



REVEAL YOUR BEST SELF



TIPCO FOODS PUBLIC COMPANY LIMITED
ANNUAL REPORT 2017

Uncover the path to the best self

The best moment of learning the acceptance in lifestyle is the beginning of creativity and discovery to present the products and services. Tipco continually aims to improve our products and services with best quality. We provide premium natural products to our customers with new innovations to get on demand.



Mission

Bring wellness to society

Wellness means the state of being in good health, physically and mentally. Wellness can be achieved through our overall way of living, not through any particular activity. Wellness requires self-discipline and time. There is no short-cut. Thus, TIPCO aims not only to sell products but also to learn and understand people's way of living in order to create and propose living patterns that lead to the well-being of people by using products and services to bring wellness to society.





Vision

A market driving company that enhances value to stakeholders

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





Core Value

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



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Organization Chart



Ratio for Annual Report

As of / for the year ending 31 December	2017 (Consolidated)	2017 (Company)	2016 (Consolidated)	2016 (Company)***	2015 (Consolidated)	2015 (Company)***
Common Share (Per Share)						
Par value	1.00	1.00	1.00	1.00	1.00	1.00
Book value	9.06	4.24	8.44	3.67	7.39	3.39
Earnings per share	1.46	0.98	1.69	0.79	0.79	0.38
Financial Performance (Baht)						
Revenues from sale	4,869,664,652	420,855,191	5,273,206,676	2,773,320,086	4,677,507,627	2,266,843,958
Total Revenues	4,951,610,702	798,808,785	5,366,966,970	3,100,879,023	4,899,034,995	2,599,658,322
Gross Profit	1,349,621,556	150,407,481	1,456,474,138	458,289,718	1,066,329,777	191,346,815
Earning before interest and tax	805,115,686	251,690,513	821,383,684	407,953,922	1,249,760,326	223,922,378
Net Profit	703,777,987	472,086,371	765,845,662	380,920,313	1,178,936,355	182,967,033
Financial Position (Baht)						
Current Assets	1,781,226,896	203,390,991	1,698,511,961	796,626,808	1,754,047,906	611,246,000
Total Assets	6,938,429,246	2,889,507,388	6,808,820,972	2,771,920,942	6,714,943,708	2,649,113,691
Current Liabilities	1,771,259,006	333,104,982	1,507,690,273	488,081,381	2,157,894,279	860,370,919
Total Liabilities	2,567,813,036	843,723,825	2,366,386,487	1,000,584,382	2,734,164,641	1,014,046,009
Issued and paid-up share capital	482,579,640	482,579,640	482,579,640	482,579,640	482,579,640	482,579,640
Shareholder's equity of the parent	4,370,616,210	2,045,783,563	4,074,332,347	1,771,336,560	3,565,419,357	1,635,067,682
Shareholder's equity	4,370,616,210	2,045,783,563	4,442,434,485	1,771,336,560	3,980,779,067	1,635,067,682
Financial Ratio						
Gross Profit margin (%)	27.7%	35.7%	27.6%	16.5%	22.8%	8.4%
EBIT margin (%)	16.3%	31.5%**	15.3%	13.2%	25.5%	8.6%
Net Profit margin (%)	14.2%	18.6%*	14.3%	12.3%	24.1%	7.0%
Dividend Payout ratio (%)	51.5%	76.7%****	23.1%	49.4%	10.2%	65.8%
Return on Equity (%)	16.1%	23.1%	20.0%	21.5%	33.3%	11.2%
Return on Total non - assets (%)	13.6%	6.5%**	15.9%	19.3%	23.8%	9.0%
Return on Total assets (%)	10.1%	6.1%**	11.9%	13.7%	17.6%	6.9%
Time interest earned (Times)	15.0	7.1	20.8	18.8	21.2	6.4
Current ratio (Times)	1.0	0.6	1.1	1.6	0.8	0.7
Quick ratio (Times)	0.5	0.5	0.5	0.7	0.5	0.4
Debt - equity ratio (Times)	0.6	0.4	0.5	0.6	0.7	0.6

*Included profit and total income from discontinued operation (transfer segment to a subsidiary)

** Based on profit from continued operation

***Separate financial statement in Year 2015-2016 included discontinued operation (transfer segment to a subsidiary), the company has completed restructuring in Year 2017.

****Dividend payout ratio calculated from the dividend that paid from the operation in that year. Dividend payment in Year 2017 included the dividend from second half operation of year 2017 amount 0.5 Baht/share which subject to the Annual General Meeting No.1/2018

Message from the Chairman



To All Shareholders

In 2017, Thailand's overall economy showed a sign of recovery from the past year. However, the beverage business growth within the country slightly decreased. Also, the overall business environment in the industry of the Company was at a high level. Despite the said factors, it is my great pleasure to report the Company's satisfactory operating results for the year 2017. The Company posted a total income of Baht 4,952 million and a net profit for the Company's shareholders of Baht 703 million. Such success is a result of the great determination and collaboration between the Company's employees and management in efficiently planning and managing challenges across various businesses.

As for the overall operating results by business segment, the processed fruit business continued to show a good outcome from the previous year. The domestic volume of pineapples which are main products of the business increased with the decreasing pineapple prices. The key success factors for the processed fruit business included the product selling price strategy and the management of production costs and raw material prices through contract farming.

With respect to the consumer business, despite the slight decrease in the domestic beverage business growth mentioned above and the highly competitive environment due to the new players in the market, the Company was able to maintain the leader position in the fruit juice market. In 2017, the Company continued to focus on the development of new products for the consumers such as Tipco Fruity Mix, Tipco Mocktail, and Tipco Me. As regards the Aura mineral water, the Company was still positioned as one of the market leaders.

The extract business achieved growth in terms of both income and new products launched to the market. This was in line with the upward trend of the industry of food supplement and medical supply from natural extracts. As for the agricultural business, income from the Homsuwan pineapples saw continuous growth as a result of the increasing output volumes and plantation areas according to the Company's plans. With regard to the retail business, we continued to develop new business models to respond to the trends of healthy products for consumers. We opened a second branch of the August Organic Eatery restaurant at Mega City Bangna and adopted franchise strategies for the continued expansion of Squeeze Juice Bar by Tipco.

2017 was another important year in which the Tipco Foods Group showcased the quality of its products and the consumers' confidence towards the Tipco brand. As a testimony to the success, the Company received various global and national awards as follows: • The Tipco brand achieved the "Brand of the Year" award for the second year at the World Branding Award 2017 event by the World Branding Forum. The awards were given to the organizations that were successful in building their brands at international and national levels. In 2017, there were more than 3,000 brands from 35 countries being nominated as candidates for the awards for 2017-2018. There were a total of 245 brands being selected for the awards worldwide. • The Tipco brand was granted the Marketeer No.1 Brand Thailand 2016-2017 award in the categories of Fruit Juice (100%) and Fruit Juice (Non 100%) from the Marketeer magazine, a leading marketing business media firm in Thailand. • The Tipco brand won the Superbrands Thailand's Choice 2016 award which was chosen by a number of strongest brands of the world. The Superbrands was internationally recognized as an only independent organization of the world that chose winners based on their excellence in building brands in many fields including marketing and communication. • The Tipco WAVE natural sport drink and the Tipco BEAT high protein drink won awards at the International Innovation Award 2017 event by Enterprise Asia, with its headquarters was located in Kuala Lumpur, Malaysia. This was the award for innovation given to organizations, agencies, and products with creative and innovative ideas. Tipco Foods Public Company Limited was the only company among all candidates that won two awards and was the only and the first beverage company from Thailand who won such awards.

The Company became a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and was certified by the CAC Council. The Company has its strong commitment to undertaking business operations towards sustainable growth by adhering to the principles of good corporate governance, integrity, morality, honesty, transparency, social and environmental responsibility, and treatment of all stakeholders with equality. Doing business and performing duties with responsibility for environment and society is the core concept of all stakeholders of the Tipco Foods Group according to Tipco's policy 'Tipco develops business along with environment and society.'

On behalf of the Board of Directors, I would like to thank all shareholders, trading partners, and business alliances in all sectors for giving support and confidence towards the Company throughout all these years. Also, I would like to extend my appreciation to all executives and employees for their dedication and hard work for 2017. We will continue to adopt the principles of good corporate governance at the core of our business operations and move forward towards becoming a company that drives the market and adds value for its stakeholders with sustainable success.

(Ms.Laksana Supsakorn)
Chairman

BOARD OF DIRECTORS



BOARD OF INDEPENDENT DIRECTORS



MANAGING DIRECTOR
AND COMPANY SECRETARY



EXECUTIVE MANAGEMENT OF TIPCO FOOD GROUP



BOARD OF DIRECTORS

Ms. Laksana Supsakorn

Chairman of the Board
Authorized director

Age 65 years

Education

M.B.A. Wharton Business School, University of Pennsylvania, USA
Bachelor Degree, Accounting (Honor), Chulalongkorn University

Seminars on Director Roles Responsibilities / Thai Institute of Directors

2014 Role of the Chairman Program (RCP)

2014 Director Certification Program (DCP)

2012 Director Accreditation Program (DAP)

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

Family Relationship with Management Younger sister of Mrs. Anurat Tiamtan and Mr. Sitilarb Supsakorn, elder sister of Ms. Roumsin Supsakorn and elder sister of Mr. Somchit Sertthin's wife.

Holding a Position of Director in Listed Companies at present

Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present

Tipco Pineapple Company Limited

Tipco Retail Co., Ltd

Siam Container Terminal Company Limited

Peyanarongwit Company Limited

Vanichapark Company Limited

Thanomwongse Service Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Thai Slurry Seal Company Limited

Related Experience

2014 - Present Director, Tipco Tower Company Limited

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

2013 - Present Chairman of the Board, Tipco F&B Company Limited

2013 - Present Director, Tipco Asphalt Public Company Limited

2012 - Present Director, Ruamsapsin Company Limited

2012 - Present Director, Peyanarongwit Company Limited

2011 - Present Director, Vanichapark Company Limited

2003 - Present Director, Thanomwongse Service Company Limited

*Appointed to be the director since 1992

Mrs. Anurat Tiamtan

Director
Authorized director

Age 69 Years

Education

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

B.Sc. (Chemistry), Kasetsart University

Courses on Directors Roles & Responsibilities/Thai Institute of Directors

2001 Chairman Program 2000

2004 Director Certification Program (DCP)

Shareholding in Company 30,966,765 shares 6.42%

Family Relationship with Management Elder sister of Mr. Sitilarb Supsakorn, Ms. Laksana Supsakorn, Ms. Roumsin Supsakorn, and elder sister of Mr. Somchit Sertthin's wife

Holding a Position of Director in Listed Company

None

Holding a Position of Director in Other Companies at present

Tipco Pineapple Company Limited

Siam Container Terminal Company Limited

Ruamsapsin Company Limited

Tipco Biotech Company Limited

Tipco Tower Company Limited

Related Experience

2014 - Present Director, Tipco Tower Company Limited

2013 - Present Director, Tipco Foods Public Company Limited

2012 - Present Director, Ruamsapsin Company Limited

2008 - Present Director, Tipco Biotech Company Limited

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

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

*Appointed to be the director since 1992



BOARD OF DIRECTORS

Ms. Roumsin Supsakorn

Director

Authorized director

Age: 64 years

Education

Master's Degree of MBA The American University, Washington DC, USA

Bachelor's Degree of B.S. Boston University, Boston, Massachusetts, USA

Seminars on Director Roles Responsibilities/Thai Institute of Directors

2013 Director Accreditation Program (DAP)

Shareholding in Company 48,500,000 shares 10.05%

Family Relationship with Management:

Sister of Mrs. Anurat Tiamtan Mr. Sitilarb Supsakorn Ms. Laksana Supsakorn and elder sister of Mr. Somchit Sertthin's wife

Holding a Position of Director in Listed Company None

Holding a Position of Director in Other Companies at present

Siam Container Terminal Company Limited

Thanomwongse Service Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Related Experience:

2014 - Present Director, Tipco Tower Company Limited

2012 - Present Director, Ruamsapsin Company Limited

1996 - Present Director, Tipco Foods Public Company Limited

1988 - 2000 Director, Siam Container Transport and Terminal Company Limited

1988 - 1990 Director, Ekachai Container Terminal Company Limited

*Appointed to be the director since 1996

Mr. Sitilarb Supsakorn

Director

Authorized director

Age 67 years

Education

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

Seminars on Director Roles Responsibilities/Thai Institute of Directors

2012 Director Accreditation Program (DAP)

Shareholding in Company 55,000,000 shares 11.40%

Family Relationship with Management

Brother of Mrs. Anurat Tiamtan, Ms. Laksana Supsakorn and Ms. Roumsin Supsakorn and brother-in-law of Mr. Somchit Sertthin

Holding a Position of Director in Listed Companies at present

Tipco Asphalt Public Company Limited

Holding a Position of Director in Other Companies at present

Tipco Pineapple Company Limited

Siam Container Terminal Company Limited

Thanomwongse Service Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Thai Slurry Seal Company Limited

Related Experience:

2014 - Present Director, Tipco Tower Company Limited

2013 - Present Director, Tipco Foods Public Company Limited

2012 - Present Director, Ruamsapsin Company Limited

2012 - Present Director, Siam Container Terminal Company Limited

2001 - Present Director, Tipco Asphalt Public Company Limited

1996 - Present Director, Thanomwongse Service Company Limited

*Appointed to be the director since 1992



BOARD OF DIRECTORS

Mr. Somchit Sertthin

Director

Authorized Director

Age 65 years

Education

B.S. Business Administration, Babson College, Wellesley, MA, USA

Seminars on Director Roles Responsibilities/Thai Institute of Directors

2014 Anti-Corruption for Executive Program (ACEP)

2014 National Director Conference

2013 Director Accreditation Program (DAP)

2003 Director Certification Program (DCP)

Shareholding in Company: 11,599,846 shares (2.4%)

Family Relationship with Management

Brother-in-law of Mrs. Anurat Tiamtan, Mr. Sitilarb Supsakorn, Ms. Laksana Supsakorn and Ms. Roumsin Supsakorn

Holding a Position of Director in Listed Companies at present

Tipco Asphalt Public Co., Ltd.

Holding a Position of Director in Other Companies at present

Tipco Biotech Co., Ltd.

Tipco F&B Company Limited

Tipco Retail Co., Ltd.

Thai Slurry Seal Company Limited

Related Experience

2008 - Present Director, Tipco Biotech Co., Ltd.

2005 - Present Director, Tipco Foods Public Co., Ltd.

1994 - Present Director, Tipco Asphalt Public Co., Ltd. (Type of business: Manufacturer and distributor of asphalt products)

1986 - Present Chief Executive Officer, Tipco Asphalt Public Co., Ltd. (Type of business: Manufacturer and distributor of asphalt products)

*Appointed to be the director since 2005

Mr. Surachet Supsakorn

Director and Member of the Nomination and Remuneration Committee Authorized director

Age 56 years

Education

Master's Degree of Business Administration in Finance, Kasetsart University

Bachelor's Degree of Business Administration in Accounting, Rajamangala University of Technology

Seminars on Director Roles Responsibilities/Thai Institute of Directors

2004 Director Certification Program (DCP), Diploma, IOD

2003 Director Certification Program (DCP), Certificate of Completion, IOD

Shareholding in Company: None

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

Holding a Position of Director in Listed Companies at present

United Paper Public Company Limited

Holding a Position of Director in Other Companies at present

Thanomwongse Service Company Limited

Ruamsapsin Company Limited

Tipco Tower Company Limited

Related Experience

2014 - Present Managing Director, Tipco Tower Company Limited

2012 - Present Director, Ruamsapsin Company Limited

2011 - Present Managing Director, Thanomwongse Service Company Limited

2004 - Present Director and Nomination and Remuneration Committee, Tipco Foods Public Company Limited

2004 - Present Independent Director and Chairman of the Audit Committee, United Paper Public Company Limited

2001 - 2010 Deputy Managing Director, Thanomwongse Service Company Limited

2000 Senior Manager - Administration, Thanomwongse Service Company Limited

*Appointed to be the director since 2003



BOARD OF INDEPENDENT DIRECTORS

Mr. Virat Phairatphiboon

Independent Director and Chairman of the Audit Committee

Age 70 years

Education

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

Executive Development Program, Princeton University, USA

Seminars on Director Roles Responsibilities/Thai Institute of Directors

2014 Director Certification Program Update (DCPU)

2013 Anti-Corruption for Executive Program (ACEP)

2008 Role of the Compensation Committee Program (RCC)

2004 Audit Committee Program (ACP)

2002 Director Certification Program DCP

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Companies at present

Bank of Ayudhya Public Company Limited

Holding a Position of Director in Other Company None

Related Experience

2007 - Present Audit Director and Nomination and Remuneration
Committee Member - Bank of Ayudhya Public Company Limited

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

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

2000 President CIMIC Finance and Securities Public Company Limited

*Appointed to be the director since 2007

Mr. Paisal Pongprayoon

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

Age 68 years

Education

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

Bachelor's Degree in Engineering concentrated in Civil Engineering
from Villanova University, USA

Seminars on Director Roles Responsibilities/Thai Institute of Directors

2014 Role of the Chairman Program (RCP)

2014 Director Certification Program (DCP)

2012 Directors Accreditation Program (DAP)

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Company None

Holding a Position of Director in Other Company None

Related Experience

2000 - 2010 Head of Business Partner: True Corporation Public Company Limited

1997 - 1999 Managing Director, Samart Cable System Public Company Limited

1993 - 1997 Director in Commercial Section, Telecom Asia Corporation
Public Company Limited

1992 - 1993 Real Estate Development Projects Manager,
Thai Wah Engineering Company Limited

1991 - 1992 Assistant Managing Director, Hi-Tech Industry Estate Public Company Limited

*Appointed to be the director since 2012



BOARD OF INDEPENDENT DIRECTORS

Mrs. Achara Pricha

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

Age 61 years

Education

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

Seminars on Director Roles Responsibilities/Thai Institute of Directors

2014 Director Certificate Program

2015 Advanced Audit Committee Program(AACP)

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Company None

Holding a Position of Director in Other Companies at present

Sarnti Green Pack Co., Ltd.

Related Experience

1995 - Present Director, Sarnti Green Pack Co., Ltd.

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

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

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

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

*Appointed to be the director since 2014

Mr. Chalit Limpanavech

Independent Director

Age 65 years

Education

Master's Degree in Public Administration from Chulalongkorn University
Attained the Senior Marketing Management Course in London 1987
Bachelor's Degree of Business Administration in Marketing from Assumption University

Seminars on Director Roles Responsibilities/Thai Institute of Directors

Director Certificate Program (DCP)

Financial Statements for Directors

Audit Committee Program

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Company None

Holding a Position of Director in Other Company None

Related Experience

2011 - Present Vice President for Academic Affairs, Marketing Association of Thailand.

