99.99% shareholding by Haad Thip Public Company Limited.

On 14 December 2020, the Company established Haad Thip Development Co., Ltd. which is new subsidiary. The principal businesses are real estate development. The subsidiary has registered capital amounted to Baht 1 million which 99.96% shareholding by Haad Thip Public Company Limited.

Separate financial statements

Type of business	Ownership interest 31 December 2020		Paid-up capital 31 December 2020		Cost 31 December 2020		Dividend income for the year 31 December 2020		Dividend income for the year 31 December 2019	
	(%)				(in thousand Baht)					
Direct subsidiaries										
Southern Rocks Co., Ltd.	99.99	99.99	97,000	97,000	96,993	96,993	296,979	304,980		
Haadthip Food and Beverages Co., Ltd.	99.99	-	20,000	-	20,000	-	-	-		
Haadthip Commercial Co., Ltd.	99.99	-	16,000	-	16,000	-	-	-		
Haad Thip Development Co., Ltd.	99.96	-	1,000	-	999	-	-	-		
Total			133,992	999	96,993	96,993	296,979	304,980		
Indirect subsidiary										
Kin Dee Yu Dee 2020 Co., Ltd.	71.00	-	16,500	-	11,715	-	-	-		

All subsidiaries were incorporated and operate in Thailand.

9 Investment properties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Investment properties	206,388	206,388	207,346	207,346

Information relating to lease are discloser in note 11

	Separate financial statements	
<i>Year ended 31 December</i>	2020	2019
	<i>(in thousand Baht)</i>	

Amounts recognised in profit or loss

Rental income	2,610	2,850
---------------	-------	-------

Investment properties comprise land held for future project and land that is leased to a subsidiary company.

The fair value of investment properties as at 31 December 2020 of Baht 577.91 million (*2019: Baht 607.3 million*) was determined by independent professional valuers, at open market values on an existing use basis. The fair value of investment property has been categorised as a Level 3 fair value.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience of the property being valued.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The external independent valuer applied the Market Comparison Approach to measure fair value of investment properties.

The significant unobservable inputs used in measuring the fair value of investment properties are the quoted price and the purchasing and selling price of comparable investment properties adjusted with other different factors.

10 Property, plant and equipment

Consolidated financial statements												
	Buildings, structures and leasehold improvements			Machinery and equipment		Furniture and office equipment		Containers, net		Promotional equipment		Assets under construction and installation
	Cost	Revaluation reserve	Land improvements	Total	(in thousand Baht)							
<i>Cost / revaluation</i>												
At 1 January 2019	156,195	1,455,913	67,134	1,612,108	878,622	1,546,643	761,478	714,424	23,879	314,915	29,418	5,948,621
Additions	-	-	-	-	65	-	11,958	44,784	444	53,351	125,063	235,665
Transfers	-	-	2,035	-	31,745	31,557	11,282	4,134	-	-	(88,247)	(7,494)
Disposals	-	-	-	-	(191)	-	(9,188)	(15,863)	(6,350)	(4,210)	-	(35,802)
At 31 December 2019 and 1 January 2020	156,195	1,455,913	69,169	1,612,108	910,241	1,578,200	775,530	747,479	17,973	364,056	66,234	6,140,990
Additions	9,000	410,043	-	419,043	456	118	15,739	12,641	394	50,735	205,211	704,337
Transfers	15,540	-	459	15,540	72,962	71,992	7,165	(244,874)	-	781	(200,597)	(276,572)
Disposals	(3,283)	-	-	(3,283)	-	(193,307)	(17,508)	(36,508)	(6,717)	(6,351)	-	(263,224)
At 31 December 2020	177,452	1,865,956	69,628	2,043,408	983,659	1,457,003	780,926	479,188	11,650	409,221	70,848	6,305,531
<i>Accumulated depreciation</i>												
At 1 January 2019	-	-	(19,822)	-	(330,384)	(708,612)	(654,675)	(465,701)	-	(257,652)	-	(2,436,846)
Depreciation charge for the year	-	-	(5,873)	-	(36,326)	(82,321)	(40,865)	(80,028)	-	(26,690)	-	(272,103)
Disposals	-	-	-	-	71	-	8,972	15,382	-	4,154	-	28,579
At 31 December 2019 and 1 January 2020	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	(6,051)	-	(39,080)	(88,446)	(40,315)	(94,513)	-	(31,451)	-	(299,856)
Disposals	-	-	-	-	-	178,001	18,207	189,869	-	6,317	-	392,394
At 31 December 2020	-	-	(31,746)	-	(405,719)	(701,378)	(708,676)	(434,991)	-	(305,322)	-	(2,587,832)

Consolidated financial statements

	Land		Total	Land improvements	Buildings, structures and leasehold improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Containers, net	Promotional equipment	Assets under construction and installation	Total
	Cost	Revaluation reserve										
<i>Net book value</i>												
At 31 December 2019												
Owned assets	156,195	1,455,913	1,612,108	43,474	543,602	782,887	88,962	53,706	17,973	83,868	66,234	3,292,814
Assets under finance leases	-	-	-	-	-	4,380	-	163,426	-	-	-	167,806
	156,195	1,455,913	1,612,108	43,474	543,602	787,267	88,962	217,132	17,973	83,868	66,234	3,460,620
At 31 December 2020	177,452	1,865,956	2,043,408	37,882	577,940	755,625	72,250	44,197	11,650	103,899	70,848	3,717,699