2011 - Present Chairman of marketing Management Group of the Thai Management Association (TMA)

2003 - 2011 Audit Director of Chuo Senko Advertising (Thailand) Public Company Limited

2003 - 2010 Dean of Communication Arts, Assumption University (ABAC)

*Appointed to be the director since 2008



MANAGING DIRECTOR AND COMPANY SECRETARY

Mr. Ekaphol Pongstabhon

Managing Director
Authorized director

Age 53 years

Education

Master's Degree in Finance and Marketing, Kellogg School of Management, Northwestern University, USA

Bachelor's Degree in Science in Chemical Engineering, Chulalongkorn University

Seminars on Director Roles Responsibilities/Thai Institute of Directors

Director Certificate Program 141/2011, IOD

Anti-Corruption for Executive Program (ACEP)

First 100 Companies: Collective Power in Anti-corruption

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Companies at present

Wice Logistics Public Company Limited

Holding a Position of Director in Other Companies at present

Tipco Pineapple Company Limited

Tipco F&B Company Limited

Tipco Retail Company Limited

Tipco Biotech Company Limited

Sun Express Logistics, Singapore

Related Experience

2012 - Present Managing Director, Tipco Foods Public Company Limited

2009 - 2012 Managing Director, Thai Film Industries Public Company Limited

2006 - 2012 Acting Managing Director, Thai Copper Industries Public Company Limited

2000 - 2006 Managing Director, DHL Express Vietnam
Regional Sales Manager, DHL Express Singapore
National Sales Manager, DHL Express Thailand

*Appointed to be the director since 2012

Ms. Kullakarn Cheenpun

Company Secretary

Age 51 years

Education

Bachelor's Degree in Accounting from Ramkhamhaeng University

Seminars on Director Roles Responsibilities/Thai Institute of Directors

Company Secretary Program (CSP) 68/2016

Board Reporting Program (BRP) 19/2016

Effective Minute Taking (EMT) 35/2016

Seminars/Thai Listed Companies Association

Fundamentals of Law for Corporate Secretaries 12/2014

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Company None

Holding a Position of Director in Other Company None

Related Experience

2017 - Present Company Secretary and Secretary of the Audit Committee,
Tipco Foods Public Company Limited

2014 - 2017 Assistant Company Secretary and Secretary of the Audit Committee,
Tipco Foods Public Company Limited

2009 - 2013 Unit Head of Corporate Public Relations, Tipco Foods Public
Company Limited

2000 - 2008 Budget Analyst and Secretary of the Audit Committee,
Tipco Foods Public Company Limited

1992 - 1997 Accountant, Tipco Foods Public Company Limited

*Appoint Company Secretary of Tipco Foods Public Company Limited
on April 1, 2017



EXECUTIVE MANAGEMENT OF TIPCO FOOD GROUP

Mr. Chokchai Tocharoentanaphol

Managing Director - Tipco Pineapple Company Limited

Age 54 years

Education

Bachelor, Department of chemistry, Faculty of science, Chulalongkorn University

Master of science in marketing, Thammasat University

Seminars on Director Roles Responsibilities/Thai Institute of Directors None

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Company None

Holding a Position of Director in Other Company

Tipco Pineapple Company Limited

Tipco F&B Company Limited

Tipco Retail Co., Ltd.

Related Experience

2017 - Present Managing Director - Tipco Pineapple Company Limited

2015 - 2017 Chief Operating Officer - Tipco Foods Public Company Limited

General Electric, Product Manager (Asia Pacific)

Guardian industry, Sales and Marketing Director

Ocean glass, Sales and Marketing Director

Kuiburi fruit cannery, Managing Director

Mr. Peerapong Archawapongsawat

Managing Director - Tipco Retail Co., Ltd.

Age 47 years

Education

Master's Degree: International Business, University of New Orleans, USA

Bachelor's Degree: Marketing, Assumption University

Seminars on Director Roles Responsibilities/Thai Institute of Directors None

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director in Listed Company None

Holding a Position of Director in Other Company None

Related Experience

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

2012 - 2014 Consumer Business Director

2005 - 2012 Senior Manager - Retail Business & Food Services

2003 - 2005 Retail Business Manager

2002 - 2003 Business Development Manager - Tipco Foods PCL.

2000 - 2001 Channel Manager - QSR - Nestle Co., Ltd.



Mr. Leuchar Pisitthakarn

Chief Financial Officer

Age 52 Years

Education

Master of Business Administration, Rangsit University, Thailand

Bachelor of Science in Economics, University of Utan, USA

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

Special Training

American Management Association, California, USA (Sr. Project Management)

Dale Carnegie - Management Team Building

Management Development Program - Module I & II

Business for Finance, Switzerland - Module I & II

Great Manager Program

Talent Management Program

Multi-Functional Team Building

People Product Management

Shareholding in Company None

Family Relationship with Management None

Holding a Position of Director Listed Company None

Holding a Position of Director Other Company None

Related Experience

2017 Director - The Premier Group of Companies

2016 Group Chief Financial Officer - Pacific-AA Group(Singapore, Myanmar, and USA)

2014 - 2016 VP Finance International - The Minor Food Group
- Under the "Minor International"

2013 - 2014 Group Chief Operating Officer/Group Chief Financial Officer
- Winvestment Holding Ltd.

2006 - 2013 Standard Chartered Bank
- Head of Performance Management, Consumer Banking SEA & SG (Singapore)
- CFO for Mekong Region (Vietnam, Laos, and Cambodia)
- Head of Business Finance, Consumer Banking Thailand

*Appointed to be the Chief Financial Officer on January 1, 2018.



Company Information

1. General Information

1.1 Company Information

Tipco Foods Public Company Limited (former name “Tipco Foods (Thailand) Public Company Limited”) operates the main business in producing and exporting of canned pineapple, pineapple juice concentrate, canned mixed fruits (Subsequently transferred to a subsidiary as discussed) and beverage. Current paid-up capital is Bt 482.58 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok. 10400
Public Company	No. 0107535000052
Home Page	www.tipco.net
Tel.	0-2273-6200 Fax. 0-2271-4304, 0-2271-1600
Factory	205/1 Moo 2, Tambon Pongyang, Maerim District, Chiangmai Province 50180.

1.2 Subsidiary and Associated Companies

Tipco Asphalt Public Company Limited operates the business in manufacturing asphalt emulsion and distribution of petroleum products. Currently the Company holds 23.67 percent shares. Total paid-up capital is Baht 1,562.46 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok 10400
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Tipco Pineapple Company Limited operates the main business in producing and exporting of canned pineapple, pineapple juice concentrate and canned mixed fruits. Currently the Company holds 100 percent shares. Total paid-up capital is Baht 700 million.

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



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

Head Office	118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok 10400.
Factory	90/1 Moo 7, Tambon Sanubtueb, Wang Noi District, Ayutthaya Province 13170.

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

Head Office	118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok 10400.
Factory	504 Tambon Prachuab Kirikan , Muang District, Prachuab Kirikan Province 77210

TIPCO Retail Company Limited, operates the retail business. Currently the Company holds 51 percent shares and 49 percent shares by TIPCO F&B Co., Ltd. Total paid-up capital is Baht 50 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok. 10400
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TFB Distribution Company Limited, operates wholesale and retail business. Currently the Company holds 100 percent shares by TIPCO F&B Co., Ltd. Total paid-up capital is Baht 0.25 million.

Head Office	118/1 TIPCO Tower, Rama 6 Road, Samsen Nai Sub-district, Phaya Thai District, Bangkok. 10400
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1.3 References:

Company Registrar	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, 14 FL., Rajadapisek Road, Dindaeng, Dindaeng, Bangkok 10110 Telephone: 0-2009-9000
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Auditor	Mr. Supachai Phanyawattano, CPA No. 3930, and/or Mr. Narong Puntawong, CPA No. 3315, and/or Ms. Waraporn Prapasirikul, CPA No. 4579 EY Office Limited 193/136-137 33rd Floor, Lake Rajada Office Complex Klongtoey, Bangkok 10110, Thailand Telephone: 0-2264-9090
Legal Advisors	Mr. Tawadchai Jaranakranya Ch. Chana Songkram Law Firm 52/3 Su-main Road, Bangkok Telephone: 0-2282-2955

2. Other Information

- Nil -

Investors can study more information from the Company Annual Report (Form 56-1) posted on www.sec.or.th , or the Company's website www.tipco.net



Policy and Business Operation Overview

Established on 22 March 1976 with an initial registered capital of Baht 10 million, **Tipco Foods Public Company Limited** currently has a registered capital of Baht 500 million with Baht 482.6 million being paid-up. The Company and its subsidiaries are principally engaged in the businesses of production and distribution of processed fruits, fresh fruits, fruit juice, vegetable juice, natural mineral water, ready-to-drink beverages, food and drink shops, herbal extracts, and agricultural products for domestic and overseas markets.

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

- **Product research and development**

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

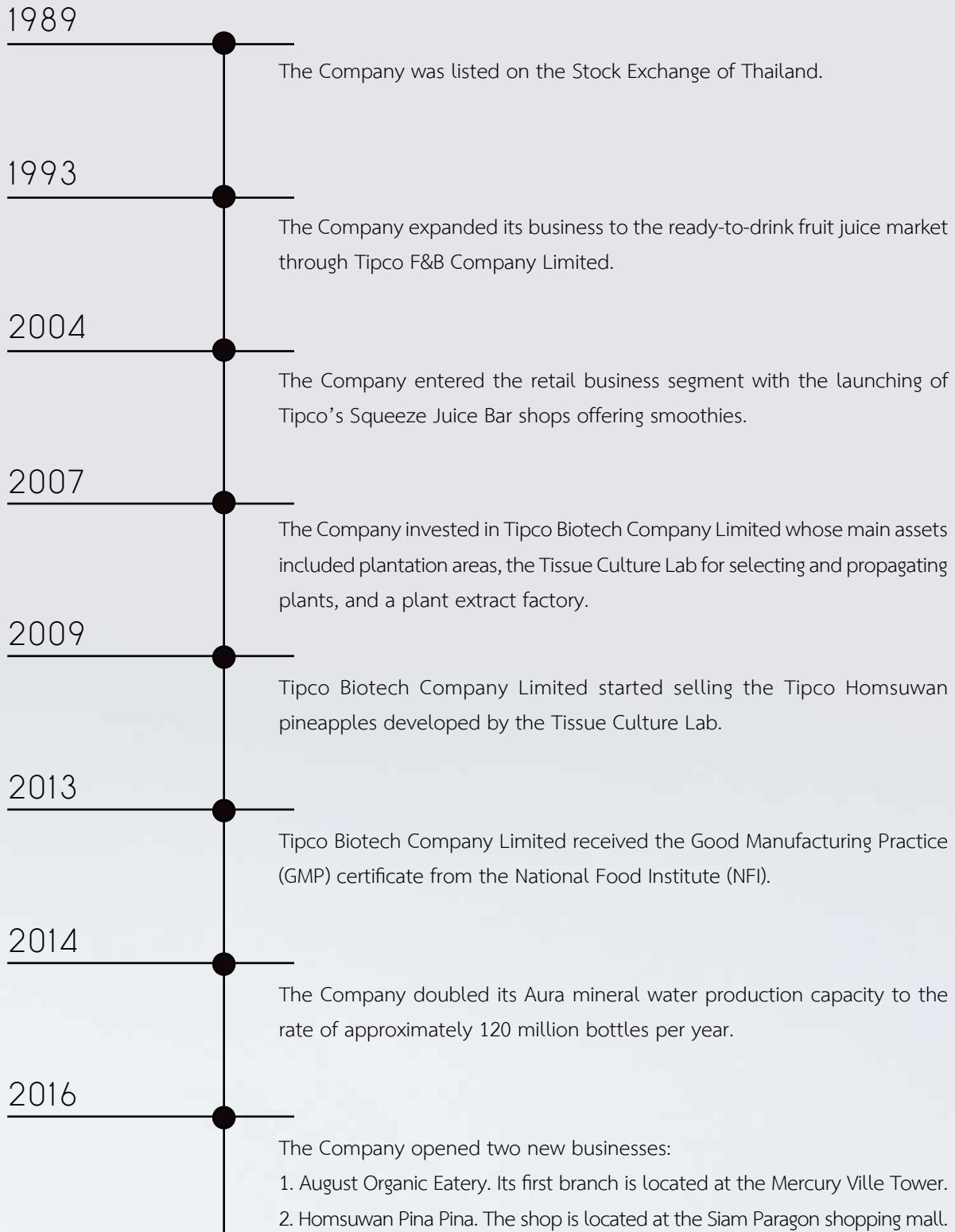
- **Selection of raw materials, packages, and business alliances**

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

- **Marketing**

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

Significant changes and developments

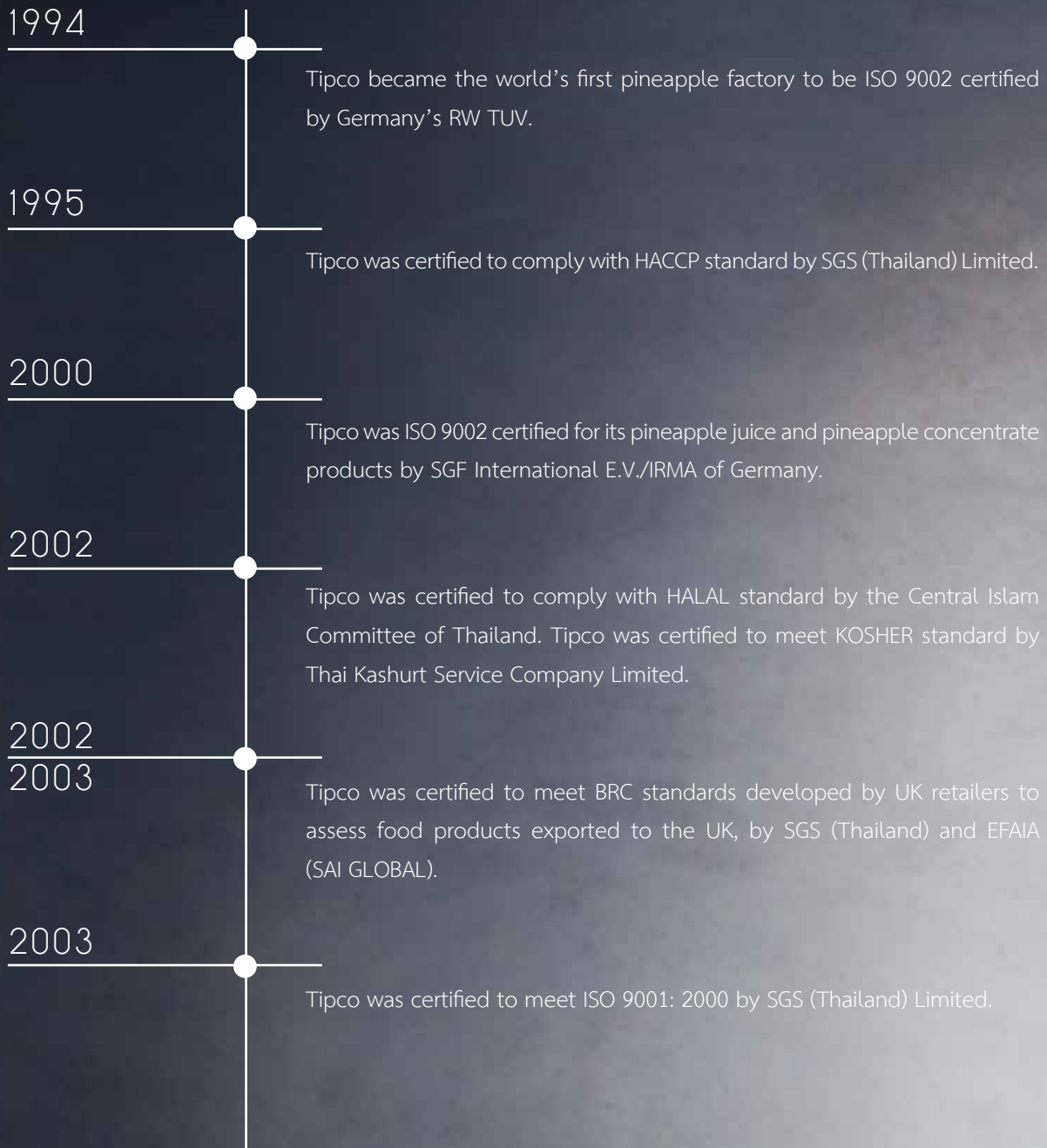


2017

- Tipco Pineapple Company Limited was established to receive the transfer of the processed fruit production and distribution business from the Company through the partial business transfer approach. The Company holds 100% shares in Tipco Pineapple Company Limited.
- The Company launched new products and expanded businesses as follows:
 - TIPCO WAVE sport drinks with original and orange flavors. The products are suitable for people who love exercise and nature. The product contains a natural mineral called “BluBio” found in the ocean of New Zealand, potassium, and magnesium.
 - TIPCO BEAT high protein drinks. The products are made from pea protein imported from Canada, with no cholesterol and gluten. They also contain less sugar and high calcium with L-carnitine and vitamin B1 which help nerves and muscles.
 - The 2nd branch of August Organic Eatery was opened at the Mega City Bangna shopping mall to expand the healthy food customer base.
 - The Homsuwan Pina Pop shop was opened to offer snacks and drinks made from Tipco Homsuwan pineapples. Its various menus include Homsuwan Fruit Shake, the Homsuwan pineapples with various toppings. The shop is to create new experiences for fruit diners. The first branch is located at B Floor, Emquartier.



International quality assurance standard certification





2009

Tipco was certified to comply with the Food Safety and Food Security Audit Program of the United States of America by FAI (Thailand) with an “Excellent” rating.

2010

Tipco was certified to comply with ISO 9001: 2008 by SGS (Thailand) Limited.

2011

Tipco’s factory in Prachuap Khiri Khan Province received the Good Governance Award in the category of Environment; was certified to comply with the Thai Labour Standard (TLS8001-2010) (Initial Final Stage); and the Outstanding Enterprise Award in the category of Labor Relations and Welfare.

2012

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

2013

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



2014

- Tipco was certified to comply with the IFS standards for its canned coconut milk as well as aseptic and frozen pineapple single strength juice products. Additionally, the Company received Kosher's certificate for its coconut water with pomegranate juice and coconut water with mango flavor products.
- Tipco was certified as an authorized economic operator (AEO).

2015

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

2016

- The "Aura" mineral water factory in Mae Rim District, Chiangmai Province was certified to meet the HALAL, FSSC22000, GMP Codex, and HACCP Codex standards.
- Tipco F&B Company Limited in Phra Nakhon Sri Ayutthaya Province was certified to comply with the FSSC22000 standard by UKAS Management System.

2017

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

2017 Awards

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

The Tipco brand achieved the “Brand of the Year” award for the second year at the World Branding Award 2017 event by the World Branding Forum. The awards were given to the organizations that were successful in building their brands at international and national levels. The award event has been continuously held since 2014. The winner selection criteria are considered based on 3 main components: brand value creation, consumer market research; and online voting by more than 135,000 participants worldwide. In 2017, there were more than 3,000 brands from 35 countries being nominated as candidates for the awards for 2017-2018. There were a total of 245 brands being selected for the awards worldwide. The event was held at the Kensington Place, London, United Kingdom.

The Tipco brand was granted the Marketeer No.1 Brand Thailand 2016-2017 award in the categories of Fruit Juice (100%) and Fruit Juice (Non 100%) from the Marketeer magazine. The winner was chosen based on the survey jointly conducted by the Marketeer magazine and Video Research International (Thailand) Company Limited with its headquarters located in Japan. The survey was to seek Thai consumers’ opinions on popular products and services based on a total of 4,000 samples nationwide.

The Tipco WAVE natural sport drink and the Tipco BEAT high protein drink won awards at the International Innovation Award 2017 event by Enterprise Asia with its headquarters located in Kuala Lumpur, Malaysia. This was the award for innovation given to organizations, agencies, and products with creative and innovative ideas. Tipco Foods Public Company Limited was the only company among all candidates that won two awards and was the only and the first beverage company from Thailand who won such awards.

The Tipco brand won the Superbrands Thailand’s Choice 2016 award for the 2nd consecutive year. The winner was chosen by a number of strongest brands of the world. The Superbrands was internationally recognized as an only independent organization of the world that chose winners based on their excellence in building brands in many fields including marketing and communication. Over 1,450 brands were considered according to requirements in terms of market leading positions, brand sustainability, customers’ trust, brand popularity, and overall recognition by markets. The winners were also considered based on their brand and product images, brand uniqueness, brand purposes, and customers’ loyalty, trust and engagement.

The Company’s factories achieved various awards in 2017 as follows:

- The “Aura” mineral water factory won the “Thailand PES Award 2017” for giving back to the ecological system according to the PES principles from the Biodiversity-Based Economy Development Office (Public Organization) for the 3rd consecutive year

The factory of Tipco F&B Company Limited won various awards in 2017 as follows:

- A national award for being a happy workplace free of diseases and hazards with a “Golden Plaque” by the Department of Disease Control, Ministry of Public Health
- The Role Model Workplace award in the category of Safety, Occupational Health and Environment at the national level at the Thailand Labour Management Excellence Award 2017 event hosted by the Department of Labour Protection and Welfare, Ministry of Labour
- The Halal Assurance System status certificate from Indonesia with the “A” grade

The factory of Tipco Pineapple Company Limited won various awards in 2017 as follows:

- The certificate for workplace drug abuse prevention and solution from the Office of Labour Protection and Welfare, Ministry of Labour
- The award of Thai Labour standards for the 5th consecutive year from the Ministry of Labour
- The Outstanding Enterprise Award in the category of Labour Relations and Welfare for the 7th consecutive year from the Office of Labour Protection and Welfare, Ministry of Labour



Nature of Business Operations

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

(Unit: Baht Million)

Products/services	Operated by	% Shareholding of the Company	2015		2016		2017	
			Income	%	Income	%	Income	%
Products of vegetable & fruit	Tipco Foods Pcl.	100						
	Tipco Biotech Co., Ltd.	100	1,863	40%	2,394	45%	2,092	43%
Beverage	Tipco Retail Co., Ltd	100						
	Tipco F&B Co., Ltd.	100	2,670	57%	2,788	53%	2,674	55%
Other			145	3%	91	2%	104	2%
Total			4,678	100%	5,273	100%	4,870	100%

Consumer Business

Nature of Products (Consumer Business)

The core products are as follows

- Ready-to-drink fruit juice and vegetable juice products
 1. Tipco 100% fruit juice in 200-ml and 1-liter cartons
 2. Tipco Squeeze – 100% pasteurized fruit juice and mixed vegetable and fruit juice in 300-ml and 1-liter cartons
 3. Tipco Veggie - 100% mixed vegetable and fruit juice in 200-ml and 1-liter cartons
 4. Tipco Superkid - 100% fruit juice/mixed vegetable and fruit juice for kids in 110-ml cartons
 5. Tipco Super Fruit Essence – Pomegranate juice concentrate in 110-ml cartons
 6. Tipco Cool Fit - 40% mixed vegetable and fruit juice in 200-ml and 1-liter cartons
 7. Tipco Profiber - 100% mixed vegetable and fruit juice plus high fiber in 1-liter cartons

8. Tipco Fruity Mix – 40% mixed vegetable and fruit juice in 225-ml cartons

9. Tipco Me - Berry mix and mixed apple juice and grape juice in 1-litre cartons

- Natural mineral water

Aura 100% natural mineral water is available in different bottle sizes, 300 ml, 500 ml and 1.5 liters. Aura mineral water is originated from the cold spring in Pong Yaeng Subdistrict, Mae Rim District, Chiangmai Province. This cold spring is a natural large reservoir. The natural mineral water is bottled without involving the chemical process.

- Sport drinks

“TIPCO WAVE” sport drink is available in 500-ml bottles. There are 2 flavors, namely original and orange. It contains a natural mineral called “BluBio” found in the ocean of New Zealand plus potassium and magnesium.

- High protein drinks

“TIPCO BEAT” is a high protein drink made from “Pea Protein” imported from Canada. It is available in 250-ml bottles. The drink contains no cholesterol and no gluten with less sugar and high calcium plus L-carnitine and vitamin B1.

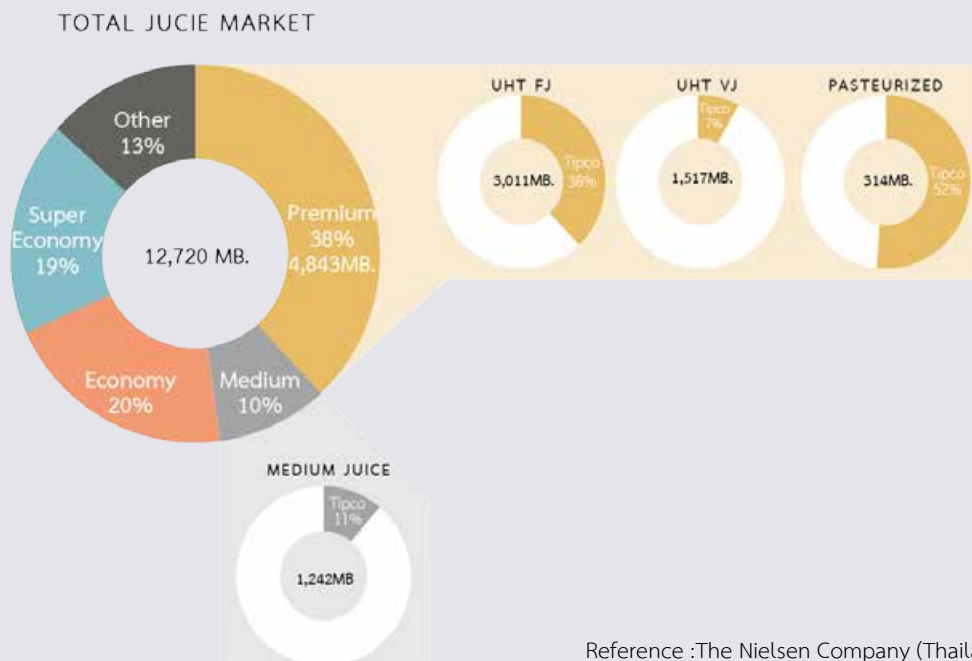
Marketing and Business Competition (Consumer Business)

Industry outlook and competition environment

- Ready-to-drink fruit juice and vegetable juice

In 2017, the market continued to see the upward trends of healthy organic food and drink products as consumers gave great importance to the maintenance of their health. Also, nowadays, consumers pay high attention to information about nutrition and health benefits as they want to ensure the quality of foods and drinks they consume.

The overview of the domestic ready-to-drink fruit juice and vegetable juice market in 2017 and the market share were as follows:



Reference :The Nielsen Company (Thailand) Limited

In 2017, Thailand's ready-to-drink fruit juice and vegetable juice market decreased by 7% due to the unrecovered purchasing power of the domestic consumers and the fierce competition from other beverage segments. However, the Company was able to maintain its leader position in the 100% fruit juice market thanks to the consumers' continued trust in its products. The Company also continued to launch new products to the markets to offer a variety of choices for the consumers such as Tipco Fruity Mix, Tipco Mocktail, and Tipco Me.

With the increasing trends of health-conscious behaviors, consumers still want the products that fully respond to their needs. The Company believes that the ready-to-drink fruit juice market in 2018 will expand. With that, the Company will continue to conduct research and development to create new innovative products of high quality for consumers.

- Natural mineral water

In 2017, the mineral water market value was approximately Baht 3,951 million with 8% market growth. The Aura mineral water of Tipco F&B Co., Ltd. secured a market share of 24% or the second rank in the market. The mineral water market is likely to see ongoing growth. With the consumers paying more attention to their health, healthy and refreshing drinks have become a new trend. Mineral water has become a more popular choice as compared to general drinking water. The Company believes that the mineral water market in 2018 will continue to grow. Currently the Company utilizes its full

production capacity of Aura mineral water at 120 million bottles per year. The Company has a plan to expand its production capacity to accommodate further growth in the future.

Competition strategies

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

Main markets for product distribution

There are 2 main domestic distribution channels as follows: 1) Distributors which are the main channel of the Company and 2) The Company's sales booths and other special distribution channels. The domestic sales channels accounted for 87% of total sales.

The overseas sales channels are being expanded. The Company's products received a warm welcome from the international markets. The export channels represented 13% of total sales.

Processed Fruit Business:

Nature of Products (Processed Fruit Business)

The core products are as follows:

- Canned pineapple products come in 5 sizes (8 oz, 15 oz, 20 oz, 30 oz, and 108 oz) and various styles (slices, chunks, tidbits, pieces, dices or cubes, and crushed contents). All products meet the standards of the Thai Industrial Standards Institute (TISI) and importers of respective countries.
- Pineapple juice concentrate products come in various forms, namely "Frozen", "Aseptic", and "Preservative", in 200-liter steel tanks.



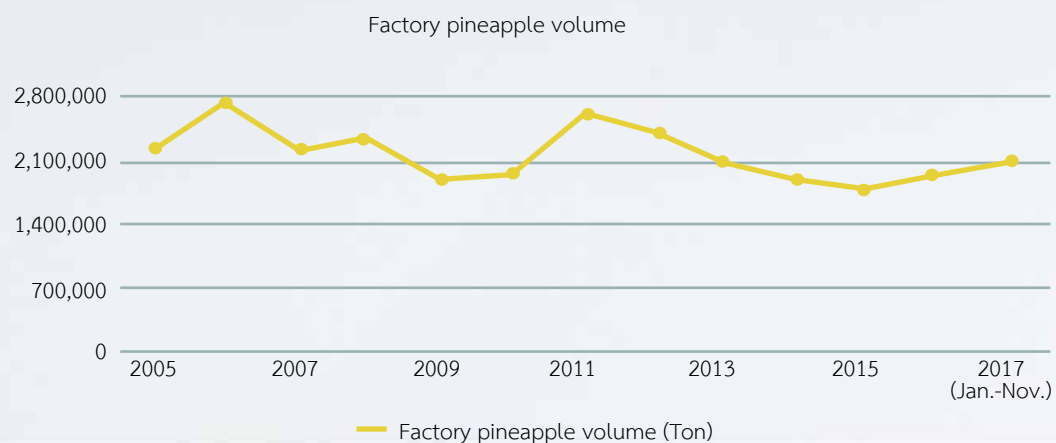
- Aseptic crushed pineapple products come in aseptic pouches of 23 liters and 200 liters.
- Pineapple in plastic cup products are available in 4-oz and 7-oz sizes.
- Pineapple in retort pouch products are sold in 1.5-kg and 10-kg sizes and in forms of tidbits, pieces, and dices or cubes.
- Canned tropical fruit salad products are available in 15-oz, 20-oz, 30-oz, and 108-oz sizes.
- Tropical fruit salad in plastic cup products are available in 4-oz and 7-oz sizes.
- Canned diced aloe vera products are available in 15-oz and 108-oz sizes.
- Aseptic crushed aloe vera products are available in aseptic pouches of 23 liters and 200 liters.
- Aloe vera in retort pouch products are available in 10 kg. size.
- Coconut milk products are available in cans of 15 oz and coconut juice products are available in cans of 240 ml and 520 ml.

Marketing and Business Competition (Processed Fruit Business)

Industry outlook and competition environment

In 2018, the Company expects that the overall market will experience some challenges due to significant decreases in raw material prices starting from the middle of 2017 onwards. Some importers still have stocks of goods bought at high prices and releasing of such stocks at times of downward price movements would take some time. Some importers are reluctant to buy goods because of lack of confidence in the raw material price movement trends that may affect product prices in the future. All these factors lead to the slowdown in the purchases of goods starting from the last quarter of 2017. This effect is expected to be ongoing during the first quarter of 2018.

As for the pineapple supply level in 2018, the Company expects that there will be continued output which meets market demand. The raw materials prices will remain steady. This factor boosts the resumption of the normal market activities. On the other hand, with the productivity of pineapples matching the industry demand, high competition in terms of product selling prices is expected.



Source: Office of Agricultural Economics

Competition strategies

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

Main markets for products distribution

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

1. Americas: This includes Canada, the United States of America, and Latin American countries. The United States is No.1 trading partner with the Company in terms of transaction value. Each year, the Company’s export value to this country accounts for around 35% of the total export value. In the past, the Company used to have a competitive advantage in the US because of the implementation of the anti-dumping duty system of the United States Department of Commerce. However, after the cancellation of the said system in 2004, market competition has intensified.
2. Europe: This includes European and Eastern European countries as well as the Russian Federation. The export value to these countries is second to the United States, or about 30% each year. Europe is the main market for pineapple juice concentrate products. Most of the customers are Blending house in various European countries. The canned pineapple market is highly sensitive to prices partly because customers welcome products of different levels of quality and so many producers of different kinds of products have entered this market.
3. Asia: This includes Australia and New Zealand. The customers in this group, particularly Japanese customers, require products of high quality and have mutual trust in conducting business. The transaction value with this market accounts for approximately 20% each year. Currently, Korea is the main market for crushed aloe vera in aseptic pouches with continuous purchase orders.
4. Middle East: The Middle Eastern market accounts for approximately 7%. This market has high potential due to high income per capita and consumer demand for canned pineapples. Due to the economic slowdown in European and Eastern European countries following the cross-region

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

Retail Business

Nature of Products (Retail Business)

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

1. "Squeeze Juice Bar by Tipco"

Brand	Squeeze Juice Bar by Tipco
Type of products	Smoothies and healthy drinks and foods. The Squeeze Juice Bar by Tipco shop is also the hub of distributing the products of the companies in the Tipco Foods Group, including Tipco fruit juice, Homsuwan pineapples, Aura mineral water, etc. In addition, the shop provides snack box catering services for events.
Number of branches	There are a total of 46 Squeeze Juice Bar by Tipco shops. 21 Company's branches 25 franchise branches
Type of services	1. Dine In 2. Take Away 3. Delivery 4. Catering
Target customers	New generations, people at working age, health lovers, and people who love refreshing drinks Main target customers: Those aged between 25-40 years Secondary target customers: Those aged between 18 – 24 years
Brand characteristics	Sugarless premium smoothies with rich flavors of 2-4 mixed fruits perfectly blended with fruit base, a secret recipe by Squeeze. The drinks are aromatic, delicious, and refreshing, with nutritional benefits and quality as the ingredients are selected from high quality raw materials.

2. “August”

Brand	August
Type of products	An organic food eatery for health lovers. The foods served here have rich flavors under the logo of “August Tasty Organic Eatery”. The business is in the form of a full- service restaurant serving organic fusion cuisine with high-quality organic ingredients.
Number of branches	The Company has currently 2 branches.
Type of services	<ol style="list-style-type: none"> 1. Dine In 2. Take Away 3. Delivery
Target customers	<p>New generations, people at working age, family members, and health lovers.</p> <p>Main target customers: Those aged between 25 – 55 years</p> <p>Secondary target customers: Those aged between 18 – 24 years</p>
Brand characteristics	<p>“August” has the philosophy that life happiness starts from having good food. However, just tasty food is not enough. We have to consume organic food. So the food should be made from natural ingredients with high nutrition. Organic ingredients used in creating menus are very well nurtured by our selected farmers. Each dish is cooked by heart to ensure a perfect taste.</p>



3. “Homsuwan Pina Pop”

Brand	Homsuwan Pina Pop
Type of products	A fruit and drink shop offering fruits and drinks menus with main ingredients from Tipco Homsuwan pineapples. The shop is intended to create new experiences of consuming fruits.
Number of branches	There is 1 Company’s branch.
Type of services	Take Away
Target customers	Main target customers: Foreigners that love consuming Thai fruits, especially Homsuwan Tipco pineapples Secondary target customers: People at working age who care for their health, aged between 25 – 60 years.
Brand characteristics	The heart of the brand is Tipco Homsuwan pineapples which are the result of Tipco’s expertise in fruits. These pineapples are used to create various tasty menus in the forms of to-go fruits and drinks to provide customers with new experiences of consuming fruits.

Marketing and Business Competition (Retail Business)

Industry outlook and competition

During the past decade, the retail business in the category of healthy food and beverage grew rapidly, especially in Bangkok and major cities around the country. This is because consumers’ behaviors have changed towards having more concerns for their health. Consumers are likely to consume organic foods and drinks or clean foods or foods with less processing and more natural ingredients. Despite the high growth rate of this segment, the business competition remains high as new players, both domestic and overseas, can easily enter the market. In 2017, the market value of cafés, bars and full-service restaurants accounted for approximately Baht 500,000 million (Source: Euro Monitor).

Competition strategies

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

In 2018, the Company expects that the retail business in the category of healthy food and beverage will continue to grow and gain more popularity among consumers. The Company plans to expand the presence of its 3 retail businesses to respond to consumers' demand.

Extract and Agricultural Business

Nature of Products (Extract and Agricultural Business)

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

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

- **Agricultural Business:** The company also conducts research and development of new plant varieties and cultivation. Thanks to its consistent research and development efforts, the company successfully developed the Tipco Homsuwan pineapples, its key products, with a unique taste and nutritional value. These pineapples are available at leading supermarkets, the Squeeze Juice Bar by Tipco branches, and the Homsuwan Pina Pina shop.

Marketing and Business Competition (Extract and Agricultural Business)

Industry outlook and competition environment

- **Extract Business:** During the past several years, the growth rate of the healthcare and beauty products within the country was steadily high. This situation has yielded opportunities for Tipco Biotech Company Limited to expand its customer base and achieve sales growth from its products being main ingredients for domestic foods, beverages, dietary supplements, cosmetics, and medicines. In the mean time, the company strives to establish collaboration with foreign business alliances and trading partners who seek quality plant and herbal ingredients with lower costs.
- **Agricultural Business:** Currently, Thai people consume fresh pineapples of about 300,000 tons per year, most of which are the Battavia (Sriracha) variety. As for the Tipco Homsuwan pineapples, their characteristics are different from those of others in terms of aroma, sweetness, tight and tender meat, smooth taste, and high vitamins. These unique and non-GMO features make the Homsuwan pineapples a popular choice among consumers. The prices of Tipco Homsuwan pineapples are relatively high as compared to those of others due to the need for high maintenance to ensure high quality. Because of the thin skins, extra caution is needed when harvesting and packaging these pineapples to avoid damage and a large number of workers are required. Nevertheless, Consumers find these pineapples easy to peel as they do not have to remove pineapple eyes. Thus, consumers can buy the whole fresh fruits back home and peel their skins by themselves. The sales volume of the Homsuwan pineapples continued to rise since its first introduction to the market during the past 4 years.

Competition strategies

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



Explanation and Analysis of Financial Position and Operating Results

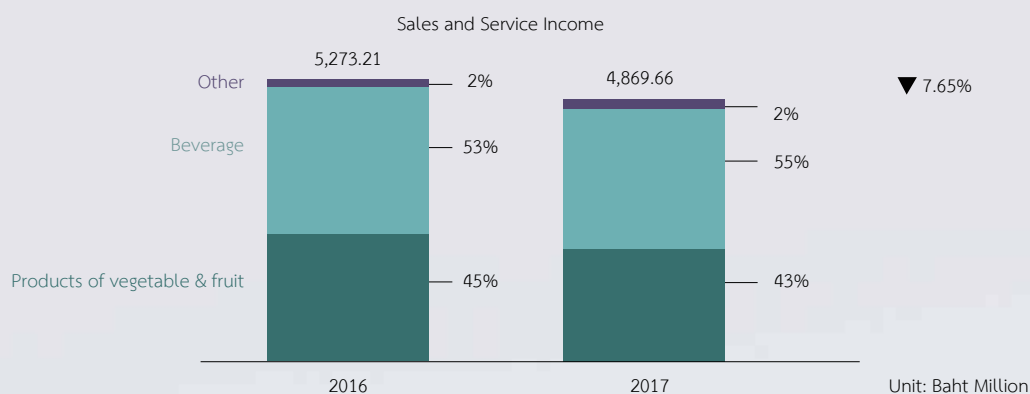
Operating Results for 2017

In 2017, the Group had total sales and service income of Baht 4,869.66 million, a decrease of Baht 403.54 million or a 7.65% decrease year-on-year. The total cost of sales and services decreased from last year by Baht 296.69 million or 7.77% to Baht 3,520.04 million this year. The net profit before share of profit from investment in associated company increased by Baht 78.07 million or 311.04% from last year to Baht 103.17 million this year. This year's share of profit from investment in associated company was down by Baht 140.14 million or 18.92% to Baht 600.61 million. Thus, the net profit attributable to the equity holders of the company decreased by Baht 110.99 million or 13.64% from Baht 813.64 million to Baht 702.65 million.

Income analysis

Sales and Service Income Analysis

Sales and Service Income by Business Segment

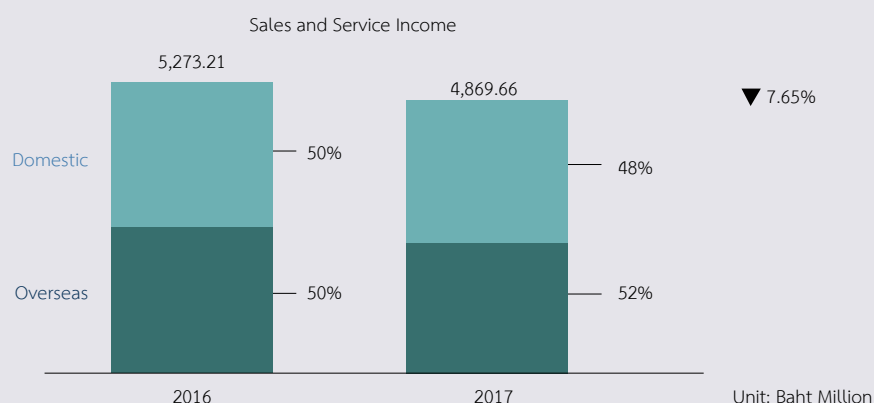


In 2017, the total sales and service income of Baht 4,869.66 million was divided into the following 3 business segments.