Separate financial statements

	Land		Buildings, structures and leasehold improvements	Machinery and equipment	Furniture and office equipment	Vehicles	Containers, net	Promotional equipment	Assets under construction and installation	Total
	Cost	Revaluation reserve								
Cost / revaluation										
At 1 January 2019	155,539	1,455,503	1,611,042	1,201,731	730,373	710,710	23,879	314,915	29,076	5,502,613
Additions	-	-	-	-	11,896	44,784	444	53,351	116,333	226,808
Transfers	-	-	2,035	22,485	11,282	4,134	-	-	(79,175)	(7,494)
Disposals	-	-	-	-	(9,179)	(15,863)	(6,350)	(4,210)	-	(35,602)
At 31 December 2019 and										
1 January 2020	155,539	1,455,503	1,611,042	1,224,216	744,372	743,765	17,973	364,056	66,234	5,686,325
Additions	9,000	410,043	419,043	-	14,335	12,641	394	50,735	191,743	688,891
Transfers	15,540	-	15,540	68,603	6,489	(244,835)	-	781	(187,311)	(274,238)
Disposals	(3,283)	-	(3,283)	(193,307)	(17,493)	(36,057)	(6,717)	(6,351)	-	(263,208)
At 31 December 2020	176,796	1,865,546	2,042,342	1,099,512	747,703	475,514	11,650	409,221	70,666	5,837,770
Accumulated depreciation										
At 1 January 2019	-	-	-	(608,150)	(629,435)	(462,997)	-	(257,652)	-	(2,298,575)
Depreciation charge for the year	-	-	(5,720)	(51,136)	(38,486)	(79,537)	-	(26,690)	-	(234,797)
Disposals	-	-	-	-	8,963	15,382	-	4,154	-	28,499
At 31 December 2019 and										
1 January 2020	-	-	(25,070)	(659,286)	(658,958)	(527,152)	-	(280,188)	-	(2,504,873)
Depreciation charge for the year	-	-	(5,897)	(56,416)	(38,068)	(94,037)	-	(31,451)	-	(261,333)
Disposals	-	-	-	178,001	18,198	189,869	-	6,317	-	392,385
At 31 December 2020	-	-	(30,967)	(537,701)	(678,828)	(431,320)	-	(305,322)	-	(2,373,821)

Accumulated depreciation

During the fourth quarter of year 2020, the value of the Company's land was reappraised by Agency for Real Estate Affairs Co., Ltd. an independent professional valuer, by applying market value as shown in the appraiser's reports dated 10 November 2020 to 18 November 2020. The value of the Group's and the Company's land increased by Baht 410.0 million. The Group and the Company recorded income tax from land revaluation in the account "Deferred tax liabilities" amounting to Baht 82.0 million and recorded its land at the reappraised value, with a revaluation reserve of land net of income tax amounting to Baht 328.0 million, in the account "Revaluation reserve", under other components of equity under "Equity" in the statement of financial position.

As at 31 December 2020, the revaluation reserve net of income tax for the Group and the Company amounted to Baht 1,616.0 million and Baht 1,616.0 million, respectively (*31 December 2019: for the Group and the Company amounted to Baht 1,288.0 million and Baht 1,287.9 million, respectively*).

The gross amounts of the Group and the Company's fully depreciated buildings, machinery and equipment that were still in use as at 31 December 2020 amounted to Baht 1,367.03 million and Baht 1,339.69 million, respectively (*2019: Baht 1,477.1 million and Baht 1,458.3 million*).

Measurement of fair value

Fair value hierarchy

The fair value of land was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience of the property being valued.

The fair value measurement for land has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The external independent valuer applied the Market Comparison Approach to measure fair value of land.

The significant unobservable inputs used in measuring the fair value of land are the quoted price and the purchasing and selling price of comparable land adjusted with other different factors.

11 Leases

As a lessee

<i>At 31 December 2020</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Right-of-use assets</i>		
Buildings	19,999	13,001
Vehicles	147,422	145,649
Total	167,421	158,650

The Group leases a number of buildings for 2-3 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

The Group entered into lease agreements of vehicles which are repayable in monthly installments. The ownership of the vehicle will be transferred to the Group when the Group exercises the purchase option and the payment for purchase option has been made.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Buildings	9,747	-	8,572	-
- Vehicles	107,849	-	107,464	-
Interest on lease liabilities	4,736	-	4,606	-
Expenses relating to short-term leases	3,780	-	3,780	-
Expenses relating to leases of low-value assets	3,402	-	3,522	-

In 2020, total cash outflow for leases of the Group and the Company were Baht 72.50 million and Baht 72.23 million, respectively.

As a lessor

The leases of investment properties comprise land that is leased to related subsidiary under operating leases.

<i>At 31 December</i>	Separate financial statements	
	2563	2562
	<i>(in thousand Baht)</i>	
<i>Minimum lease payments under non-cancellable operating lease are receivable</i>		
Within 1 year	204	444
1 - 5 years	830	848
After 5 years	1,968	2,184
Total	3,002	3,476

12 Interest-bearing liabilities

	Consolidated financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in thousand Baht)					
Short-term loans from financial institutions	17,000	-	17,000	110,000	-	110,000
Long-term loans from financial institutions	257,700	-	257,700	355,360	-	355,360
Lease liabilities (2019: Finance lease liabilities)	-	166,627	166,627	-	165,798	165,798
Total interest-bearing liabilities	274,700	166,627	441,327	465,360	165,798	631,158

	Separate financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	(in thousand Baht)					
Short-term loans from financial institutions	-	-	-	110,000	-	110,000
Long-term loans from financial institutions	197,600	-	197,600	288,360	-	288,360
Lease liabilities (2019: Finance lease liabilities)	-	157,752	157,752	-	165,490	165,490
Total interest-bearing liabilities	197,600	157,752	355,352	398,360	165,490	563,850

Short-term loans from financial institutions bear interest rates ranging from 0.72% p.a. to 1.99% p.a. in 2020 (2019: ranging from 1.42% p.a. to 1.99% p.a.).

Long-term loans from financial institutions

On 27 November 2014, the Company entered into a loan agreement with the financial institution for loan facility of Baht 80 million for construction of warehouse. This loan bears interest at the Minimum Loan Rate (MLR) minus 2.50% per annum for the first two years, at the Minimum Loan Rate (MLR) minus 2.00% per annum for the third and fourth years and at the Minimum Loan Rate (MLR) minus 1.50% per annum for the fifth year onwards. Loan is repayable in monthly installments of Baht 1.12 million for each installment, which will be fully paid in 8 years commencing from the first drawdown date. As at 31 December 2020, the Company had no unutilised credit facility. (2019: Nil).