- 1. Products of vegetable & fruit:** The main products are processed pineapple. Products of vegetable & fruit account for 43% of total income or Baht 2,092 million a 12.60% decrease from the previous year, mainly due to the decreasing in product selling price which in accordance with the decreasing raw material price.
- 2. Beverage:** The main product are Tipco fruit juice and vegetable juice as well as Aura mineral water. Beverage account for 55% of total income or Baht 2,674 million a 4.08% decrease from previous year, mainly due to the decrease in domestic business sale following the slowdown consumption.

3. **Other:** Other business account for 2% of total income or Baht 104 million a 13.17% increase from previous year, mainly due to the expansion of franchise business and organic restaurant business.

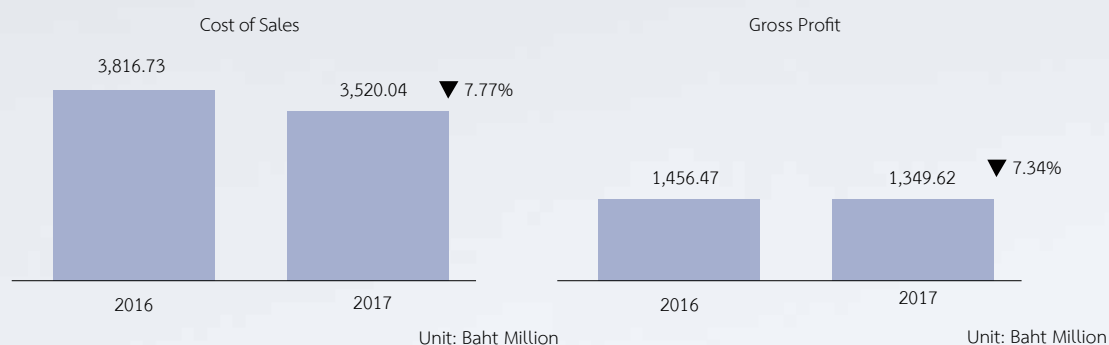
Sales and Service Income by Geographical Location



Income by Geographical Location

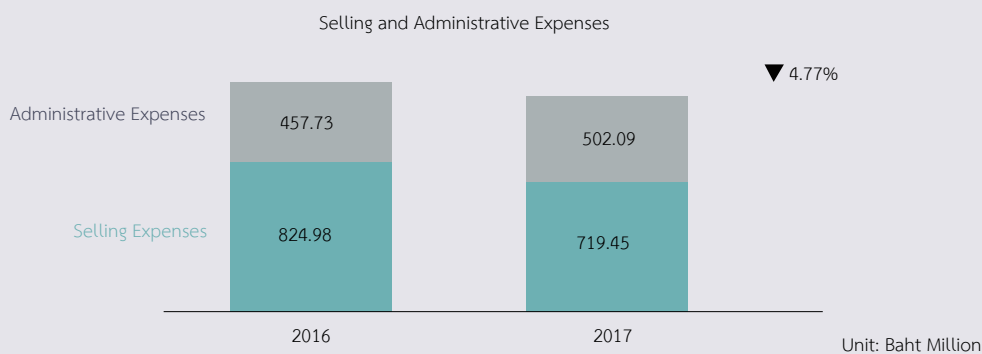
In 2017, the Group domestic sales income was 48% with the consumer business as a core business while the Group's overseas sales income was 52% with the processed fruit business as a core business.

Analysis of Cost of Sales and Gross Profit



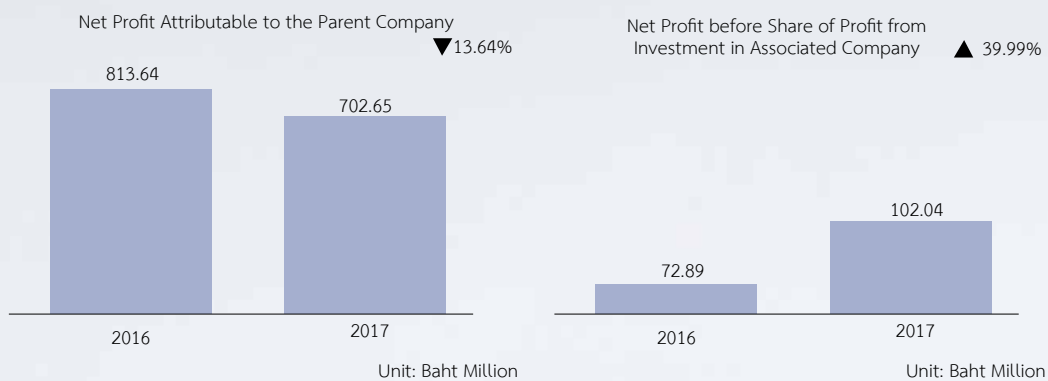
In 2017, the Group posted a cost of sales of Baht 3,520.04 million, down 7.77% from the previous year, mainly due to the decreasing raw material costs, especially the prices of the pineapples, the main raw materials in the processed fruit business. This year, the Group recorded a gross profit of Baht 1,349.62 million, down 7.34% from the previous year. The Group saw a gross profit margin of 27.7%, close to that of the previous year of 27.6%.

Analysis of Selling and Administrative Expenses



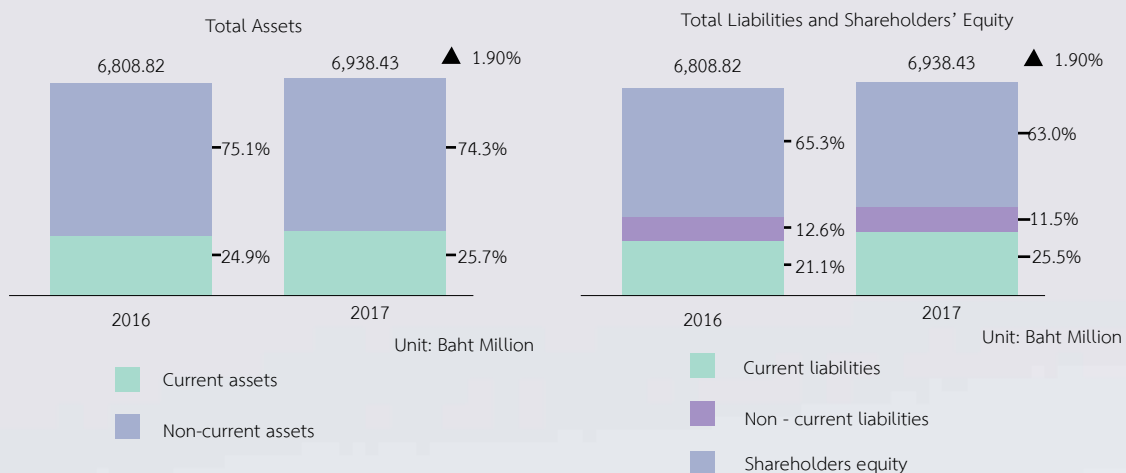
In 2017, the Group had total selling and administrative expenses of Baht 1,221.54 million, a 4.77% decline from the previous year, thanks to its ability to achieve a 12.79% reduction in the selling and promotion expense. The ratio of total selling and administrative expenses to total income in 2017 was 24.67%, close to that of 2016 of 23.90%.

Analysis of Net Profit



In 2017, the net profit attributable to the equity holders of the Company decreased by 13.64% to Baht 702.65 million primarily because of the 18.92% decrease in the share of profit from investment in associated company to Baht 600.61 million. The net profit (Include net profit attributable to non-controlling interests of the subsidiaries) before share of profit from investment in associated company was Baht 102.04 million, the 39.99% increase from the previous year, largely owing to the increase in the profit from the processed fruit business. In 2016, the Company booked impairment losses on machinery and equipment of Baht 186 million, as compared to only Baht 6 million in 2017.

Analysis of Statement of Financial Position



In 2017, the Group had total assets of Baht 6,938.43 million, a 1.90% increase year-on-year, as a result of increases in cash and deposits at banks as well as inventory. The Group's current assets accounted for Baht 1,781.23 million, or 25.7% of total assets. The Group's non-current assets were Baht 5,157.20 million, representing 74.3% of total assets. In 2017, the Group's total liabilities rose to Baht 2,567.81 million, an 8.51% increase from the previous year, mainly due to an increase in short-term loans from financial institutions. The Group recorded current liabilities of Baht 1,771.26 million, accounting for 25.5% of total liabilities and shareholders' equity while its non-current liabilities were Baht 796.55 million, representing 7.3% of total liabilities and shareholders' equity. The Group's shareholders' equity went up by Baht 296 million or 7.3% to Baht 4,371 million, as compared to Baht 4,074 million at the end of 2016 (exclusive of non-controlling interests of subsidiaries), mainly due to the increase in the unappropriated portion of the retained earnings.

Analysis of Cash Flow

Expenses (Baht Million)	2017	2016
Cash flow from operating activities	413.77	702.18
Cash flow from investing activities	111.62	77.09
Cash flow used in financing activities	(384.91)	(796.64)
Increase (decrease) in cash and cash equivalents	140.48	(17.37)
Cash and cash equivalents brought forward	58.98	76.36
Cash and cash equivalents carried forward	199.46	58.98

In 2017, the Group had net cash flow from operating activities of Baht 413.77 million, lower than that in 2016 of Baht 702.18 million, mainly due to the impairment losses on machinery and equipment of Baht 186 million in 2016, which was a non-cash item, and the decrease in the accounts payable in 2017. The net cash flow from investing activities increased to Baht 111.62 million because of the increase in the net cash flow from the dividends received from an associated company to Baht 332.89 million. The net cash flow used in financing activities was Baht 384.91 million due to Repayment of long-term loans and Cash paid to acquisition of non-controlling interests of a subsidiary.

Analysis of Liquidity

Liquidity ratios	2017	2016
Current ratio (time)	1.0	1.1
Interest coverage ratio (time)	15.0	20.8
Debt to equity ratio (time)	0.6	0.5

In 2017, the Company's current ratio decreased to 1.0 time from 1.1 times in the previous year mainly because of the increase in the short-term loans from financial institutions.

The interest coverage ratio decreased to 15.0 times from 20.8 times in the previous year because of the increase in the interest expense to Baht 53.84 million from Baht 39.53 million in the previous year.

The debt to equity ratio moved up from 0.5 time in 2016 to 0.6 time in 2017 mainly because of the increase in total liabilities from Baht 2,366.39 million in 2016 to Baht 2,567.81 million in 2017.

Profitability

Ratios	2017	2016
Return on shareholders' equity (%)	16.08%	19.97%
Gross profit margin (%)	27.71%	27.62%
Net profit margin (%)	14.21%*	14.27%*

* Include non-controlling interests of the subsidiaries

The return on shareholders' equity for 2017 decreased to 16.08% due to the decrease in the net profit attributable to the share holder of the company. The gross profit margin for 2017 was 27.71%, close to that of the prior year of 27.62%. Also, the net profit margin for 2017 was 14.21%, close to that of the previous year of 14.27%.



Risk Management

Tipco Foods Public Company Limited realizes the importance of risk management and has therefore established appropriate and systematic risk management policies and guidelines. The Company has in place a clear auditing process policy which has been implemented consistently and in the same direction across the organization. This is to promote investors' confidence and enable the Company to achieve its objectives and goals. The Risk Management Committee has been set up to be responsible for developing the systematic risk management policies and guidelines to ensure efficient and effective operations based on the 4 categories of risks as follows:

1. Strategic risk
2. Operation risk
3. Financial risk
4. Compliance risk

In 2017, the Company evaluated risks and implemented risk mitigation measures as follows:

1. Risk from volatile pineapple volumes and prices

Pineapple is an agricultural commodity. Its supply availability, quality and prices are subject to weather conditions which are uncontrollable. This causes fluctuations in terms of production costs. In coping with this risk, the Company has adopted a risk mitigation measure by increasing the number of contract farmers and implementing the Tipco Model project to provide knowledge for farmers in terms of soil preparation, cultivation, and fertilizer usage. The Company has also assigned its staff members to follow up on the results on a regular basis in order to achieve a higher level of output per rai.

2. Risk from investments in new businesses

With the increasingly competitive situation and environment and how consumers' behaviors have rapidly changed, all new businesses may not become successful according to goals. The Company has therefore established the Investment Committee to help consider potential impacts in all aspects of a proposed matter before submission to the Board of Directors for approval. The Committee also helps ensure that the particular project has been monitored on a regular basis to ensure compliance with plans.

3. Risk from juice bar business profitability

The profitability of the juice bar business has been affected by various factors including the highly competitive environment, raw material costs, space rental fees, and management fees. Thus, the Company has sought to change its store concept to be more modern according to trends. Wide-ranging menus are added to cater to the behaviors of all groups of customers to capture their attention and satisfy their needs. The Company has expanded its branches to cover more areas in Bangkok and major cities in other provinces.

4. Risk from inconsistency of quality of raw materials (pineapples)

Pineapples are agricultural products. Weather conditions and fertilizers all have direct impacts on quality inconsistency in terms of ripeness and taste. The Company's mitigation measure is to send employees to educate farmers about how to use proper fertilizers and to provide member farmers with fertilizers at prices lower than market prices. Information of member farmers has been collected for follow-up purposes.

5. Risk from shortage of successors for key positions

Due to the scarcity of successors for key positions, the Company has developed a plan, a policy, and a clear guideline to determine framework and criteria for successors of high-level executive positions in advance. For middle level executives, the Company has established the Middle Level Executive Development Committee to assess executives at middle and primary levels and classify them into different groups, namely "Ready to Grow", "Enlarge Job", and "Too Soon to Tell" in order to establish an appropriate development plan for each group.

6. Risk from exchange rate fluctuations

Exchange rate fluctuations continued from last year, especially fluctuations in the value of US dollars. This affected the Company's income and profits. Therefore, the Company utilized a number of foreign exchange risk management tools, including forward exchange contracts with banks, in order to manage income and costs for optimum results.

Dividend Payment Policy

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

Year	2017	2016	2015	2014	2013
Net profit/share	0.98	0.79	0.38	(0.28)	(0.16)
Dividend/share	0.75*	0.39	0.25	0.00	0.00
Dividend/profit (%)	77%	49%	66%	0%	0%

*Include the proposed final dividend of Baht 0.5 per shares, which is subjected to approval at AGM No.1/2018



Corporate Social Responsibility

The Company conducts its business by taking responsibility for all groups of its stakeholders. As a part of the community, the Company is committed to environmental and social responsibility by acting as a good citizen and living with others in society with pride and dignity. The Company instills such concept into its employees at all levels, comprising directors, high-level executives, managers, supervisors, employees, and other stakeholders. In addition, the Company developed the Corporate Social Responsibility (CSR) policy and principle for use by its stakeholders as guidelines to ensure their consistent and strict compliance therewith under all circumstances. The concept of conducting business and performing duties by taking environmental and social responsibility seriously shall be adopted by all stakeholders of the Tipco Foods Group according to Tipco's policy: **'Tipco develops business along with environment and society.'**

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

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

Each environmental and social working group shall conduct meetings for planning environmental and social contribution activities; following up on progress; and reporting results to the management team for acknowledgement on a regular basis.

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

1. Social

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

2. Environmental

- Support domestic forestry ecosystem conservation and creation activities

3. Religious

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

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

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

As for the results of the "Community Satisfaction Level (CSL)" survey continuously conducted by the Company, in 2017 the Company obtained an average score of 4.48 out of the total score of 5, compared to 4.42 in the previous year. The Prachuap Khiri Khan factory obtained a score of 4.66, higher than the previous year's score of 4.51. The Chiangmai factory obtained a score of 4.34, higher than the previous year's score of 4.30. The Wang Noi factory obtained a score of 4.44, lower than the previous year's score of 4.45. The Company assigned relevant functional units to implement recommendations made by the community for improvement and correction.

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

Vision

'A company that leads the market and adds value for its stakeholders'

(Its stakeholders consist of employees, consumers, trading partners, business alliances, and society.)

The Company's 5 core values were determined according to the acronym of "TIPCO" as follows:

T: Teamwork

I: Innovation

P: Passion

C: Commitment

O: Openness

The Company continues to focus on the alignment between its corporate vision and core values to drive sustainable growth. The corporate core values reflect the Company's strong commitment towards its internal and external customers across all functional units. All of the Company's functional units shall have a service mind and offer quality products that meet the needs of consumers and service users. Such strong commitment helps foster the culture of good corporate governance. In 2017, the Company obtained an average Customer Satisfaction Index score of 99.4% with mixed responses ranging from "good" to "very good".

In addition, the Company recognizes the importance of its employees as a key driver of continued growth. Hence, the Employee Opinion Survey (EOS) has been conducted to survey employees' opinions on corporate image, reputation, welfare, management, and good corporate governance. At the beginning of 2018, the Company will conduct another round of EOS.

The Company also conducted the Supplier Satisfaction Survey and obtained an average score of 4.62 out of 5.00, higher than 4.59 in the previous year. The Company made improvement based on the opinions received by assigning action owners and target completion dates as well as evaluating results on regular basis. This is to ensure that the Company complies with the good corporate governance principles and treats its stakeholders equally.

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

In 2017, the Company carried out a number of social and environmental contribution activities as follows:

Social

- Donated fruit juice products to the Department of Empowerment of Persons with Disabilities, the Department of Cultural Promotion, and the Prime Minister's Office on the 2017 National Children's Day
- Donated fruit juice products to the Relief and Community Health Bureau of the Thai Red Cross Society to support flood victims in the southern region
- Donated funds to support the community service center for the development of life and social skills of persons with intellectual disabilities for career opportunities
- Donated Aura mineral water and fruit juice products to the Thai Food Processors' Association to support flood victims in the northeastern region
- Donated Aura mineral water to government agencies for the Sandal Wood Flowers Offering Ceremony on the occasion of the Royal Cremation Ceremony for His Majesty King Bhumibol Adulyadej
- Donated cashier's cheques to the Phramongkutklao Hospital Foundation to support the "Kaokonlakao" charity run project
- Donated fruit juice products to hospitals in Bangkok to support activities run by the hospitals, medical team members, and patients
- Donated fruit juice products to the Thai Red Cross Society on the World Blood Donor Day
- Donated Aura mineral water to government agencies to support sports competition and local customs and traditions activities in Chiangmai Province
- Donated the proceeds of Baht 2,000,000 from the hosting of the "Prochuap Khiri Run By Tipco" half marathon race activity to support the development of the Prachuap Khiri Khan Hospital
- Donated funds of Baht 1,000,000 to support the construction of the Tipco Heart Center at the Prachuap Khiri Khan Hospital

Environmental

- Donated Aura mineral water to government agencies in Mae Rim District, Chiangmai Province to support reforestation, check dam construction, and forest fire prevention line development efforts
- Donated fruit juice products to government agencies in Muak Lek District, Saraburi Province to support the Chaloem Phra Kiat Reforestation activity on the occasion of the 2017 National Mother's Day

Educational

- Donated fruit juice products to schools in Bangkok to support activities of teachers and students
- Donated Aura mineral water and fruit juice products to the Moradokmai Theatre Community & Home School to support the stage play activity under the topic of "Parallel Journeys Back Home, Called Self Reliance"
- Donated rice for a lunch meal project as well as gave funds to support the hiring of kindergarten teachers for Ban Bueng School, Chonburi Province
- Granted scholarships to the children of farmers in Prachuap Khiri Khan Province

Arts, Cultural, and Religious

- Donated Aura mineral water to the Cultural Council of Pong Yang Subdistrict and the temples in Chiangmai Province to support the Lanna New Year activities and other religious activities
- Donated Aura mineral water and candles to the Huai Pha Pu Monastery, Chiangmai Province, and the Nom Pracha Sawan Temple, Phra Nakhon Si Ayutthaya Province, to support activities on the occasion of the Buddhist Lent Day as well as to support mobile dharma teaching activities at the Mai Sri Muang Kham Temple, Chiangmai Province.

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

Disclosure of Prevention Against Corruption

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

1. The Company has a policy to fight against all forms of corruption by developing a guideline in writing as a part of its Code of Conduct. Such guideline was approved by the Board of Directors. The details are disclosed in the Company's website.
2. The Board of Directors adopted the anti-corruption policy by declaring its intent to join the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company subsequently ratified such declaration to counter all forms of corruption.
3. The Board of Directors approved the anti-corruption measures in writing as shown in the Company's website, which shall be strictly adhered to by all employees to promote transparency and fairness in doing business according to the good corporate governance and anti-corruption policies.
4. In 2016, the Company established a working group comprising representatives from all relevant departments in order to request certification as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The Company was certified to be a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 14 October 2016.

Anti-Corruption Policy

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

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

Disclosure of the Anti-Corruption Policy

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

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

Whistleblowing or Complaint-Filing Channels

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

1. Email: anti-corruption@tipco.net
2. Website: www.tipco.net (Topic: Reporting fraudulent or corrupt practices)
3. Telephone numbers: Managing Director 02-273-6888, Chairman of the Board of Directors 02-273-6400, or Call Center 095-205-1864
4. Mailing to: Chairman of the Board of Directors / Managing Director
Mailing Address: Tipco Foods Public Company Limited
118/1 Rama 6 Road, Samsen Nai, Phayathai, Bangkok 10400

1. For important or emergency cases that may affect corporate image or are related to high-level executives or directors; reports shall be directly submitted to the Chairman of the Audit Committee.
2. The Company shall examine the complaints based on reliable facts. However, the whistleblowers or complainants shall be aware that the complaints without their names disclosed could affect the efficiency of Company's fact-finding operations.

Protection of Whistleblowers and Those Refusing to Conduct Corrupt Practices

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

1. The unit receiving the complaint shall consider preliminary information or find supporting information. If it is deemed appropriate to conduct a fact-finding, the top executive of the unit receiving the case shall grant endorsement before submitting the case to the relevant unit for further actions according to the procedures.
2. The Company shall provide protection for those cooperating with the Company in providing leads or refusing to conduct corrupt practices so that they are free from trouble, threats, or unfair practices as a result of such cooperation.
3. The Company shall not demote, punish or incur a negative impact on the employees or executives who refused to conduct corrupt practices although such action might cause losses of business opportunities to the Company.
4. In the case where the whistleblowers/complainants find that they may not be safe or may suffer from any damage, they can request the Company's protection as appropriate.
5. To protect the rights of the persons filing complaints or giving information in good faith, the Company shall keep information of such persons as confidential. Only those responsible for conducting a fact-finding are allowed to access such information. Disclosure of such information to irrelevant persons shall be considered as a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures.
6. If it is found that an employee or executive unfairly treats or causes damage to another person because

such person provides leads/files a complaint or refuses to conduct a corrupt practice; that employee or executive shall be regarded as committing a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures.

Punishment

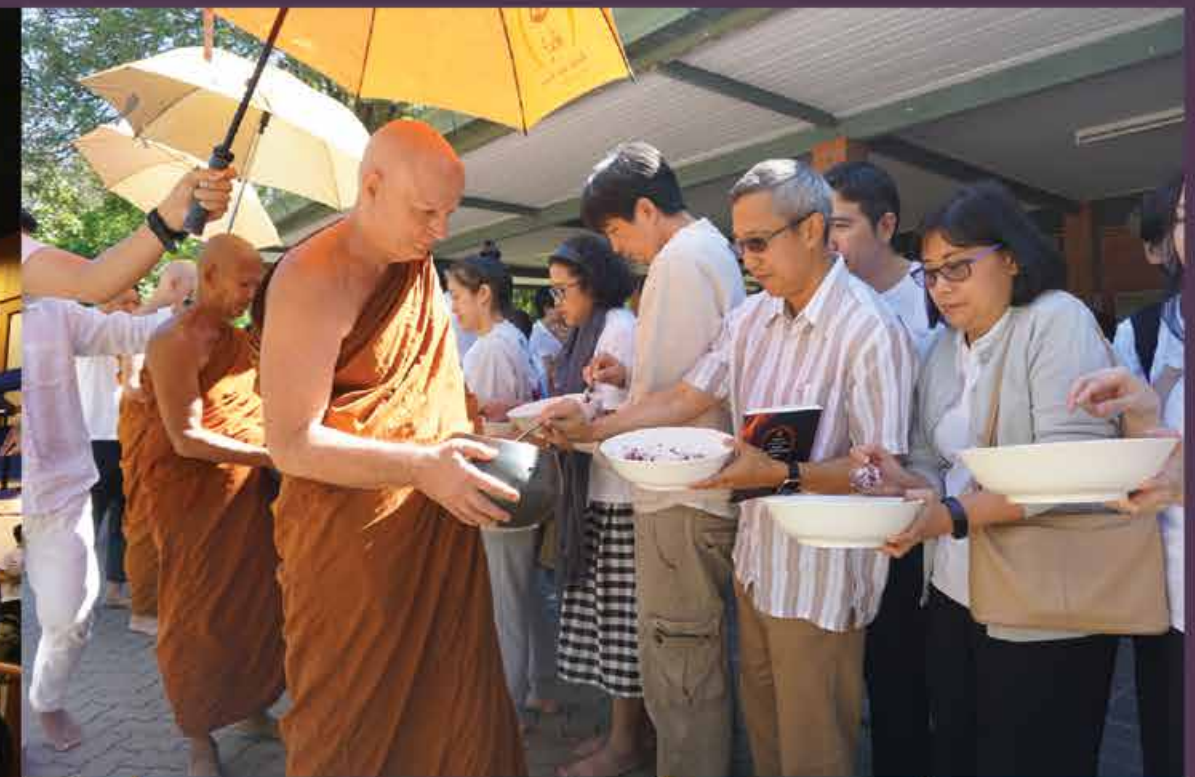
Any person intentionally or negligently violating this regulation or exhibiting a misconduct through any form of persecution, threatening, disciplinary action, or discrimination against those providing leads/filing complaints or those involved in the implementation of this regulation shall be deemed as committing a disciplinary offence and shall be subject to disciplinary actions according to the Company's procedures. Such person shall also be liable for any damage incurred to the Company and those affected by said action.

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

Responsibility for Stakeholders

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







Report of the Corporate Governance Committee

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

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

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

With its strong commitment to complying with the principles of good corporate governance, the Company won the Top Corporate Governance Report Award from the Stock Exchange of Thailand for five years (2003-2006 and 2010). In 2016, the Company was officially certified as a member of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC). In 2017, the National Corporate Governance Committee assigned the Company the good corporate governance score of 86%, or a "Very Good" rating, which was above the average score of 80% assigned to its peer SET-listed companies. In addition, the Company's 2017 shareholders' meeting received the score of 97 points, or an "Excellent" rating, by the Thai Investors Association. On 9 December 2017, the Company participated in the National Anti-Corruption Day event, a collaborative effort between the Thai government, the Office of National Anti-Corruption Commission, the Office of Public Sector Anti-Corruption Commission, the Anti-Corruption Organization of Thailand, and other partner organizations, under the concept of "Zero Tolerance – Thai People Do Not Tolerate All Forms of Corruption".

From 2010-2015, the Company won the CSR-DIW Continuous Award from the Department of Industrial Works, Ministry of Industry, for sixth consecutive years, as an entrepreneur who implemented corporate social responsibility activities in a continuous and sustainable manner and was ready for the adoption of the ISO 26000 international standard towards sustainable development. The Company also prepared the corporate social responsibility report according to the standards of the Management System Certification Institute (Thailand). This reflects the Company's continuous commitment to implementing its corporate social responsibility initiatives. As for human resources management, the Company focused on developing its employees' capabilities as well as creating and promoting a positive work environment. Thanks to its ongoing systematic human resources development efforts, Tipco Foods Public Company Limited (the Company) has been granted the Outstanding Enterprise Award for Labour Relations and Welfare by the Department of Labour Protection and Welfare for 7 consecutive years. Also, the Company won the National Outstanding Enterprise Award for Workplace Safety, Health, and Environment from the Department of Labour Protection and Welfare.

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



Ms. Laksana Supsakorn
Chairman of the Corporate Governance Committee



Good Corporate Governance

The Company has adopted the Stock Exchange of Thailand's **2012 Principles of Good Corporate Governance for Listed Companies** as guidelines for its operations. The Company encourages its employees at all levels to perform duties with according to the good corporate governance principles with the aim of assuring its shareholders, investors, customers, and other stakeholders that it has adopted the efficient, transparent, auditable, and fair management mechanism for increased value and corporate sustainable growth. This is in accordance with its vision of "To achieve ongoing growth and competitiveness and to gain trust from the customers in both the domestic and global markets".

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

According to the 2017 annual corporate governance assessment conducted by the National Corporate Governance Committee, the Company received a total score of 86%, or a **'Very Good'** rating. Details of Tipco's scores in 2016-2017 are as follows:

	2017	2016
Rights of Shareholders	95%	99%
Equitable Treatment of Shareholders	96%	98%
Rights of Stakeholders	82%	73%
Information Disclosure and Transparency	88%	83%
Board of Directors' Responsibility	82%	78%

1. Corporate Governance Policy

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

1. The Board of Directors shall perform duties according to their stipulated role and responsibilities in an efficient manner.

2. There shall be efficient risk management and internal control systems.
3. Policies shall be provided for and strategies/business plans shall be revised with the management team.
4. There shall be supervision to ensure no conflicts of interest.
5. Shareholders and stakeholders shall be treated equally and fairly.
6. The principles of transparency, integrity, and auditability shall be implemented when doing business.
7. Adequate data shall be disclosed to stakeholders, especially operating results and financial statements.
8. The Company's code of conduct shall be provided and complied with by all directors, executives, and employees.
9. Environmental and social activities shall be conducted in a concrete manner and the management team shall implement and communicate such policy to employees for their understanding and compliance.

The Company reviewed its corporate vision, targets, strategies, and immediate or urgent action plans to ensure alignment with current and future business environments. The new vision statement focuses on **creating value added for all groups of stakeholders**, including employees, consumers, trade partners, business alliances, and society. To ensure that targets are achieved according to this vision, the Company focuses on managing 4 areas, namely finance, customer relations, internal processes, and personnel learning and growth. The goals of all internal entities including individual employees, departments, divisions, and business groups, were linked together to help drive achievement of the overall goal and vision of the organization. Furthermore, the Company defined a number of policies including the policy on quality assurance to ensure customer satisfaction through a number of factors such as personnel, work processes, safety, environment, and society. This is aimed to create and foster exemplary work practices for society and the nation. The Board of Directors also established the Corporate Governance Committee consisting of all directors. The said committee developed the good corporate governance policy and the code of conduct as disclosed in the Company's annual report and website. To ensure concrete and clear good corporate governance practices, the Company promoted awareness of the good corporate governance principles among its employees to ensure their understanding and compliance therewith.



In 2017, the Corporate Governance Committee approved the adoption of the SET's 2012 Principles of Good Corporate Governance for Listed Companies. Corporate governance practices as per the said principles are described as follows:

Rights of Shareholders

At the 2017 Annual General Meeting of Shareholders, there were 11 directors present, including the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. The Company convened the meeting in accordance with legal requirements regarding meeting invitation, document submission, and meeting agenda notification. Also, adequate information was provided to shareholders for their consideration in a timely manner prior to the meeting. Absentee shareholders were allowed to assign independent directors to act as proxies to exercise their votes at the meeting (Please refer to 'Equitable Treatment of Shareholders' for more information). In 2017, the Company adopted the barcode registration system at the Annual General Meeting of Shareholders to identify the number of participating shareholders and voting results on each agenda item. As for voting, the Chairman informed the shareholders of the voting procedure by using paper ballots provided prior to the meeting. The vote counting process was witnessed by representatives being independent directors, external auditors, and employees. The meeting was videotaped to ensure transparency and auditability. Furthermore, all shareholders were given an equal opportunity to examine the Company's operating results and to raise questions and opinions. The minutes of the shareholders' meeting were disclosed in the Company's website. As for the rights of minority shareholders, the Company allowed time for its minor shareholders to propose agenda items and nominate candidates for directors in advance through the Company's website prior to the shareholders' meeting. The Company's 2017 Annual General Meeting of Shareholders obtained a total score of 97 (out of 100), or an "Excellent" rating, compared to an average score of 91.97 of all listed companies.

Equitable Treatment of Shareholders

Recognizing its shareholders' equal rights to receiving accurate and adequate information in a timely manner, the Company submitted a meeting invitation letter, including supporting documents for all meeting agenda items, a list of identification documents required for attending the meeting, proxy forms, and details of proxy assignment procedures, to its shareholders 14 days prior to the meeting date. Since the Annual General Meeting of Shareholders No. 1/2006, the Company allowed its shareholders to access information at the earliest opportunity by sharing meeting agenda supporting documents in advance in its website before submitting

such documents. In 2009, the Company started the practice of sharing meeting information in its website 30 days prior to the meeting date. Moreover, the Company determined meeting time and venue to facilitate convenience for its shareholders. On the meeting date, the registration service started 2 hours before the meeting and the shareholders were allowed to independently raise their opinions and questions. Voting on each agenda item was undertaken according to chronological order. No new agenda item was added without a prior notice being given to the shareholders. The shareholders were informed of the voting procedure before voting. Each agenda item was open for clarification and discussion before voting. All shareholders were allowed to vote equally, except for those with conflicts of interest. Since 2008, the Company shared its objectives and criteria that its minor shareholders are allowed to propose agenda items and names of candidates for directors via the Company's website. In 2017, the Company held one annual general meeting of shareholders and one extraordinary general meeting of shareholders. For each meeting agenda, relevant details, rationale, potential impacts, and opinions of the Board of Directors were provided to shareholders for their better understanding, analysis and decision making, and examination. The Company also allowed its shareholders not only to assign others as their proxies to attend the meeting and vote, but also to assign independent directors as their proxies to vote on their behalf. The Board of Directors realized the importance of shareholders' meetings and all directors intended to attend all meetings unless in necessary cases. The Company's high-level executives attended shareholders' meetings on a regular and consistent basis.

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

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

approval votes, disapproval votes, abstention votes, and voided ballots, so that the absentee shareholders could learn of the meeting results soonest.

With respect to the profit allocation, the Company adopted a mechanism to assure its shareholders that they would receive returns on their investments in a comprehensive manner. Such mechanism included a clear shareholding structure without cross-shareholding. The Company and its related company (Tipco Asphalt Pcl.) shared the same shareholders through investments in ordinary shares at the rate of 23.67 percent. Related party transactions were approved by the Audit Committee before submission to the Board of Directors for approval. Any directors with conflicts of interest would refrain from voting for such transactions. The Audit Committee had authority to oversee and prevent conflicts of interest and implemented the measure on prevention against misuse of insider information for personal gains. Since 2004, the Company's directors and executives have been obliged to report any changes in their shareholding to the Secretary to the Board of Directors instead of individual reporting. Also, the directors and executives have been required to disclose their shareholding in the Company at each Board of Directors' meeting.

Roles of Stakeholders

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

assistance to schools nearby the factories or other appropriate schools through granting scholarships, providing educational equipment, or conducting other forms of development for schools via other means. The Company donated funds or products to support various activities held by government agencies, schools, temples, other organizations, and nearby communities. The Company also made efforts to prevent any possible impacts of its factories' environments on surrounding communities.

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

1. The Company is strongly determined to undertaking operations according to environmental laws and other requirements concerning environmental management.
2. The Company has a strong commitment to reducing major environmental impacts as well as preserving natural resource sites.
3. The Company strives to follow up and assess its environmental performance to ensure compliance with stipulated plans and will continue to improve such performance on a continuous basis.
4. The Company will be dedicated to strengthening awareness of employees, service providers, contractors, and the public on environmental responsibility.

On 22-23 November 2017, the factory in Prachuap Khiri Khan Province facilitated a training session in environmental care for the factory and its surrounding community for 55 participants being executives and employees.

Conflicts of Interest

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

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

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

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

Business Ethics

Business ethics are determined in the form of Tipco Foods Group’s Code of Conduct for use as guidelines and desirable practices. Business ethics are based on good corporate governance, commitment to excellence, and corporate social responsibility. Examples of business ethics include fighting against corruption, responsible political involvement, equal and fair treatment of stakeholders, social and environmental responsibility, and compliance with labor laws and respect for employees’ rights. The business ethics also include desirable practices for stakeholders being directors, executives and employees, and major shareholders; as well as recommendations on problem solutions. These business ethics have been communicated to all directors and employees for a long time and on an ongoing basis. Relevant parties are required to sign a form of acknowledgement of and compliance with such business ethics every year. Also, the management

team shall be responsible for ensuring that all employees strictly comply with relevant requirements. Any employee violating the Company's code of conduct will be subject to disciplinary actions according to the Company's procedures.

Information Disclosure and Transparency

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

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

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

Board of Directors' Responsibilities

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

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

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

2. Board of Directors and Committees

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

Tipco's Board of Directors consists of highly qualified and capable individuals. The directors have consistently participated in self-development programs organized by the Thai Institute of Directors Association (IOD). The Board of Directors helps formulate and endorse corporate visions, strategies, goals, business plans, and budgets; and supervises the management team to ensure that business plans and budgets are met efficiently and effectively. The Board of Directors and the management team shall take responsibility for the shareholders according to their duties. There is segregation of duties between the Board of Directors and the management team. Internal control and risk management were reviewed and evaluated to mitigate risks to be at acceptable levels and to meet legal frameworks, corporate objectives and articles of association, and shareholders' meeting resolutions. Business interests are protected based on the principles of good corporate governance. Four committees were established, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Risk Management Committee. Members of the said committees have qualifications and duties and responsibilities according to requirements of the Stock Exchange of Thailand. Roles, duties and responsibilities between the committees and the management team and between the committees and the major shareholders were clearly defined in writing.

Authority and Duties of the Board of Directors

1. Oversee and manage the Company's business activities to ensure compliance with relevant laws, business objectives, the articles of association, and resolutions of shareholders' meetings, and protect the Company's interests in accordance with the principles of good corporate governance.
2. Determine the Company's policies and business directions as well as monitor and supervise management performance to ensure effectiveness, efficiency and compliance with such policies with a view to maximizing the Company's economic value and shareholders' wealth.
3. Arrange for the organization of an annual general meeting of shareholders within 4 months from the end of the Company's accounting period, and convene an extraordinary general meeting of shareholders as necessary.
4. Hold a Board of Directors meeting on a quarterly basis, wherein at least one-half of the total number of directors shall be present. Decisions at the meetings shall be resolved by a majority vote. If votes result in a tie, the Chairman of the meeting shall have the casting vote.
5. Provide recommendations, discuss problems in a collaborative and comprehensive manner, and make decisions with discretion and prudence concerning agenda items proposed at Board of Directors meetings.
6. Arrange for the preparation of the balance sheets and the profit and loss statement at the end of the Company's accounting period, and have them audited before submission thereof to the Annual General Meeting of Shareholders for consideration and approval.
7. Appoint the Managing Director and determine his/her remuneration.
8. Empower the Managing Director to direct the Company's business activities, appoint and terminate employment of employees, determine remuneration in accordance with policies set by the Board of Directors, and authorize employees to take actions in accordance with business situations.
9. Consider and approve capital expenditures and the annual operating budget, and supervise usage of the Company's resources.
10. Determine guidelines and policies for remuneration of high-level executives.
11. Arrange to have internal controls and audits, financial control systems, compliance supervision, and risk control and management.
12. Ensure preparation of financial reports and general information important to shareholders in a complete, correct and adequate manner. Also, confirm verification and certification of such reports.

Authority and Duties of the Managing Director

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

Authority and Duties of the Audit Committee

1. Review the Company's financial reports to ensure that the reports are correct according to accounting standards and relevant laws and that the disclosed information is adequate, complete, and reliable.
2. Conduct reviews to ensure that the Company complies with securities and exchange laws, requirements of the Stock Exchange of Thailand, or laws relating to the Company's business.
3. Conduct reviews and provide advice to ensure that the Company's internal control and internal audit systems are appropriate and effective according to international standards. The reviews shall be jointly conducted with external and internal auditors.³
4. Consider the independent status of the internal audit function. Also, endorse appointments, transfers, and terminations of internal audit heads or heads of other functions relating to internal audits; or

endorse hiring of internal auditors from outsourced agencies. Additionally, endorse annual audit plans and audit fees.