On 17 September 2015, the Company entered into a loan agreement with a financial institution for a loan facility of Baht 450 million for purchase of machinery, equipment and renovation of space for installing machinery. This loan bears interest at the Minimum Loan Rate (MLR) minus 2.50% per annum for the first two years and at the Minimum Loan Rate (MLR) minus 2.00% per annum for the third year onwards. The interest will be paid on monthly. The loan is repayable in monthly installments of Baht 4.7 million for each installment, which will be fully paid in 10 years commencing from the first drawdown date. As at 31 December 2020, the Company had unutilised credit facility totaling Baht 41.8 million. (2019: Baht 41.8 million).

On 23 February 2017, the Company entered into a loan agreement with a financial institution for a loan facility of Baht 158 million for improvement of accounting system, equipment, furniture and promotion equipment. This loan bears interest at the Minimum Loan Rate (MLR) minus 2.50% per annum for the first two years and at the Minimum Loan Rate (MLR) minus 2.00% per annum for the third year onwards. The interest will be paid on monthly. The loan is repayable in monthly installments of Baht 1.65 million for each installment, which will be fully paid in 10 years commencing from the first drawdown date. During the year, the Company had fully paid all remaining loans.

On 23 February 2017, the Company entered into a loan agreement with a financial institution for a loan facility of Baht 92 million for construction of building, land improvement and others. This loan bears interest at the Minimum Loan Rate (MLR) minus 2.50% per annum for the first two years and at the Minimum Loan Rate (MLR) minus 2.00% per annum for the third year onwards. The interest will be paid on monthly. The loan is repayable in monthly installments of Baht 0.96 million for each installment, which will be fully paid in 10 years commencing from the first drawdown date. As at 31 December 2020, the Company had unutilised credit facility totaling Baht 68.7 million. (2019: Baht 68.7 million)

Subsidiaries

On 23 February 2018, the subsidiary entered into loan agreements with a financial institution for loan facilities of Baht 110 million for purchase of machinery and equipment. The interest rate is 3.5% per annum. The loan is repayable in monthly installments of Baht 1.15 million for each installment which will be fully paid in 10 years commencing from the first drawdown date. As at 31 December 2020, the Company had unutilised credit facilities totaling Baht 43.0 million. (2019: Baht 43.0 million)

Under the terms of the long-term loan agreements, the Group has to comply with certain conditions, such as maintaining the debt to equity ratio, the debt covenant ratio, etc. The Group also assigned the benefits of an insurance policy covering the assets as collateral for secured interest-bearing liabilities.

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Property, plant and equipment	10	1,045,770	883,317	935,562	753,964
Total		1,045,770	883,317	935,562	753,964

As at 31 December 2020, the Group and the Company had unutilised credit facilities totaling Baht 1,464.6 million and Baht 1,343.6 million, respectively (2019: Baht 943.2 million and Baht 777.5 million, respectively).

	Consolidated financial statements			Separate financial statements		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Finance lease liabilities</i>						
<i>At 31 December 2019</i>						
Within 1 year	61,868	3,971	57,897	61,598	3,964	57,634
After 1 year but within 5 years	112,991	5,090	107,901	112,946	5,090	107,856
Total	174,859	9,061	165,798	174,544	9,054	165,490

Changes in liabilities arising from financing activities

	Consolidated financial statements			
	Short-term loans	Long-term loans	Lease Liabilities (2019: Finance lease liabilities) (in thousand Baht)	Total
<i>2020</i>				
At 1 January	110,000	355,360	165,798	631,158
Changes from financing cash flows	(93,000)	(97,660)	(65,320)	(255,980)
Other changes - leases	-	-	66,149	66,149
At 31 December	17,000	257,700	166,627	441,327
<i>2019</i>				
At 1 January	200,000	446,500	191,249	837,749
Changes from financing cash flows	(90,000)	(91,140)	(62,412)	(243,552)
Other changes - finance leases	-	-	36,961	36,961
At 31 December	110,000	355,360	165,798	631,158

	Separate financial statements			Total
	Short-term loans	Long-term loans	Lease Liabilities (2019: Finance lease liabilities) (in thousand Baht)	
2020				
At 1 January	110,000	288,360	165,490	563,850
Changes from financing cash flows	(110,000)	(90,760)	(64,926)	(265,686)
Other changes - leases	-	-	57,188	57,188
At 31 December	-	197,600	157,752	355,352
2019				
At 1 January	200,000	379,500	190,687	770,187
Changes from financing cash flows	(90,000)	(91,140)	(62,158)	(243,298)
Other changes - finance leases	-	-	36,961	36,961
At 31 December	110,000	288,360	165,490	563,850

13 Other payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Accrued sales promotion and marketing expenses	68,974	129,359	68,974	129,359
Accrued operating expenses	86,419	123,547	80,872	122,047
Accrued bonus expenses	118,063	137,704	118,063	136,866
Other payables	221,650	173,113	219,522	169,182
Accrued transportation expenses	8,772	10,613	8,772	10,613
Value added tax payable	15,057	22,574	15,057	22,574
Others	15,105	13,247	13,965	13,194
Total	534,040	610,157	525,225	603,835

Sales are realised through modern trades with different types of sales incentives such as discounts, rebates, marketing support and sales promotion. Discounts and rebates are deducted from revenue. Marketing support and other sales promotion expenditure are recognised as expenditure on an accrual basis.

14 Non-current provisions for employee benefits

The Group operates a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plan exposes the Group to actuarial risks, such as longevity risk and interest rate risk.