5. Collaborate with the management team in considering and selecting the Company's external auditor and considering appropriateness of audit fees before proposing the matters to the Board of Directors for endorsement and to the Annual General Meeting of Shareholders for approval. The selection criteria shall include the auditor's independence, past performance, and experience.
6. Consider and ensure that related party transactions are in compliance with laws and requirements of the Stock Exchange of Thailand, reasonable, and beneficial to the Company.
7. Prepare the Audit Committee's report which shall be disclosed in the Company's annual report. The Audit Committee's report shall be signed by the Chairman of the Audit Committee and contain opinions on matters as required by the Stock Exchange of Thailand.
8. Seek consultation or opinions or suggestions from outside consultants or experts as deemed appropriate by the Audit Committee
9. Review the Charter of the Board of Directors as necessary and appropriate once per year
10. Supervise the Company to ensure that there is a process for handling complaints from employees and outsiders
11. Perform other tasks as assigned by the Board of Directors

Authority and Duties of the Nomination and Remuneration Committee

1. Select and nominate persons qualified for being directors according to the Company's operating procedures on selection and nomination of directors. The committee shall also consider the performance, qualifications and appropriateness of the directors leaving office and qualified for re-election. The committee shall then propose a list of candidates to the Board of Directors for consideration and endorsement before submission thereof to the shareholders' meeting for election as directors.
2. Propose remuneration rates and employment conditions, including remuneration rates of Chairman of the Executive Committee, the Managing Director, and high-level executives of the Company, as assigned by the Board of Directors.
3. Provide opinions regarding remuneration rates of the Chairman of the Board of Directors and directors according to the regulation on consideration of remuneration to the Board of Directors for approval and to the shareholders' meeting for endorsement.
4. Provide recommendations regarding successors of the Chairman of the Executive Committee and the

Managing Director to the Board of Directors. Review succession plans for high-level executives, executives and key positions as prepared by the Chairman of the Executive Committee or the Managing Director.

5. Determine duties and responsibilities related to the following strategies:

5.1 Human resources strategies for high-level executives

5.1.1 Consider and provide opinions on human resources policies for high-level executives as proposed by the Chairman of the Executive Committee and/or the Managing Director to ensure alignment with the Company's business strategies before submission to the Board of Directors.

5.1.2 Ensure that qualified candidates are included in succession plans for high-level executives, executives, and key positions. Ensure that these plans are regularly reviewed by the Chairman of the Executive Committee and the Managing Director.

5.2 Strategies on performance evaluation and remuneration of high-level executives

5.2.1 Review remuneration strategies and propose them to the Board of Directors for endorsement.

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

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

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

Authority and Duties of the Corporate Governance Committee

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

Authority and Duties of the Risk Management Committee

1. Convene meetings to assess risks that may have short-term and long-term impacts on business operations; and review such risks at least once per quarter.

2. Determine action plans to mitigate risks towards business operations.
3. Monitor and report risk management results to the Audit Committee and the Board of Directors for acknowledgement.

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

Mr. Virat Phairatphiboon (Please refer to his profile in Page 27)

List of directors with financial knowledge

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

3. Nomination and Appointment of Directors and Top Executive

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

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

Qualifications of independent directors

1. Meet required qualifications of directors.
2. Perform duties and express opinions independently using their own discretion. Uphold integrity and placing corporate benefits as priority rather than only interests of major or retail shareholders or oneself.
3. Possess qualifications as required by the Stock Exchange of Thailand and meet best practices as follows:
 - 3.1 Hold no more than 2% of the total shares with voting rights in the Company and its affiliated companies, associated companies, or parties with possible conflicts of interest (including related parties as per the Section 258 of the Securities and Exchange Act)



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

Qualifications of directors

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

Qualifications of the managing director

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

7. Be able to lead, supervise and manage operations of the entire organization
8. Effectively identify business opportunities and solve problems.

Criteria for consideration and selection of directors

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

Procedures and criteria for election of directors at shareholders' meeting

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

Company's Articles of Association regarding the Board of Directors

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

A retiring director may be eligible for re-election.

17. Apart from vacancy upon the expiry of his/her term of office, a director shall vacate the office upon:
 - (1) Death;
 - (2) Resignation;
 - (3) Disqualification or possession of prohibited characteristics under Section 68 of the Public Company Limited Act B.E. 2535;
 - (4) Removal by the resolution of the shareholders meeting as per 20; or
 - (5) Removal by court order.

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

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

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

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

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

21. Directors may or may not be the Company's shareholders.

Checks and balances through non-executive directors

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

1 executive director, representing 9%

10 non-executive directors, representing 91%

4 independent directors, representing 36%

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

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

The Board of Directors shall be responsible for complying with laws, the Company's objectives and articles of association, and shareholders' meeting resolutions with integrity and good corporate governance. The term of office of directors is specified in the Company's articles of association, according to which one-third of the directors shall retire by rotation at every annual general meeting of shareholders (Please refer to the Company's

Articles of Association regarding the Board of Directors). Since 2003, individual directors have conducted self-assessments along with the performance assessment of the entire Board of Directors. Each director has shown interests in self-development to enhance knowledge, skills, and standards of practice to ensure effective management and supervision (Please refer to “Board of Directors/Committees Evaluation”).

Aggregation or Segregation of Duties

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

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

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

Remuneration Determination Process and Suitability

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

Each year the Nomination and Remuneration Committee shall review appropriateness of directors/committee members’ remunerations by comparison with industry peers of similar size.

4. Supervision of subsidiary and associated companies

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

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

5. Supervision of insider information use

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

- 3.1.8 It is prohibited to seek benefits for oneself or related persons by directly or indirectly using non-public information of the organization.
- 3.1.9 It is prohibited to use financial information of the Company for person gains during the one-period before the disclosure thereof to the public.
- 3.1.10 Purchases or sales of the Company's securities during the one-month period before the disclosure of the financial statements to the public shall be avoided.
- 3.1.11 It is required to report any shareholding in the Company as well as any changes thereto to the Company's Secretary according to Section 59 and punishment clauses according to Section 275 of the Securities and Exchange Act B.E. 2535.

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

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

Punishment

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

6. Audit Fee

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

In 2017, the auditor's remuneration consisted of:

1. Audit fee

The Company and its subsidiaries paid a total audit fee of Baht 3,555,000, details as follows:

Separate and consolidated financial statements: Baht 1,617,500.

Financial statements of 4 subsidiaries: Baht 1,937,500.

2. Non-audit fee

The Company and its subsidiaries paid a total non-audit fee of Baht 161,994.67

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

Risk Management: The frequency of reviewing risk management issues was changed from 6 months to 3 months. In addition, the Company has adopted an early warning system and conducted regular reviews to identify the severity level of risks and if they are increasing or decreasing as well as the efficiency of mitigation/preventive measures. The time frame or frequency of the reviews depends on the nature of transactions. Such practice has been implemented since 2014. Clearer warning signs have been defined. Color codes have been used to indicate the severity levels. For example, red color means a high severity level. Besides identifying severity levels, the Company evaluates risk possibilities and impacts. To foster awareness of employees at all levels about risk management; functional meetings are held on a daily basis; department meetings and management meetings are held on a monthly basis; and the Risk Management Committee's meetings are held on a 3-month basis. Furthermore, the Audit Committee assigns the Internal Control Audit Department to examine the practicality of risk management and track the progress of rectification of each issue on a quarterly basis. The Audit Committee then reports issues to be improved to the Board of Directors.

Corporate Secretary: The Board of Directors appointed Ms.Kullakarn Cheenpun as a new corporate secretary on 1 April 2017 in replacement of the former corporate secretary who retired. The new corporate secretary already attended the training in corporate secretarial practices in 2016. Her duties and responsibilities in the capacity of corporate secretary are prescribed by laws. She shall directly report to the Chairman of the Board of Directors and the managing director. Her profile is as shown in the section of profiles of directors and management.

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

Nomination of candidates for independent directors by minority shareholders: Since 2006, the Company has provided minority shareholders with the opportunity to nominate candidates for independent directors. The Company submitted a letter to the Stock Exchange of Thailand (SET), requesting the announcement via the SET's website that minority shareholders of the Company may nominate qualified

candidates for independent directors to replace those retiring by rotation according to the Company's selection process and in a timely manner. From 2008 onwards, nomination has been directly made through the Company's website.

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

1. Website: www.tipco.net (Topic: Reporting leads and corrupt practices)
2. Email: anti-corruption@tipco.net
3. Telephone numbers: 02-273-6888 (Managing Director), 02-273-6400 (Chairman of the Board of Directors)
4. Mailing to: Chairman of the Board of Directors/Managing Director
Mailing Address: Tipco Foods Public Company Limited
118/1 Rama 6 Road, Samsen Nai, Phayathai, Bangkok 10400

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

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

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

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

The principles and the policy regarding remunerations of the managing director and high-level executives: The Nomination and Remuneration Committee prepared and submitted the principles and the policy

regarding remunerations to the Board of Directors for consideration before further submission to the Annual General Meetings of Shareholders No. 1/2006 for approval. The Nomination and Remuneration Committee considered and adjusted remunerations of employees at all levels in line with the Company's business operations and industry peers of similar size.

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

In 2017, at the Board of Directors' meeting, self-assessment of compliance with the good corporate governance principles was conducted based on the 99-topic questionnaire developed by the Corporate Governance Center, the Stock Exchange of Thailand, in May 2013. This questionnaire was filled out by the Board of Directors before its meeting. The directors exchanged views and opinions regarding the performance and the meeting concluded that the following items have not yet been implemented or fully implemented.

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

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

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

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

Directors' Participation in Board of Directors/Committees' Meetings

List of directors (No. of attended meetings/No. of meetings)	Audit Committee's Meetings	Nomination and Remuneration Committee's Meetings	Board of Directors' Meetings	Shareholders' Meetings
Miss Laksana Supsakorn	4/4	3/3	7/7	1/1
Mrs. Anurat Tiamtan			7/7	1/1
Mr. Virat Phairatphiboon			7/7	1/1
Mr. Surachet Supsakorn			6/7	1/1
Mr. Somchit Sertthin			7/7	1/1
Mr. Chalit Limpanavech			7/7	1/1
Miss Roumsin Supsakorn			7/7	1/1
Mr. Sitilarb Supsakorn	4/4	3/3	7/7	1/1
Mr. Paisal Pongprayoon			7/7	1/1
Mrs. Achara Pricha			7/7	1/1
Mr. Ekaphol Pongstabhonn	4/4	3/3	7/7	1/1

Board of Directors /Committees Evaluation

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

Self-assessment of boards of directors and individual directors:

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

1. Self-assessment forms for board of directors
2. Self-assessment forms for individual directors

Self-assessment process:

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

Self-assessment forms for boards of directors and individual directors contain 6 topics:

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

Board of Directors Evaluation

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

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

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

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

Self-assessment of respective committees:

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

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

Self-assessment process:

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

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

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

Audit Committee Evaluation

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

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

Nomination and Remuneration Committee Evaluation

The self-assessment of the Nomination and Remuneration Committee was conducted by comparison between 2016 and 2017 checklists of authority, duties, and responsibilities of the Nomination and Remuneration Committee. The evaluation results revealed that the Nomination and Remuneration

Committee performed its duties in a comprehensive manner.

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

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

Chairman of the Board of Directors Evaluation

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

Orientation for new directors

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

Director development and trainings

Participant	Position	Course	Date
Mr. Ekaphol Pongstabhon	<ul style="list-style-type: none"> Managing Director 	1. Role of the Chairman Program 40-2017	21-22/3/2017
		2. Formulating Corporate Strategy and Execution	19/5/2017
		3. Digital Marketing Strategies	22-23/5/2017
		4. Boards of Directors in the Role of Driving Thailand Forward	29/5/2017
		5. Boards' Practices for Supervision, Prevention, and Handling of Cyber Threats	15/12/2017
Mr. Paisal Pongprayoon	<ul style="list-style-type: none"> Independent Director Nomination and Remuneration Committee Chairman Audit Committee Member 	1. Governance Trends 2017 and Beyond Fine Tuning the Governance Engines Thai CG: Then and Now	3/10/2017
		2. Boards' Practices for Supervision, Prevention, and Handling of Cyber Threats	15/12/2017
Mrs. Achara Pricha	<ul style="list-style-type: none"> Independent Director Audit Committee Member Nomination and Remuneration Committee Member 	1. Getting Ready for Changes in Financial Reporting Standards	30-31/5/2560
		2. Governance Trends 2017 and Beyond Fine Tuning the Governance Engines Thai CG: Then and Now	3/10/2560
		3. Businesses at the Era of Irregular Changes	22/11/2560
		4. Updated COSO Enterprise Risk Management Integrating with Strategy and Performance	8/11/2560
		5. Boards' Practices for Supervision, Prevention, and Handling of Cyber Threats	15/12/2560
Mr. Virat Phairatphiboon	<ul style="list-style-type: none"> Independent Director Audit Committee Chairman 	1. Updated COSO Enterprise Risk Management Integrating with Strategy and Performance	8/11/2560
Mr. Chalit Limpanavech	<ul style="list-style-type: none"> Independent Director 	1. Updated COSO Enterprise Risk Management Integrating with Strategy and Performance	8/11/2560

Investor Relations

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



Shareholding Structure

Shareholding Structure (31/12/2017)

No.	Name	No. of Shares	%
1	Mr. Sitilarb Supsakorn	55,500,000	11.397
2	Ms. Roumsin Supsakorn	48,500,000	10.050
3	Ms. Laksana Supsakorn	37,861,267	7.845
4	Mrs. Anurat Tiamtan	30,966,765	6.417
5	Ms. Piyaratana Supsakorn	30,379,328	6.295
6	Ms. Natalie Supsakorn	15,400,000	3.191
7	THAI NVDR Co.,LTD	13,906,035	2.882
8	Mr. Somchit Sertthin	11,599,846	2.404
9	Mr. Udom Jirasirikul	10,050,400	2.083
10	Ms. Vanissa Dhupchinda	9,143,074	1.895

Report on the Shareholding of Directors and Executives

No	Director	Position	Balance as at 1 January 2017	Purchase/ Transfer/ (Sales)	Balance as at 31 December 2017	%
1	Ms. Laksana Supsakorn	Chairman	37,861,267	-	37,861,267	7.85
2	Mrs. Anurat Tiamtan	Director	30,966,765	-	30,966,765	6.42
3	Mr. Somchit Sertthin	Director	11,599,846	-	11,599,846	2.40
4	Ms. Roumsin Supsakorn	Director	48,500,000	-	48,500,000	10.05
5	Mr. Sitilarb Subsakorn	Director	55,000,000	-	55,000,000	11.40
6	Mr. Surachet Supsakorn	Director	-	-	-	
7	Mr. Virat Phairatphiboon	Independent Director	-	-	-	
8	Mr. Chalit Limpanavech	Independent Director	-	-	-	
9	Mr. Paisal Pongprayoon	Independent Director	-	-	-	
10	Mrs. Achara Pricha	Independent Director	-	-	-	
11	Mr. Ekaphol Pongstabhon	Managing Director	-	-	-	

No.	Executives	Position	Balance as at 1 January 2017	Purchase/ Transfer/(Sales)	Balance as at 31 December 2017	%
1	Mr. Peerapong Archawapongsawat	Managing Director – Tipco Retail Co., Ltd.	-		-	
2	Mr. Chokchai Tocharoentanaphol	Managing Director – Tipco Pineapple Co., Ltd.	-		-	
3	Mrs. Pornanong Yoocha	Director - Corporate Accounting & Internal Control	-		-	
4	Mrs. Saranya Borisuitsawat	Director – Financial Management	-		-	
5	Mr. Pongtorn Kanchana-akradet	Department Manager - Corporate Planning	-		-	

Persons with Mutual Interest and Related Transactions

Stake holding interest of management is considered in relation to connected companies, subsidiaries and associated companies. Certain business are suppliers providing product or materials transport services in which the cost of such products or services provided to the company is calculated at market rates stated in mutual price policies referring to the Notes to Financial Statements No.4.10, and with no contractual obligations between the Board of Directors with stake-holding interest owing to their status as Directors or shareholders are:

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

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

Related company	Type and Nature of Business	Relationship with the related companies		Relationship with the company/shareholder name and equity stake of the related company's total share
Thanomwongse Service Co., Ltd.	Distributor of petroleum products, constructor of buildings, roads and surface maintenance	Ms. Laksana Supsakorn	Director	1 share held by Ms. Laksana Supsakorn
		Mr. Sitilarb Supsakorn	Director	1 share held by Mr. Sitilarb Supsakorn
		Mr. Surachet Supsakorn	Director	-None-
Tipco Asphalt PCL.	Producer and distributor of asphalt and distributor of fuel products	Ms. Laksana Supsakorn	Director	23.67% held by Tipco Foods PCL.
		Mr. Somchit Sertthin	Director	
		Mr. Sitilarb Supsakorn	Director	
Siamcontainer Terminal Co., Ltd.	Provides to Full Functional Services and Main Services are : Container Terminal Service, Warehouse management System, Transportation Service	Ms. Laksana Supsakorn	Director	16.67% held by Ms. Laksana Supsakorn
		Mrs. Anurat Tiamtan	Director	16.67% held by Mrs. Anurat Tiamtan
		Ms. Roumsin Supsakorn	Director	16.67% held by Ms. Roumsin Supsakorn
		Mr. Sitilarb Supsakorn	Director	16.67% held by Mr. Sitilarb Supsakorn
Ruamsapsin Co., Ltd.	To purchase, provide, acquire , rent , lease, possess improve, use, manage and others any assets including benefit of such assets	Ms. Laksana Supsakorn	Director	20.00% held by Miss Laksana Supsakorn
		Mrs. Anurat Tiamtan	Director	20.00% held by Mrs. Anurat Tiamtan
		Ms. Roumsin Supsakorn	Director	20.00% held by Miss Roumsin Supsakorn
		Mr. Sitilarb Supsakorn	Director	20.00% held by Mr. Sitilarb Supsakorn
		Mr. Surachet Supsakorn	Director	-None-
Tipco Tower Co., Ltd.	Rental office, Contractor and civil works of all types.	Ms. Laksana Supsakorn	Director	20.00% held by Miss Laksana Supsakorn
		Mrs. Anurat Tiamtan	Director	20.00% held by Mrs. Anurat Tiamtan
		Ms. Roumsin Supsakorn	Director	20.00% held by Miss Roumsin Supsakorn
		Mr. Sitilarb Supsakorn	Director	20.00% held by Mr. Sitilarb Supsakorn
		Mr. Surachet Supsakorn	Director	-None-

Related company	Type and Nature of Business	Relationship with the related companies		Relationship with the company/shareholder name and equity stake of the related company's total share
Thai Slurry Seal Co., Ltd.	Asphalt road and construction services	Ms. Laksana Supsakorn	Director	7.50% held by Miss Laksana Supsakorn
		-		0.84% held by Mrs. Anurat Tiamtan
		-		7.50% held by Miss Roumsin Supsakorn
		Mr. Sitilarb Subsakorn	Director	7.50% held by Mr. Sitilarb Supsakorn
		Mr. Somchit Sertthin	Director	-None-



Management Structure

Board of Directors

1. Ms. Laksana Supsakorn	Chairman
2. Mrs. Anurat Tiamtan	Director
3. Mr. Somchit Sertthin	Director
4. Ms. Roumsin Supsakorn	Director
5. Mr. Sitilarb Supsakorn	Director
6. Mr. Surachet Supsakorn	Director
7. Mr. Virat Phairatphiboon	Independent Director
8. Mr. Chalit Limpanavech	Independent Director
9. Mrs. Achara Pricha	Independent Director
10. Mr. Paisal Pongprayoon	Independent Director
11. Mr. Ekaphol Pongstabhon	Managing Director
12. Ms. Kullakarn Cheenpun	Secretary

Audit Committee

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

Nomination and Remuneration Committee

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

Corporate Governance Committee

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

Risk Management Committee

1. Mr. Ekaphol Pongstabhon	Chairman
2. Mr. Chokchai Tocharoentanaphol	Member

3. Mr. Kitti Thannara	Member
4. Mrs. Karnchana Warotemaporn	Member
5. Mr. Pongtorn Kanchana-akradet	Member
6. Mrs. Pornanong Yoocha	Member and Secretary
7. Ms. Kanittha Seubchakdee	Assistant Secretary

Member's Name	Position	Committee Meetings	
		Number of meetings	Number of attended meetings
Ms. Laksana Supsakorn	- Chairman of the Board of Directors	7	7
Mrs. Anurat Tiamtan	- Director	7	7
Mr. Surachet Supsakorn	- Director	6	7
	- Member of the Nomination and Remuneration Committee	3	3
Mr. Somchit Sertthin	- Director	7	7
Ms. Roumsin Supsakorn	- Director	7	7
Mr. Sitilarb Subsakorn	- Director	7	7
Mr. Virat Phairatphiboon	- Independent Director	7	7
	- Chairman of the Audit Committee	4	4
Mr. Paisal Pongprayoon	- Independent Director	7	7
	- Member of the Audit Committee	4	4
	- Chairman of the Nomination and Remuneration Committee	3	3
Mrs. Achara Pricha	- Independent Director	7	7
	- Member of the Audit Committee	4	4
	- Member of the Nomination and Remuneration Committee	3	3
Mr. Chalit Limpanavech	- Independent Director	7	7
Mr. Ekaphol Pongstabhon	- Managing Director	7	7

Management Team-Tipco Foods Group

1. Mr. Ekaphol Pongstabhon	Managing Director
2. Mr. Peerapong Archawapongsawat	Managing Director – Tipco Retail Co., Ltd.
3. Mr. Chokchai Tocharoentanaphol	Managing Director – Tipco Pineapple Co., Ltd.
4. Mr. Leuchar Pisitthakarn	Chief Operations Officer*

*Appointed to be the Chief Financial Officer on January 1, 2018.