<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	287,145	174,011	286,878	173,363
Included in profit or loss:				
Current service cost	20,580	11,972	20,066	11,757
Past service cost	-	66,767	-	66,509
Interest on obligation	4,265	4,350	4,011	4,272
Loss on settlement	4,689	9,679	4,665	9,505
	29,534	92,768	28,742	92,043
Included in other comprehensive income				
Actuarial loss				
- Demographic assumptions	-	-	-	-
- Financial assumptions	9,335	18,457	9,177	18,439
- Experience adjustment	(4,385)	31,676	(4,310)	31,647
	4,950	50,133	4,867	50,086
Benefit paid	(16,906)	(29,767)	(16,906)	(28,614)
At 31 December	304,723	287,145	303,581	286,878

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.1	1.4	1.1	1.4
Future salary growth	5.0	5.0	5.0	5.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligations was 8 years (2019: 8 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Consolidated financial statements				
Effect to the defined benefit obligation At 31 December	0.5% increase in assumption		0.5% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(12,017)	(11,484)	12,975	12,371
Future salary growth	12,411	11,872	(11,639)	(11,155)
Separate financial statements				
Effect to the defined benefit obligation At 31 December	0.5% increase in assumption		0.5% decrease in assumption	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(11,949)	(11,484)	12,898	12,371
Future salary growth	2,340	11,872	(11,574)	(11,155)

15 Share capital

	Par value per share <i>(in Baht)</i>	2020		2019	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised shares at 31 December		201,210	201,210	201,210	201,210
Issued and paid-up shares					
At 1 January					
- ordinary shares	1	200,961	200,961	199,218	199,218
- Increase of new shares	1	-	-	1,743	1,743
At 31 December					
- ordinary shares	1	200,961	200,961	200,961	200,961

Issue of ordinary shares

At the extraordinary general meeting of the shareholders No.1/2019 held on 21 October 2019, the shareholders approved to increase the Company's authorised share capital by Baht 1,992,180 by issuing 1,992,180 new ordinary shares with par value of Baht 1 each. The issuance of these ordinary shares was to reserve for the potential exercise of share options granted to the management and employees at the exercise price of Baht 11.33 per share. These transactions are considered to be share-based payment transactions. Therefore, the Company is required to measure the fair value of those rights to acquire the shares at grant date based on the underlying fair value of the shares and the consideration payable and to recognise related expenses, with a corresponding increase in equity in accordance with TFRS 2.

On 26 November 2019, the management and employees exercised share options 1,742,500 shares at the exercise price of Baht 11.33 per share. The expense recognised from share-based payment transaction for the year ended 31 December 2019 was Baht 20.89 million for the consolidated financial statements and the separate financial statements.

Premium on ordinary shares

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

16 Reserves

Reserves comprise appropriations of profit and/or retained earnings.

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

General reserve

The Company has a policy to appropriate a reserve for general purposes. The general reserve as at 31 December 2020 amounted to Baht 35 million (2019: Baht 35 million).

Other component of equity

Fair value reserve of 2020

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI.

Fair value reserve of 2019

The fair value changes in available-for-sale investments comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

Revaluation reserve

The revaluation reserve comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

17 Segment information and disaggregation of revenue

Consolidated financial statements								
For the year ended 31 December	Segment soft drinks		Segment consumer goods		Segment food		Segment Real estate development	
	2020	2019	2020	2019	2020	2019	2020	2019
	(in thousand Baht)							
Information about reportable segments and Disaggregation of revenue								
Primary geographical markets								
Thailand	6,341,333	6,775,501	70,149	-	7,381	-	6,418,863	6,775,501
Foreign countries	6,556	-	-	-	-	-	6,556	-
Total revenue	6,347,889	6,775,501	70,149	-	7,381	-	6,425,419	6,775,501
Major products line								
Carbonated	6,014,153	6,382,818	-	-	-	-	6,014,153	6,382,818
Non-carbonated	333,736	392,683	-	-	-	-	333,736	393,683
Consumer goods	-	-	70,149	-	-	-	70,149	-
Food	-	-	-	-	7,381	-	7,381	-
Total revenue	6,347,889	6,775,501	70,149	-	7,381	-	6,425,419	6,775,501

Consolidated financial statements

		For the year ended 31 December									
		Segment soft drinks		Segment consumer goods		Segment food		Segment Real estate development		Total	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Information about reportable segments and Disaggregation of revenue											
Primary geographical markets											
Thailand		6,341,333	6,775,501	70,149	-	7,381	-	-	-	6,418,863	6,775,501
Foreign countries		6,556	-	-	-	-	-	-	-	6,556	-
Total revenue		<u>6,347,889</u>	<u>6,775,501</u>	<u>70,149</u>	<u>-</u>	<u>7,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,425,419</u>	<u>6,775,501</u>
Major products line											
Carbonated		6,014,153	6,382,818	-	-	-	-	-	-	6,014,153	6,382,818
Non-carbonated		333,736	392,683	-	-	-	-	-	-	333,736	393,683
Consumer goods		-	-	70,149	-	-	-	-	-	70,149	-
Food		-	-	-	-	7,381	-	-	-	7,381	-
Total revenue		<u>6,347,889</u>	<u>6,775,501</u>	<u>70,149</u>	<u>-</u>	<u>7,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,425,419</u>	<u>6,775,501</u>

Consolidated financial statements

For the year ended 31 December

Timing of revenue recognition

At a point in time

Overtime

Total revenue

Segment profit (loss) before income tax

Segment assets as at 31 December

Segment liabilities as at 31 December

	Segment soft drinks	Segment consumer goods	Segment food	Segment real estate development	Total
	2020	2020	2020	2020	2020
	2019	2019	2019	2019	2019
	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)	(in thousand Baht)
6,347,889	6,775,501	-	7,381	-	6,775,501
-	-	-	-	-	-
6,347,889	6,775,501	70,149	7,381	6,425,419	6,775,501
642,529	477,063	(747)	(9,391)	(58)	477,063
5,287,527	4,906,976	32,200	6,379	5	4,906,976
1,825,184	1,992,259	35,821	11,069	63	1,992,259

Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for semi-plastic bottle (Preform) and plastic bottles (PET) businesses. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

Consolidated financial statements						
Year ended 31 December	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
			(in thousand Baht)			
Local sales	552,255	6,419,138	6,971,393	721,976	6,767,846	7,489,822
Export sales	-	6,556	6,556	-	-	-
Eliminations	(552,255)	(275)	(552,530)	(714,321)	-	(714,321)
Total	-	6,425,419	6,425,419	7,655	6,767,846	6,775,501

Separate financial statements						
Year ended 31 December	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
			(in thousand Baht)			
Local sales	-	6,380,760	6,380,760	-	6,767,846	6,767,846
Export sales	-	6,556	6,556	-	-	-
Total	-	6,387,316	6,387,316	-	6,767,846	6,767,846

18 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		(in thousand Baht)		
Wages and salaries	952,494	855,964	939,077	848,653
Contribution to provident fund	16,589	15,313	16,517	15,206
Commission	45,012	51,307	44,285	51,307
Compulsory social security contribution	14,488	18,066	14,211	17,882
Equity-settled share-based payment transactions	-	20,893	-	20,893
Others	88,597	83,078	86,665	81,505
Total	1,117,180	1,044,621	1,100,755	1,035,446

Defined benefit plan

Details of the defined benefit plan are given in note 14.

Contribution plan

The contribution plan which comprise provident funds was established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at the rate of 3% of their basic salaries and by the Group at the rate of 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

19 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Raw materials and consumables used		1,854,240	2,135,918	2,176,684	2,503,304
Excise tax		1,195,565	1,307,934	1,195,565	1,307,934
Employee benefit expenses	18	1,117,180	1,044,621	1,100,755	1,035,446
Depreciation and amortisation		317,308	296,413	278,294	259,102
Sales promotion and marketing expenses		479,293	579,943	478,710	579,943
Transportation and fuel expenses		183,466	219,917	182,397	219,917
Administration expenses		62,637	71,789	58,118	70,653
Repair and maintenance expenses		148,994	173,900	140,423	166,692
Others		436,148	460,519	374,126	402,182
Total cost of sales of goods, distribution costs and administrative expenses		5,794,831	6,290,954	5,985,072	6,545,173

20 Income tax

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Income tax recognised in profit or loss				
Current tax expense				
Current year	73,089	48,922	73,089	48,922
	73,089	48,922	73,089	48,922
Deferred tax expense				
Movements in temporary differences	(5,698)	(12,578)	(5,617)	(12,664)
Total income tax expense	67,391	36,344	67,472	36,258

Income tax recognised in other comprehensive income

Consolidated financial statements						
<i>Income tax</i>	Before tax	2020 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2019 Tax (expense) benefit	Net of tax
<i>Recognised in other comprehensive income</i>						
Actuarial loss	(4,951)	991	(3,960)	(50,133)	10,027	(40,106)
Financial assets at FVOCI (2019: Gain on remeasuring available-for-sale investments)	(1,041)	208	(833)	340	(68)	272
Revaluation of land	410,043	(82,009)	328,034	-	-	-
Total	404,051	(80,810)	323,241	(49,793)	9,959	(39,834)
Separate financial statements						
<i>Income tax</i>	Before tax	2020 Tax (expense) benefit	Net of tax (in thousand Baht)	Before tax	2019 Tax (expense) benefit	Net of tax
<i>Recognised in other comprehensive income</i>						
Actuarial loss	(4,867)	974	(3,893)	(50,086)	10,017	(40,069)
Financial assets at FVOCI (2019: Gain on remeasuring available-for-sale investments)	(1,041)	208	(833)	340	(68)	272
Revaluation of land	410,043	(82,009)	328,034	-	-	-
Total	404,135	(80,827)	323,308	(49,746)	9,949	(39,797)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		632,333		477,063
Income tax using the Thai corporation tax rate	20.00	126,467	20.00	95,413
Income tax reduction - granted privileges of the exclusive development zone		(11,332)		(7,674)
Net profit from promotional privileges		(43,903)		(51,906)
Additional deducted expenses for tax purposes		(7,446)		(7,535)
Expenses not deductible for tax purposes		3,605		8,046
Total	10.66	67,391	7.62	36,344

Reconciliation of effective tax rate

	Separate financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		710,206		522,087
Income tax using the Thai corporation tax rate	20.00	142,041	20.00	104,417
Income tax reduction - granted privileges of the exclusive development zone		(11,332)		(7,674)
Dividend income exempted from income tax		(59,396)		(60,996)
Additional deducted expenses for tax purposes		(7,446)		(7,535)
Expenses not deductible for tax purposes		3,605		8,046
Total	9.50	67,472	6.94	36,258

Income tax reduction

According to the Royal Decree No. 492 B.E. 2553 dated 16 January 2010, No. 566 B.E. 2556 dated 10 July 2013, No. 584 B.E. 2558 dated 1 May 2015 and No. 624 B.E. 2560 dated 6 January 2017, the Group has been granted reduction in the corporate income tax rate to 3% of taxable profit, to juristic companies or partnerships whose place of business is located in the exclusive development zone and whose revenue derived from manufacturing, selling of goods or rendering services occur within the exclusive development zone, starting from the accounting period of 2010 which begins on or after 1 January 2010 until the accounting period of 2020 ending on or after 31 December 2020.

Deferred tax	Consolidated financial statements			
	Assets		Liabilities	
At 31 December	2020	2019	2020	2019
		(in thousand Baht)		
Total	72,252	65,564	(403,870)	(322,069)
Set off of tax	(71,877)	(65,286)	71,877	65,286
Net deferred tax assets (liabilities)	375	278	(331,993)	(256,783)

Deferred tax At 31 December	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	71,877	65,286	(403,848)	(322,047)
Set off of tax	(71,877)	(65,286)	71,877	65,286
Net deferred tax liabilities	-	-	(331,971)	(256,761)

	Consolidated financial statements				
	(Charged) / credited to				
	At	Profit or	Other	Equity	At
Deferred tax	1 January	loss	comprehensive		31 December
			income		
			(in thousand Baht)		
2020					
Deferred tax assets					
Trade and other receivables (doubtful accounts)	221	198	-	-	419
Inventories (allowance for decline in value)	1,640	843	-	-	2,483
Other current assets (allowance for decline in value)	7	(13)	-	-	(6)
Property, plant and equipment (depreciation gap)	6,043	2,179	-	-	8,222
Rights-of-use assets (depreciation gap)	-	(35)	-	-	(35)
Provisions for employee benefits	57,429	2,525	991	-	60,945
Tax loss carry forward	224	-	-	-	224
Total	65,564	5,697	991	-	72,252
Deferred tax liabilities					
Property, plant and equipment (revaluation)	(322,001)	-	(82,009)	-	(404,010)
Financial assets measured at FVOCI	(68)	-	208	-	140
Total	(322,069)	-	(81,801)	-	(403,870)
Net	(256,505)	5,697	(80,810)	-	(331,618)

		Consolidated financial statements (Charged) / credited to			At 31 December
		Profit or loss	Other comprehensive income	Equity	
<i>Deferred tax</i>	At 1 January		(in thousand Baht)		
2019					
Deferred tax assets					
Trade and other receivables (doubtful accounts)	2,771	(2,550)	-	-	221
Inventories (allowance for decline in value)	1,200	440	-	-	1,640
Other current assets (allowance for decline in value)	12	(5)	-	-	7
Property, plant and equipment (depreciation gap)	3,955	2,088	-	-	6,043
Provisions for employee benefits	34,797	12,605	10,027	-	57,429
Tax loss carry forward	224	-	-	-	224
Total	42,959	12,578	10,027	-	65,564
Deferred tax liabilities					
Property, plant and equipment (revaluation)	(322,001)	-	-	-	(322,001)
Available-for-sale investments (gain on remeasuring available for-sale investments)	-	-	(68)	-	(68)
Total	(322,001)	-	(68)	-	(322,069)
Net	(279,042)	12,578	9,959	-	(256,505)

	At 1 January	Separate financial statements (Charged) / credited to			At 31 December
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax					
2020					
Deferred tax assets					
Trade and other receivables (doubtful accounts)	221	198	-	-	419
Inventories (allowance for decline in value)	1,640	843	-	-	2,483
Other current assets (allowance for decline in value)	7	(13)	-	-	(6)
Property, plant and equipment (depreciation gap)	6,043	2,179	-	-	8,222
Rights-of-use assets (depreciation gap)	-	(35)	-	-	(35)
Provisions for employee benefits	57,375	2,445	974	-	60,794
Total	65,286	5,617	974	-	71,877
Deferred tax liabilities					
Property, plant and equipment (revaluation)	(321,979)	-	(82,009)	-	(403,988)
Financial assets measured at FVOCI	(68)	-	208	-	140
Total	(322,047)	-	(81,801)	-	(403,848)
Net	(256,761)	5,617	(80,827)	-	(331,971)

Deferred tax	At 1 January	Separate financial statements (Charged) / credited to			At 31 December
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
2019					
Deferred tax assets					
Trade and other receivables (doubtful accounts)	2,771	(2,550)	-	-	221
Inventories (allowance for decline in value)	1,200	440	-	-	1,640
Other current assets (allowance for decline in value)	12	(5)	-	-	7
Property, plant and equipment (depreciation gap)	3,955	2,088	-	-	6,043
Provisions for employee benefits	34,667	12,691	10,017	-	57,375
Total	42,605	12,664	10,017	-	65,286
Deferred tax liabilities					
Property, plant and equipment (revaluation)	(321,979)	-	-	-	(321,979)
Available-for-sale investments (gain on remeasuring available- for-sale investments)	-	-	(68)	-	(68)
Total	(321,979)	-	(68)	-	(322,047)
Net	(279,374)	12,664	9,949	-	(256,761)

21 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
<i>Profit (loss) attributable to ordinary shareholders for the year ended 31 December</i>				
Profit attributable to ordinary shareholders of the Company (basic)	<u>566,336</u>	<u>440,701</u>	<u>642,735</u>	<u>485,829</u>
<i>Ordinary shares outstanding</i>				
Number of ordinary shares outstanding at 1 January	200,961	199,218	200,961	199,218
Effect of shares issued on 26 November	-	167	-	167
Weighted average number of ordinary shares outstanding (basic)	<u>200,961</u>	<u>199,385</u>	<u>200,961</u>	<u>199,385</u>
Earnings per share (basic) (in Baht)	<u>2.82</u>	<u>2.21</u>	<u>3.20</u>	<u>2.44</u>

22 Dividends

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2020</i>				
Interim dividend	1 September 2020	September 2020	<u>0.78</u>	<u>157</u>
<i>2019</i>				
Interim dividend	17 March 2020	April 2020	<u>0.98</u>	<u>197</u>

23 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Consolidated financial statement					Fair value		
	Carrying amount							
	Financial instruments measured at amortised cost	Financial instruments measured at FVOCI	Financial instruments measured at FVTPL	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
<i>At 31 December 2020</i>								
<i>Financial assets</i>								
Other financial assets:								
Investment units	-	-	14,515	14,515	-	14,515	-	14,515
Equity securities	-	2,817	-	2,817	2,817	-	-	2,817
Total other financial assets	-	2,817	14,515	17,332				
<i>Financial liabilities</i>								
Long term loans from financial institutions	(257,700)	-	-	(257,700)	-	(258,268)	-	(258,268)