Corporate Secretary

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

The requisite qualifications and responsibilities of this position are as follows:

Qualifications

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

Responsibilities

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

Remuneration of Directors and Executives

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

In 2017, the remuneration rates of the Company's Board of Directors and executives were as follows: (Directors did not receive any remuneration from Tipco's subsidiary companies.)

1. Monetary Remuneration (per annum)

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

Name	Position	Remuneration (Baht)			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
Miss Laksana Supsakorn	- Chairman	1,080,000			1,080,000
Mrs. Anurat Tiamtan	- Director	840,000			840,000
Miss Roumsin Supsakorn	- Director	840,000			840,000
Mr. Somchit Sertthin	- Director	840,000			840,000
Mr. Sitilarb Supsakorn	- Director	840,000			840,000
Mr. Surachet Supsakorn	- Director - Member of the Nomination and Remuneration Committee	840,000		40,000	880,000

Name	Position	Remuneration (Baht)			
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
Mr. Virat Phairatphiboon	- Independent Director - Chairman of the Audit Committee	840,000	280,000		1,120,000
Mr. Chalit Limpanavech	- Independent Director	840,000			840,000
Mr. Paisal Pongprayoon	- Independent Director - Chairman of the Nomination and Remuneration Committee - Member of the Audit Committee	840,000	200,000	60,000	1,100,000
Mrs. Achara Pricha	- Independent Director - Member of the Nomination and Remuneration - Member of the Audit Committee	840,000	200,000	40,000	1,080,000
Mr. Ekaphol Pongstabhon	- Managing Director	840,000			840,000

Remuneration of executives

In 2017, 5 executives received remuneration consisting of salary and bonus totaling Baht 24,045,439.05.

2. Other Remuneration

Other remuneration of directors and committee members

- None -

Other remuneration of executives

The Company established the provident fund for executives by paying contributions to the fund at the rate of 5% of salary. In 2017, the employer's contributions to the provident fund for 5 executives totaled Baht 817,656.00 In addition, 2 executive directors/executives were provided with company cars and 3 executives were provided with vehicle allowances totaling Baht 1,527,300.00

Personnel

Employee Remuneration Policy

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

In 31 December 2017, the Company had a total 200 employees who were paid remuneration totaling Baht 297 million consisting of salary, overtime pay, cost of living allowance, special allowance, social security fund contributions, and provident fund contributions, etc. In addition, the subsidiary companies paid similar forms of employee remuneration totaling Baht 343 million.

Addressing employees' health as a priority, the Company implemented an annual physical checkup program with a budget of Baht 996,565. During the past year, the Company also paid Baht 2,351,942 to cover medical expenses (under its health insurance plan) and influenza vaccination for its employees.

2017 (in 31 December 2017)	Tipco Foods Pcl.	Tipco F&B Co., Ltd.	Tipco Retail Co., Ltd.	Tipco Biotech Co., Ltd.	Tipco Pineapple Co., Ltd.
Operating employees	177	537	184	200	1,863
Executive employees	23	35	4	6	19
Total (person)	200	572	188	206	1,882
Employees at Headquarters	96	116	64	12	43
Employees outside Headquarters	104	456	124	194	1,839
Total (person)	200	572	188	206	1,882
Employees' remuneration (Baht Million)	297	191	41	35	76

Changes in Numbers of Employees in the Last 3 Years

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

- As at 31 December 2014, the Company's number of employees was 1,470.
- As at 31 December 2015, the Company's number of employees was 1,414.
- As at 31 December 2016, the Company's number of employees was 1,479.

Major Labour Disputes in the Last 3 Years

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

Accident Statistics in 2017

- The number of employees taking leave as a result of accidents
10 persons (LTA. or Frequency Rate=0.06)
- The number of leave days
23 days (DLT. or Level of Severity = 0.89)

Human Resources Development Policy

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

Rules and Regulations

1. Every position must have job description, qualification, and competency, for example, academic degree, experience, and expertise required for the performance of duties in such position.
2. Employees at the level of OM5/O5 and above must be subject to core competency analysis which covers knowledge, skills, and expertise in various aspects. The analysis results shall be used as a guideline for preparing individual development plans (IDP). The positions to be chosen for this assessment shall be in line with the Company's annual personnel development plan.
3. For other employees that are not subject to core competency analysis, knowledge and competency development needs shall be considered by supervisors based on their annual performance evaluation results. Then, individual development plans will be determined and proposed to supervisors for approval before submission to the Human Resources Department for compiling and preparing training and development plans.
4. Employees shall improve their knowledge, skills, and competency in various areas, including management, supervision, technical and professional fields, specialized assignments, business acumen, basics of quality management system, and awareness of quality assurance through one or more of the following methods:
 - 4.1 On-the-job training
 - 4.2 Training, seminar, case study, or site visit on- and off-premises
 - 4.3 Job rotation
 - 4.4 Appointment of successors

4.5 Assignment of tasks or special projects

4.6 Other methods as appropriate

5. The Human Resources Department is responsible for coordinating with other department heads and taking relevant actions in developing employees, following up on development progress, and keeping employee development records.

Practices

1. For employees at M4/P4 up, competency analysis and individual development plan must be jointly considered and endorsed between supervisors, employees, the Human Resources Department, and the Human Resources Committee. This is for maximum benefits of the Company and its employees.
2. Supervisors and employees shall be mainly responsible for developing individual development plans for career advancement and development.
3. The Human Resources Department, supervisors, and management team shall undertake supervision and allocate budget resources to ensure that employees' development needs are fulfilled in a broad-based, equal, and non-discriminatory manner.
4. Employees shall be allowed to check their individual development plan and/or development progress with supervisors or the Human Resources Management at any time. They also shall be able to file complaints with management team if they experience neglect, lack of support, or unfair treatment with regard to self-development issues.

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

- Problem Solving and Decision Making
- Creative Thinking Techniques
- Strategic Thinking Development
- Service Standard

Apart from the training courses to support employees' performance of duties, the Company offered a number of specialized training courses such as marketing, sales, customer services, accounting, finance, human resources management, repairs and maintenance, and production management with the total budget of approximately Baht 3 million.

Internal Control and Risk Management

1. Internal control and internal audit

The Board of Directors established internal control system to cover all aspects including financial management, operations, compliance with relevant laws, rules and regulations, and risk management. In addition, proper checks and balances system and an effective internal audit system were adopted in order to enhance the efficiency of administration and asset management as well as to ensure fair compensation and returns for all stakeholders. The Company defined the scope of authority and responsibilities of executives and employees according to the hierarchical order, established written operating procedures, developed employees at managerial level and talents through the Internal Quality Audit ISO 9001: 2000 program in support of cross-functional audit, and established an independent internal audit function. From 2004 onwards, the Company has engaged an external firm to conduct internal audits for the Company. The internal auditor jointly considered internal audit plans with the Audit Committee and directly reports to the Audit Committee.

The Board of Directors delegated authority, duties and independence to the Nomination and Remuneration committee so as to promote fairness of the selection of competent and qualified candidates for the position of director and managing director as well as to ensure that the remuneration for directors and employees is fair and based on performance. In addition, the Corporate Governance committee has been established to be responsible for the formulation of the corporate governance policy and code of business ethics. The policy and the result of its implementation have been periodically reviewed. The Company has fostered the culture of good corporate governance as it strongly believes that management with quality, integrity, transparency and fairness to all parties will lead to the achievement of sustainable business growth.

2. Internal Control System

At the Board of Directors Meeting No. 1/2017 held on 17 February 2017 where 3 independent directors were also present, the Board of Directors evaluated the Company's internal control system and approved the evaluation form prepared by the management as well as the Audit Committee's report. Details can be summarized as follows:

Operational control: The Company has clearly defined the authority and operating procedures applicable to operating officers and executives in writing to facilitate audits. Utilization of the

Company's resources and assets was controlled and monitored to ensure benefits. Also, the budget management system is implemented and feasibility study is conducted for investment projects before asset investments are made. To ensure effectiveness, the Company adopts the monitoring and tracking system to analyze gaps between the planned budget and the actual results. Furthermore, there is a clear segregation of duties between operating officers, controllers and assessors to promote proper checks and balances. Internal controls are enforced for financial management and financial reports are presented to division heads concerned.

Internal audit: The Company has contracted an external firm to conduct internal audits for the Company with the aim of ensuring that its key operations and financial activities are undertaken in accordance with predetermined guidelines. Compliance with the laws and relevant requirements has been audited. To promote the internal auditor's independence and abilities to conduct audit activities in accordance with the checks and balances principle, the Board of Directors instructed the internal auditor to report directly to the Audit Committee and to determine the scope of audit in collaboration with the Audit Committee.

Risk management: The Board of Directors established the Business Risk Assessment committee which is responsible for determining the risk management scope and policy. The committee holds a meeting with managers of relevant departments to identify and assess business risks every three months. Also, team meetings are held daily while department meetings, management meetings and senior executive meetings are held monthly. Compliance with the laws and relevant requirements has been audited. To promote the internal auditor's independence and abilities to conduct audit activities in accordance with the checks and balances principle, the Board of Directors instructed the internal auditor to report directly to the Audit Committee and to determine the scope of audit in collaboration with the Audit Committee. Compliance with relevant laws and requirements has been monitored. Compliance with relevant laws and requirements has been monitored. From 2004 onwards, the Audit Committee has required the internal auditor to monitor risk management and to identify if the management has adopted approaches as planned and if such approaches effectively contribute to risk mitigation. The results shall be presented to the Audit Committee on a quarterly basis.

The opinion of the Board of Directors regarding adequacy of internal control system

The Board of Directors opined that the internal control system, business risk management and corporate governance of the Company were at the satisfactory level and could provide reasonable assurance with regard to transparency. The financial statements of the Company and its subsidiaries for the year 2017 which were jointly reviewed by the Audit Committee, the management team and the auditor of the Company presented the financial position and the operating results correctly, completely, reasonably, fairly and in accordance with the generally accepted accounting principles. The Company adopted appropriate accounting policies and consistently applied such policies. The disclosure of information was adequate according to the auditor's opinion on the Company's financial statements specified in the auditor's report.

3. Internal Audit

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

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

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

1. Details regarding head of compliance function

The Board of Directors has appointed Ms. Kullakarn Cheenpun as head of compliance function. He shall be responsible for acting as a center for supervision of business operations of companies in the group to ensure compliance with laws, rules, regulations and requirements of concerned supervisory bodies such as the Bank of Thailand (BOT), the Office of the Securities and Exchange Commission (SEC), the Office of

Insurance Commission, the Office of Energy Regulatory Commission (OERC) or other relevant agencies governing the Company's business operations, and for reporting the results to the Audit Committee and the Board of Directors on a quarterly basis. The Board of Directors approved the compliance policy, requiring that the Board of Directors, the Audit Committee, high-level executives, departments or functional units and employees comply with laws. Communication to employees has been made so that they are aware that they have the duty and responsibility to study and understand laws, rules and regulations applicable to their work and to comply with the said rules and regulations strictly, correctly and completely. (The profile of the executive is as per page 29)

2. Details regarding head of internal audit function

The Audit Committee appointed Audit and Management Consultant Co., Ltd. as the Company's internal auditor. Audit and Management Consultant Co., Ltd. has assigned Mrs. Pilai Piampongsarn to be the internal auditor who shall be mainly responsible for internal audit works for the Company. (The profile is as per Attachment 3 in 56-1 form.)



Connected Transactions

Details of related transaction accounts between Tipco Foods PCL. and its subsidiaries with related persons in 2017 include these followings:

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
1. Others incomes	Tipco Asphalt PCL.	0.12	Market prices, equivalent to that quoted for outsiders
	Thai Bitumen Co., Ltd.	0.01	
	Total	0.13	
2. Acquiring services and others	Tipco Tower Co., Ltd.	14.41	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.52	
	Siamcontainer Terminal Co., Ltd.	0.69	
	Ruamsapsin Co., Ltd.	0.24	
	Marketing Consultants Co., Ltd.	1.53	
	Total	17.39	

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

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
1. Selling products	Siamcontainer Terminal Co., Ltd.	0.20	Market prices, equivalent to that quoted for outsiders
	Thanomwongse Service Co., Ltd.	0.84	
	Tipco Asphalt PCL.	1.82	
	Rattanajit Co., Ltd.	0.50	
	Thai Bitumen Co., Ltd.	0.14	
	Thai Slurry Seal Co., Ltd.	0.17	
	Tipco Maritime Co., Ltd.	0.07	
	Ruamsapsin Co., Ltd.	0.30	
	Marketing Consultants Co., Ltd.	0.41	
	Raycol Asphaltl Co., Ltd.	0.06	
	Tipco Tower Co., Ltd.	0.27	
	Boondee Co., Ltd.	0.09	
	Colas Rgional Office	0.02	
	Total	4.89	

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
2. Acquiring services and others	Tipco Asphalt PCL.	0.29	Market prices, equivalent to that quoted for outsiders
	Siamcontainer Terminal Co., Ltd.	0.26	
	Ruamsapsin Co., Ltd.	9.80	
	Tipco Tower Co., Ltd.	7.16	
	Marketing Consultants Co., Ltd.	0.67	
	Total	18.18	

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

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
1. Acquiring services and others	Vital Well Co., Ltd	0.08	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.13	
	Ruamsapsin Co., Ltd.	8.72	
	Tipco Tower Co., Ltd.	1.74	
	Marketing Consultants Co., Ltd.	0.07	
	Total	10.74	

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

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
1. Others incomes	Raycol Asphaltl Co., Ltd.	0.01	Market prices, equivalent to that quoted for outsiders
	Total	0.01	

Type of transaction	Company/relationship	Related transaction value (million Baht)	Pricing policy
2. Acquiring services and others	Tipco Tower Co., Ltd.	0.11	Market prices, equivalent to that quoted for outsiders
	Tipco Asphalt PCL.	0.10	
	Siamcontainer Terminal Co., Ltd.	0.19	
	Marketing Consultants Co., Ltd.	0.17	
	Total	0.57	

Other service transactions were building rental paid to Tipco Tower Co., Ltd. This was booked as expense of the Company, Tipco F&B Co., Ltd. and Tipco Retail Co., Ltd. of Baht 11.32 million, Baht 4.60 million and Baht 1.40 million, respectively. The Audit Committee had taken serious consideration to prove that such rental was fair when compared with similar buildings and facilities services available in Bangkok. Approval was made by the Company's Board of Directors, in which related Directors had no voting rights.

The Necessity and Rationality of the Transactions

The related transactions between the Company, subsidiaries and related persons who might conflict of interest are treated as normal business activities and needed to be approved by Audit Committee first and then the Board of Directors. This is in line with all endorsement procedures of the Company involving in price comparison and market price quotation policy.

The Measure and Process of Related Party Transactions

The related party transactions at the present continuing to the future, must be approved by both the Audit Committee and the Board of Directors. This is in line with all endorsement procedures of the Company involving in price comparison and supplier selection process, in which the Directors who have the conflict of interests must obtain from voting.

Policies and Tendencies of Related Party Transactions in the Future

The related party transactions, which occur at present and may continue to the future, are treated as normal business activities. There will be neither unusual transactions nor the transfers of interest between the Company, subsidiaries and related persons with possible conflicts of interest. The Company will have

the Audit Committee or the Company's auditor or independent expert to examine the suitability of prices and rationality of transactions and to make relevant remarks. Details, values and reasons on these transactions are required to publicly disclose and report to Shareholders' Meeting and in the annual report. The Board of Directors has to comply with securities and exchange laws and regulations, announcement of the Stock Exchange of Thailand. Moreover, the Company has to strict with the disclosure of relevant transactions and acquisitions or sales of significant assets of the Company or subsidiaries in accordance with the accounting standard of the Institute of Certified Accounts and Auditors of Thailand. In case of any related party transactions between the Company, subsidiaries and related persons with possible conflict of interests, the Company must have the Audit Committee to examine the justification of these transactions. In case of any transactions that may be beyond the Audit Committee's capability, the Company will establish independent expert or auditor team to do that before having any conclusions to propose to the Company's Board of Directors or shareholders.



Report of the Board of Directors Responsibility to Financial Reporting

The Board of Directors of the Company is responsible for the consolidated and separate financial statements of the Tipco foods public company limited, including the financial information presented in the Annual Report. The financial statements are prepared in accordance with the generally accepted accounting principles, while the suitable and consistent accounting policies are duly adopted. Cautious judgment and the best possible estimates are exercised in the preparation of the Statements. In addition, significant information is sufficiently shown in the Notes to the Financial Statements. The Statements have been inspected by licensed and independent auditors, who have not made any conditional comments. The Statements therefore accurately and reasonably reflect the financial position and operating performance results of the business, for the benefit of shareholders, general investors and parties with interests in the Company, in a transparent manner.

The Board of Directors has initiated, and continues to maintain, a system of risk management, as well as suitable and efficient internal controls, in order to reasonably ensure that the recording of accounting data is conducted accurately, comprehensively and adequately. This is with the aim of protecting the assets of the business, and to identify weaknesses, to prevent risk from acts and corruption or transactions of a significantly abnormal nature.

The Board of Directors has appointed the Audit Committee, comprising of 3 Independent Directors, to oversee and be responsible for ensuring the quality of financial reporting, as well as internal controls. The Audit Committee's opinions on this matter are shown in the Audit Committee's Report as appearing in the Annual Report.

The Board of Directors of the Company is of the opinion that the business' internal control systems are of a satisfactory level to engender a reasonable degree of confidence in the consolidated and separate financial statements of 31 December 2017.



(Ms.Laksana Supsakorn)
Chairman of the Board



(Mr.Ekapho Pongstabhon)
Managing Director



Report of the Audit Committee

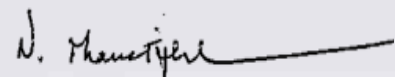
The Audit Committee of Tipco Foods Public Company Limited comprises 3 independent directors. Mr. Virat Phairatphiboon serves as Chairman of the Audit Committee, while Mr. Paisal Pongprayoon and Mrs. Achara Pricha serve as members of the Audit Committee. The Audit Committee performed its duties as assigned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

In 2017, the Audit Committee held 4 formal meetings with the external auditor and the internal auditor. The Committee also conducted several consultations with the internal auditor, the external auditor and the management. The Audit Committee's main operations can be summarized as follows:

1. The Audit Committee together with Audit and Management Consultant Co., Ltd., the internal auditor, determined the annual internal audit plan to ensure the sufficiency of internal control systems. An emphasis was placed on business risk management and the internal auditor was assigned to review such risk on a quarterly basis.
2. The Audit Committee together with the external auditor reviewed the quarterly and annual financial statements and related financial reports prior to submission thereof to the Board of Directors for consideration and approval. It was found that the financial statements were in compliance with the Thai financial reporting standards and disclosed sufficient, complete, and reliable information.
3. The Audit Committee reviewed all connected transactions between the Company and related individuals and juristic persons and opined that such transactions were undertaken in the ordinary course of business, at competitive market prices, and on an arm's length basis.
4. The Audit Committee conducted a review to ensure that the effective internal control systems were in place. No significant faults that could result in key impacts were found. It was reiterated that the management must constantly enhance the internal control and risk management systems to be efficient and aligned with the business environment. The Audit Committee also promoted and supported internal audit activities to meet international standards.
5. The Audit Committee monitored the Company's investment projects by regularly following up on the progress through management reports.
6. The Audit Committee reviewed the Company's compliance with relevant regulations and laws to ensure integrity and transparency to the shareholders and other stakeholders. Based on the review, it was found that the Company was in full compliance with such regulations and laws.