	Separate financial statement				Fair value			
	Carrying amount	(in thousand Baht)						
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December 2020</i>								
<i>Financial assets</i>								
Other financial assets:								
Investment units	1,068	-	-	1,068	-	1,068	-	1,068
Equity securities	-	2,817	-	2,817	2,817	-	-	2,817
Total other financial assets	1,068	2,817	-	3,885				
<i>Financial liabilities</i>								
Long term loans from financial institutions	-	-	(197,600)	(197,600)	-	(197,600)	-	(197,600)

Consolidated financial statements

Consolidated financial statements					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2019					
<i>Financial assets and financial liabilities measured at fair value</i>					
Investment units	11,914	-	11,914	-	11,914
Equity securities available for sale	1,360	1,360	-	-	1,360
Forward contracts	-	-	15,129	-	15,129

Separate financial statements

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2019					
<i>Financial assets and financial liabilities measured at fair value</i>					
Investment units	777	-	777	-	777
Equity securities available for sale	1,360	1,360	-	-	1,360
Forward contracts	-	-	15,129	-	15,129

Consolidated financial statements**Separate financial statements**

	statements		statements	
	Carrying amount	Fair value	Carrying amount	Fair value
		(in thousand Baht)		
31 December 2019				
<i>Financial assets and financial liabilities not measured at fair value</i>				
Long-term loans	355,360	357,983	288,360	288,360

The Group determines Level 2 fair value for investment units by reference to the value from Asset Management Company at the reporting date.

The Group determines Level 1 fair value for equity securities by reference to the closing price from Stock Exchange of Thailand at the reporting date.

The Group determines Level 2 fair value of forward contracts by reference to the quoted selling prices of forward contracts at the reporting date.

Fair values of current financial assets and liabilities are taken to approximate the carrying amounts because the relatively short-term maturity of these financial instruments.

Fair value of long-term loans which bear interest at floating market rate is taken to approximate the carrying amounts.

Fair values of long-term loans which bear interest at fixed rate is evaluated by discounted cash flows valuation.

(b) Movement of marketable equity securities

Consolidated financial statements						
<i>Marketable equity securities</i>	At 1 January	Purchase	Disposal (in thousand Baht)	Gain on sale during the year	Fair value adjustment	At 31 December
2020						
Current financial assets						
Equity securities measured at FVTPL	<u>11,914</u>	1,005,000	(1,003,000)	621	(20)	<u>14,515</u>
Non-current financial assets						
Equity securities measured at FVOCI	<u>1,360</u>	2,499	-	-	(1,042)	<u>2,817</u>
2019						
Current investments						
Investment units	<u>870</u>	1,010,000	(1,000,000)	1,010	34	<u>11,914</u>
Other long-term investments						
Available-for-sale securities	<u>1,020</u>	-	-	-	340	<u>1,360</u>
Separate financial statements						
<i>Marketable equity securities</i>	At 1 January	Purchase	Disposal (in thousand Baht)	Gain on sale during the year	Fair value adjustment	At 31 December
2020						
Current financial assets						
Equity securities measured at FVTPL	<u>777</u>	790,000	(790,000)	291	-	<u>1,068</u>
Non-current financial assets						
Equity securities measured at FVOCI	<u>1,360</u>	2,499	-	-	(1,042)	<u>2,817</u>
2019						
Current investments						
Investment units	<u>194</u>	750,000	(750,000)	580	3	<u>777</u>
Other long-term investments						
Available-for-sale securities	<u>1,020</u>	-	-	-	340	<u>1,360</u>

(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(c.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 17.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

	Consolidated financial statements	
	Trade accounts receivables	Allowance for expected credit loss
At 31 December 2020	<i>(in thousand Baht)</i>	
Within credit terms	456,659	-
Overdue:		
Less than 3 months	5,070	14
3-6 months	51	-
6-12 months	2,911	1,610
Over 12 months	172	86
Total	464,863	1,710
Less allowance for expected credit loss	(1,710)	
Net	463,153	

	Separate financial statements	
	Trade accounts receivables	Allowance for expected credit loss
At 31 December 2020	<i>(in thousand Baht)</i>	
Within credit terms	438,529	-
Overdue:		
Less than 3 months	5,070	14
3-6 months	51	-
6-12 months	2,911	1,610
Over 12 months	172	86
Total	446,733	1,710
Less allowance for expected credit loss	(1,710)	
Net	445,023	

Loss rates are based on actual credit loss experience over the past 5 years.

Trade accounts receivable	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 31 December 2019		
Within credit terms	644,077	644,077
Overdue:		
Less than 3 months	2,800	2,800
3-6 months	177	177
6-12 months	38	38
Over 12 months	618	618
Total	647,710	647,710
Less allowance for doubtful accounts	(618)	(618)
Net	647,092	647,092

The normal credit term granted by the Group ranges from 7 days to 90 days.

(c.2) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated financial statements						
Contractual cash flows						
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	More than 5 years	Total
Non-derivative financial liabilities						
Trade payables	211,889	211,889	-	-	-	211,889
Short-term loans from financial institutions	17,000	17,000	-	-	-	17,000
Long-term loans from financial institutions	257,700	90,620	83,640	83,440	-	257,700
Lease liabilities	166,627	69,289	69,099	53,070	-	191,458
	653,216	388,798	152,739	136,510	-	678,047
Separate financial statements						
Contractual cash flows						
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 2 years (in thousand Baht)	More than 2 years but less than 5 years	More than 5 years	Total
Non-derivative financial liabilities						
Trade payables	260,487	260,487	-	-	-	260,487
Long-term loans from financial institutions	197,600	76,820	69,840	50,940	-	197,600
Lease liabilities	157,752	65,434	48,148	51,345	-	164,927
	615,839	402,741	117,988	102,285	-	623,014

Consolidated financial statements

		Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
At 31 December	Effective interest rate (% per annum)				
2019					
Financial Liabilities					
Short-term loans					
from financial institutions	1.42	110	-	-	110
Long-term loans					
from financial institutions	3.50-4.60	98	225	32	355
Finance lease liabilities	0.94-5.25	58	108	-	166
Total		266	333	32	631

Separate financial statements

		Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in million Baht)	After 5 years	
At 31 December	Effective interest rate (% per annum)				
2019					
Financial Liabilities					
Short-term loans					
from financial institutions	1.42	110	-	-	110
Long-term loans					
from financial institutions	4.10-4.60	91	197	-	288
Finance lease liabilities	0.94-5.25	58	108	-	166
Total		259	305	-	564

(c.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(C.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to periodically imports certain raw materials and machineries which are denominated in foreign currencies. The Group primarily utilised forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchasing machinery, denominated in foreign currencies, for the subsequent period.

	Consolidated financial statement			
	2020	2019		
<i>Assets and liabilities denominated in the foreign currencies as at 31 December</i>	United States Dollars	Euro	United States Dollars (in thousand Baht)	Total
Trade accounts payable	7,876	-	13,109	13,109
Other payables	169	9,278	1,311	1,550
Statement of financial position exposure	8,045	9,278	14,420	14,659
Forward exchange purchase contracts	-	-	-	(15,129)
Net exposure	8,045	9,278	14,420	(470)
	Separate financial statement			
	2020	2019		
<i>Assets and liabilities denominated in the foreign currencies as at 31 December</i>	United States Dollars	Euro	United States Dollars (in thousand Baht)	Total
Trade accounts payable	7,876	-	13,109	13,109
Other payables	169	9,278	1,311	1,550
Statement of financial position exposure	8,045	9,278	14,420	14,659
Forward exchange purchase contracts	-	-	-	(15,129)
Net exposure	8,045	9,278	14,420	(470)

(C.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of Group's operations and its cash flow because loan interest rates are mainly floating. The Group is primarily exposed to interest rate cash flow risk from its borrowings (see note 12).

24 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and the level of dividends to ordinary shareholders.

25 Agreements

Service agreement

On 19 December 2013, the Company entered into an agreement with a local company, whereby such company will provide services and support as necessary to assist the Company's production, distribution, marketing, promotion, and sales activities pertaining to the beverages, including maintaining the image of the Company's trademark. In consideration thereof, the Company agreed to pay the service fee in the amount as indicated in the agreement. The agreement period is five years commencing from 1 January 2014 and ending on 31 December 2018. Unless there is notification to terminate the agreement within three months before the expiry date, the agreement will be automatically renewed for successive periods of one year.

26 Commitments with non - related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	4,641	15,007	4,478	15,007
After one year but within five years	1,019	5,862	1,019	5,862
Total	5,659	20,869	5,497	20,869
<i>Capital commitments</i>				
Commitment for machinery purchased	321	30,950	-	30,076
Commitment for land improvement	690	9,977	690	9,977
Commitment for building improvement	8,155	24,324	8,155	24,324
Commitment for building systems installment	3,635	-	3,635	-
Total	12,801	65,251	12,480	64,377
<i>Other commitments</i>				
Forward contracts	-	16,155	-	16,155

27 Events after the reporting period

In February 2021, Haadthip Food and Beverages Co., Ltd., registered with the Ministry of Commerce, an increase in registered share capital of Baht 10 million from Baht 20 million to Baht 30 million by increasing the number of shares from 200,000 shares to 300,000 shares with par value of Baht 100 per share, shares subscription was fully paid up.



Audit Fee of the Company and its subsidiary company

The auditor of HaadThip Public Company Limited and its subsidiaries for the financial year 2020 was Mr. Thanit Osathalert, certified public accountant register No. 5155 of KPMG Phoomchai Audit Ltd. The auditor's fee for HaadThip Public Company Limited and its subsidiaries was BHT 2,910,000 in total, an increase from 2019 of BHT 860,000 or 41.95%. This was because the company established 3 new subsidiaries and the certification fee of BOI regarding the subsidiaries in the amount of BHT 140,000. Details of the auditor's fee of HaadThip Public Company Limited and its subsidiaries for the financial year as of 31st December 2020 are as follows:

(Unit: Baht)

Description	For the fiscal year ended 31 December		Increase (Decrease)	
	2020	2019	Amount	%
Audit Fee of the Company:				
Annual audit fee	1,270,000	1,200,000		
Interim financial statements audit fee	330,000	300,000		
Non- audit fee	-none-	-none-		
Total	1,600,000	1,500,000	100,000	6.67
Audit Fee of the Subsidiary Company:				
1. The Southern Rocks Co., Ltd.				
Annual audit fee	510,000	460,000		
Interim financial statements audit fee	90,000	90,000		
Total	600,000	550,000	50,000	9.09
Non- audit fee: BOI (2 Certificates)	140,000	200,000		
2. HaadThip Food and Beverage Co., Ltd.				
Annual audit fee	100,000	-		
Interim financial statements audit fee	-	-		
Total	100,000	-		
3. KinDeeYuDee 2020 Co., Ltd.				
Annual audit fee	290,000	-		
Interim financial statements audit fee	90,000	-		
Total	380,000	-		
4. HaadThip Commercial Co., Ltd.				
Annual audit fee	200,000	-		
Interim financial statements audit fee	30,000	-		
Total	230,000	-		
Audit Fee of HTC and its subsidiary company	2,910,000	2,050,000	860,000	41.95
Non- audit fee: BOI (2 Certificates)	140,000	200,000	(60,000)	(30.00)

HaadThip Public Company Limited

Head Office : 87/1 Kamchanavanich Road, Baan Pru, Haad Yai,
Songkhla 90250

Tel : (074) 210-008-18, (074) 210-025-33

Fax : 074-210006-7

Bangkok Office : 36 Soi Ekamai 10 Yaek 2, Sukhumvit 63 Road,
North Klongton, Wattana, Bangkok 10110

Tel : 0 -2391 - 4488

Fax : 0 - 2381- 2257

www.haadthip.com