7. The Audit Committee considered, proposed and appointed a new external auditor according to appropriate timeline and an audit fee was proposed to the Board of Directors to seek approval from the shareholders' meeting. In this regard, EY Office Limited was appointed as the Company's auditor for 2017.

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



Mr. Virat Phairatphiboon
Chairman of the Audit Committee

15 February 2018





Financial Report



Independent Auditor's Report

To the Shareholders of Tipco Foods Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Tipco Foods Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Tipco Foods Public Company Limited (the Company) for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tipco Foods Public Company Limited and its subsidiaries and of Tipco Foods Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matter

I draw attention to Notes 1 and 9 of the consolidated financial statements which describe the transfer of the processed fruit segment to a subsidiary. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of

my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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

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

Revenue recognition

The revenue from sales is significant in amount in the consolidated financial statements and directly affects the Group's financial performance. In addition, the Group has entered into agreements with the conditions stipulated in these agreements are varied, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. I therefore focus on revenue recognition to ensure that revenue is recognised in the correct period at the appropriated amount.

I assessed the appropriateness and tested the effectiveness of the internal controls of the Group with respect to the revenue by examining supporting documents, on a sampling basis, for actual sale transactions occurring during the year and expanding the scope of audit near the end of the accounting period. I also audited credit notes that the Group issued after the period-end. In addition, I performed analytical procedures of disaggregated data to detect possible irregularities in sale transactions throughout the period, particularly for accounting entries made through journal vouchers.

Investment in associate in the consolidated financial statements

The Company has investment in associate based on the equity method presented in the consolidated statement of financial position and has share of profit from investment in associate in the consolidated statement of comprehensive income. These amounts are significant to the consolidated financial statements and have direct effect on profit or loss.

I have inquired the management relating to significant influence on the associate to determine the appropriateness of recording transactions for investment in associate. I have also evaluated the accounting policy and related transactions of such associate. Furthermore, I obtained the financial statements which have been audited by the Certified Public Accountant of such associate to test the calculation of share of profit from investment in associate and tested proportionate interest in value of investment in associated company. In addition, I determined whether there was adequate disclosure of information of such investment in associate in the notes to the financial statements.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue

as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to

the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 16 February 2018

Tipco Foods Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents		199,464,462	58,983,257	64,660,653	25,295,630
Current investment		4,907,078	3,846,390	-	-
Trade and other receivables	6,7	573,737,682	689,864,254	39,580,308	317,129,277
Short-term loans to related party	6	-	-	8,000,000	-
Inventories	8	915,877,077	882,245,761	50,201,989	433,586,623
Biological assets		2,952,979	2,800,857	-	-
Advanced payments		10,851,311	14,188,871	4,150,159	7,583,343
Other current assets		73,436,307	46,582,571	36,797,882	13,031,935
Total current assets		<u>1,781,226,896</u>	<u>1,698,511,961</u>	<u>203,390,991</u>	<u>796,626,808</u>
Non-current assets					
Restricted bank deposits		-	1,016,000	-	-
Investments in subsidiaries	9	-	-	1,615,336,907	465,336,902
Investment in associate	10	3,030,377,429	2,894,859,580	644,929,739	644,929,739
Investment property- Land awaiting sale		7,269,561	7,269,561	7,269,561	7,269,561
Property, plant and equipment	11	1,970,631,489	2,023,191,014	367,072,327	761,469,255
Intangible assets	12	72,458,309	68,099,837	33,547,307	35,954,345
Deferred tax assets - net	19	56,798,126	97,889,724	13,677,086	54,217,114
Other non-current assets		19,667,436	17,983,295	4,283,470	6,117,218
Total non-current assets		<u>5,157,202,350</u>	<u>5,110,309,011</u>	<u>2,686,116,397</u>	<u>1,975,294,134</u>
Total assets		<u><u>6,938,429,246</u></u>	<u><u>6,808,820,972</u></u>	<u><u>2,889,507,388</u></u>	<u><u>2,771,920,942</u></u>

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions		720,845,467	417,000,000	140,000,000	120,000,000
Trade and other payables	6, 13	805,380,737	859,126,100	102,650,369	241,296,027
Current portion of long-term loans from financial institutions	14	197,500,000	171,500,000	86,200,000	91,500,000
Income tax payable		3,960,759	2,247,671	-	-
Other current liabilities		43,572,043	57,816,502	4,254,613	35,285,354
Total current liabilities		<u>1,771,259,006</u>	<u>1,507,690,273</u>	<u>333,104,982</u>	<u>488,081,381</u>
Non-current liabilities					
Long-term loans from financial institutions - net of current portion	14	709,450,000	776,950,000	487,445,000	456,950,000
Provision for dismantling cost		1,254,600	2,649,600	-	-
Provision for long-term employee benefits	16	85,849,430	79,096,614	23,173,843	55,553,001
Total non-current liabilities		<u>796,554,030</u>	<u>858,696,214</u>	<u>510,618,843</u>	<u>512,503,001</u>
Total liabilities		<u>2,567,813,036</u>	<u>2,366,386,487</u>	<u>843,723,825</u>	<u>1,000,584,382</u>
Shareholders' equity					
Share capital					
Registered					
500,000,000 ordinary shares of Baht 1 each		<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid 482,579,640 ordinary shares of Baht 1 each		482,579,640	482,579,640	482,579,640	482,579,640
Non-controlling interests of subsidiary acquired by the Company at price higher than book value	9	(80,767,243)	-	-	-

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Non-controlling interest in subsidiary of the associated company acquired at price lower than book value		1,494,466	1,494,466	-	-
Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate		(135,832,635)	(135,832,635)	-	-
Capital reserve for share-based payment transactions of the associate		36,872,134	28,433,655	-	-
Retained earnings					
Appropriated - statutory reserve	17	50,000,000	50,000,000	50,000,000	50,000,000
Unappropriated		4,155,881,429	3,650,873,429	1,513,203,923	1,238,756,920
Other components of shareholders' equity		(139,611,581)	(3,216,208)	-	-
Equity attributable to owners of the Company		4,370,616,210	4,074,332,347	2,045,783,563	1,771,336,560
Non-controlling interests of the subsidiaries		-	368,102,138	-	-
Total shareholders' equity		<u>4,370,616,210</u>	<u>4,442,434,485</u>	<u>2,045,783,563</u>	<u>1,771,336,560</u>
Total liabilities and shareholders' equity		<u>6,938,429,246</u>	<u>6,808,820,972</u>	<u>2,889,507,388</u>	<u>2,771,920,942</u>

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

Tipco Foods Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Continued operation					
Profit or loss:					
Revenues					
Sales and service income		4,869,664,652	5,273,206,676	420,855,191	384,452,973
Other income					
Dividend income from subsidiary and associate	9,10	-	-	343,197,326	258,917,162
Marketing income		-	-	20,631,783	19,925,917
Others		81,946,050	93,760,294	14,124,485	5,451,008
Total revenues		<u>4,951,610,702</u>	<u>5,366,966,970</u>	<u>798,808,785</u>	<u>668,747,060</u>
Expenses					
Cost of sales and services		3,520,043,096	3,816,732,538	270,447,710	237,932,513
Selling expenses		719,447,247	824,976,270	66,503,418	6,769,320
Administrative expenses		502,091,418	457,732,891	204,643,632	221,199,637
Other expenses					
Allowance for doubtful accounts		-	419,926	-	-
Allowance for impairment loss on equipment	11	5,523,512	186,471,519	5,523,512	-
Total expenses		<u>4,747,105,273</u>	<u>5,286,333,144</u>	<u>547,118,272</u>	<u>465,901,470</u>
Profit before share of profit from investment in associate, finance cost and income tax		<u>204,505,429</u>	<u>80,633,826</u>	<u>251,690,513</u>	<u>202,845,590</u>
Share of profit from investment in associate	10	600,610,257	740,749,858	-	-
Profit before finance cost and income tax		<u>805,115,686</u>	<u>821,383,684</u>	<u>251,690,513</u>	<u>202,845,590</u>
Finance cost		(53,840,067)	(39,535,509)	(35,505,647)	(21,718,547)
Profit before income tax		<u>751,275,619</u>	<u>781,848,175</u>	<u>216,184,866</u>	<u>181,127,043</u>
Income tax	19	(47,497,632)	(16,002,513)	(40,540,028)	(5,315,062)
Profit from continued operation for the year		<u>703,777,987</u>	<u>765,845,662</u>	<u>175,644,838</u>	<u>175,811,981</u>
Discontinued operation (Transfer segment to a subsidiary)					
Profit from discontinued operation for the year		-	-	296,441,533	205,108,332
Profit for the year		<u>703,777,987</u>	<u>765,845,662</u>	<u>472,086,371</u>	<u>380,920,313</u>

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Continued operation					
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Share of comprehensive income in associate	10	(136,395,373)	(9,325,727)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
- net of income tax		(136,395,373)	(9,325,727)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	16	-	(14,566,193)	-	(13,917,530)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
- net of income tax		-	(14,566,193)	-	(13,917,530)
Other comprehensive income for the year		(136,395,373)	(23,891,920)	-	(13,917,530)
Total comprehensive income for the year		<u>567,382,614</u>	<u>741,953,742</u>	<u>472,086,371</u>	<u>367,002,783</u>
Profit attributable to:					
Equity holders of the Company					
Profit from continued operation		702,647,368	813,638,314	175,644,838	175,811,981
Profit from discontinued operation					
(Transfer segment to a subsidiary)		-	-	296,441,533	205,108,332
		<u>702,647,368</u>	<u>813,638,314</u>	<u>472,086,371</u>	<u>380,920,313</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		1,130,619	(47,792,652)		
		<u>1,130,619</u>	<u>(47,792,652)</u>		
		<u>703,777,987</u>	<u>765,845,662</u>		

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Total comprehensive income attributable to:					
Equity holders of the Company					
Profit from continued operation		566,251,995	789,746,394	175,644,838	161,894,451
Profit from discontinued operation (Transfer segment to a subsidiary)		-	-	296,441,533	205,108,332
		<u>566,251,995</u>	<u>789,746,394</u>	<u>472,086,371</u>	<u>367,002,783</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		1,130,619	(47,792,652)		
		<u>1,130,619</u>	<u>(47,792,652)</u>		
		<u>567,382,614</u>	<u>741,953,742</u>		
Earnings per share (Baht)	20				
Basic earnings per share					
Profit attributable to equity holders of the Company					
Profit per share from continued operation		1.46	1.69	0.36	0.36
Profit per share from discontinued operation (Transfer segment to a subsidiary)		-	-	0.62	0.43
		<u>1.46</u>	<u>1.69</u>	<u>0.98</u>	<u>0.79</u>

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

Tipco Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements												
	Equity attributable to owners of the Company											Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Non-controlling interests of subsidiary acquired by the Company at price higher than book value	Non-controlling interest in subsidiary of the associated company acquired at price lower than book value	Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	Capital reserve for share-based payment transactions of the associate		Retained earnings		Other component of shareholder's equity		Total equity attributable to shareholders of the Company		
							Appropriated statutory reserve	Unappropriated	Other comprehensive income	Total other components of shareholders' equity			
Share of comprehensive income in associate													
Balance as at 1 January 2016	482,579,640	-	1,494,466	(73,900,864)	18,078,255		50,000,000	3,081,058,341	6,109,519	6,109,519	3,565,419,357	415,359,710	3,980,779,067
Cumulative effect of change in accounting policy for agriculture	-	-	-	-	-		-	2,011,952	-	-	2,011,952	-	2,011,952
Profit for the year	-	-	-	-	-		-	813,638,314	-	-	813,638,314	(47,792,652)	765,845,662
Other comprehensive income for the year	-	-	-	-	-		-	(15,101,273)	(9,325,727)	(9,325,727)	(24,427,000)	535,080	(23,891,920)
Total comprehensive income for the year	-	-	-	-	-		-	798,537,041	(9,325,727)	(9,325,727)	789,211,314	(47,257,572)	741,953,742
Change in the interest in subsidiaries of the associated company which did not result in a loss of control of the associate	-	-	-	(61,931,771)	-		-	-	-	-	(61,931,771)	-	(61,931,771)
Share-based payment transactions of the associate	-	-	-	-	10,355,400		-	-	-	-	10,355,400	-	10,355,400
Dividend paid (Note 22)	-	-	-	-	-		-	(230,733,905)	-	-	(230,733,905)	-	(230,733,905)
Balance as at 31 December 2016	482,579,640	-	1,494,466	(135,832,635)	28,433,655		50,000,000	3,650,873,429	(3,216,208)	(3,216,208)	4,074,332,347	368,102,138	4,442,434,485
Balance as at 1 January 2017	482,579,640	-	1,494,466	(135,832,635)	28,433,655		50,000,000	3,650,873,429	(3,216,208)	(3,216,208)	4,074,332,347	368,102,138	4,442,434,485
Profit for the year	-	-	-	-	-		-	702,647,368	-	-	702,647,368	1,130,619	703,777,987
Other comprehensive income for the year	-	-	-	-	-		-	-	(136,395,373)	(136,395,373)	(136,395,373)	-	(136,395,373)
Total comprehensive income for the year	-	-	-	-	-		-	702,647,368	(136,395,373)	(136,395,373)	566,251,995	1,130,619	567,382,614
Acquistion of non-controlling interests of subsidiary (Note 9)	-	(80,767,243)	-	-	-		-	-	-	-	(80,767,243)	(369,232,757)	(450,000,000)
Share-based payment transactions of the associate	-	-	-	-	8,438,479		-	-	-	-	8,438,479	-	8,438,479
Dividend paid (Note 22)	-	-	-	-	-		-	(197,639,368)	-	-	(197,639,368)	-	(197,639,368)
Balance as at 31 December 2017	482,579,640	(80,767,243)	1,494,466	(135,832,635)	36,872,134		50,000,000	4,155,881,429	(139,611,581)	(139,611,581)	4,370,616,210	-	4,370,616,210

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

Tipco Foods Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity [continued]

For the year ended 31 December 2017

(Unit: Baht)

	Separate financial statements			
	Issued and paid-up share capital	Retained earnings		Total shareholders' equity
		Appropriated statutory reserve	Unappropriated	
Balance as at 1 January 2016	482,579,640	50,000,000	1,102,488,042	1,635,067,682
Profit for the year	-	-	380,920,313	380,920,313
Other comprehensive income for the year	-	-	(13,917,530)	(13,917,530)
Total comprehensive income for the year	-	-	367,002,783	367,002,783
Dividend paid (Note 22)	-	-	(230,733,905)	(230,733,905)
Balance as at 31 December 2016	482,579,640	50,000,000	1,238,756,920	1,771,336,560
Balance as at 1 January 2017	482,579,640	50,000,000	1,238,756,920	1,771,336,560
Profit for the year	-	-	472,086,371	472,086,371
Total comprehensive income for the year	-	-	472,086,371	472,086,371
Dividend paid (Note 22)	-	-	(197,639,368)	(197,639,368)
Balance as at 31 December 2017	482,579,640	50,000,000	1,513,203,923	2,045,783,563

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

Tipco Foods Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities:				
Profit before tax from continued operation	751,275,619	781,848,175	216,184,866	181,127,043
Profit before tax from discontinued operation				
(Transfer segment to a subsidiary)	-	-	296,441,533	205,108,332
Profit before income tax	751,275,619	781,848,175	512,626,399	386,235,375
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	255,566,065	258,220,970	94,372,673	115,732,106
Written off value added tax refundable	2,587,465	-	-	-
Allowance for doubtful account	-	419,926	-	-
Reduction of cost of inventories to net realisable value (reversal)	28,905,400	15,621,895	(15,649,592)	988,491
Loss from inventory destruction	27,050,557	33,316,173	11,855,723	21,698,061
Change in fair value of biological assets	(152,122)	2,800,857	-	-
Unrealised (gain) loss on exchange	(1,161,870)	96,912	3,281	(487,475)
Changes in fair value of forward exchange contracts	(290,693)	232,164	(821,826)	337,303
Changes in fair value of interest rate swap contracts	520,074	-	520,074	-
(Gain) loss on sales and write-off of land, machinery and equipment	(5,899,488)	(22,337,949)	(4,077,834)	934,123
Loss write-off of intangible assets	178,441	245,519	178,433	245,516
Allowance for impairment loss on equipment	5,523,512	186,471,519	5,523,512	-
Provision for long-term employee benefits	10,595,626	9,432,059	6,666,878	5,717,074
Provision for dismantling cost	167,888	334,330	-	-
Dividend income from subsidiary and associate	-	-	(343,197,326)	(258,917,162)
Share of profit from investment in associate	(600,610,257)	(740,749,858)	-	-
Interest income	(361,162)	(157,217)	(214,926)	(133,683)
Interest expenses	51,084,156	38,837,935	34,379,724	21,146,279

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit from operating activities before changes in operating assets and liabilities	524,979,211	564,633,410	302,165,193	293,496,008
(Increase) decrease in operating assets				
Trade and other receivables	116,127,874	170,123,229	88,590,561	(65,250,818)
Inventories	(89,587,273)	(156,416,037)	(80,573,030)	(151,286,439)
Other current assets	(14,870,803)	(32,836,532)	(22,408,956)	(7,186,837)
Other non-current assets	(1,684,137)	681,175	1,825,345	2,772,721
Increase (decrease) in operating liabilities				
Trade and other payables	(40,394,196)	167,560,483	(108,834,503)	24,482,773
Other current liabilities	(11,466,228)	35,984,024	(30,728,988)	31,213,089
Other non-current liabilities	(5,405,698)	(4,920,323)	7,547,677	(4,686,076)
Cash flows from operating activities	477,698,750	744,809,429	157,583,299	123,554,421
Cash paid for interest expenses	(51,029,670)	(39,567,992)	(34,381,600)	(21,545,562)
Cash received (paid) for corporate income tax	(12,898,835)	(3,065,823)	(6,107,025)	1,970,610
Net cash flows from operating activities	413,770,245	702,175,614	117,094,674	103,979,469

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities:				
Increase in current investment	(1,060,688)	(45,533)	-	-
Increase in short-term loans to related party	-	-	(8,000,000)	-
Cash paid for investments in subsidiaries	-	-	(450,000,000)	-
Cash paid for investments in newly corporate subsidiary	-	-	(1,000,000,000)	-
Cash received from capital reduction of subsidiary	-	-	300,000,000	-
Cash received from partial business transfer to subsidiary	-	-	646,658,500	-
Cash received from sales of land, machinery and equipment	21,989,011	23,361,243	5,598,494	1,316,621
Cash paid for acquisition of land, machinery and equipment	(212,998,893)	(165,695,028)	(110,286,916)	(58,201,961)
Cash paid for acquisition of intangible assets	(29,563,250)	(39,606,801)	(2,667,613)	(7,230,195)
Dividend received from subsidiary and associate	332,893,494	258,917,162	343,197,326	258,917,162
Interest received	361,162	157,217	214,926	133,683
Net cash flows from (used in) investing activities	111,620,836	77,088,260	(275,285,283)	194,935,310
Cash flows from financing activities:				
Cash paid to acquisition of non-controlling interests of a subsidiary	(450,000,000)	-	-	-
Decrease in restricted bank deposits	1,016,000	-	-	-
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	303,845,467	(903,288,281)	20,000,000	(500,058,736)
Cash paid under finance lease agreements	(631,975)	(1,563,976)	-	(932,000)
Cash receipts from long-term loans	450,000,000	480,500,000	450,000,000	480,500,000
Repayment of long-term loans	(491,500,000)	(141,550,000)	(74,805,000)	(61,550,000)
Dividend paid	(197,639,368)	(230,733,905)	(197,639,368)	(230,733,905)
Net cash flows from (used in) financing activities	(384,909,876)	(796,636,162)	197,555,632	(312,774,641)
Net increase in cash and cash equivalents	140,481,205	(17,372,288)	39,365,023	(13,859,862)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net increase in cash and cash equivalents	<u>58,983,257</u>	<u>76,355,545</u>	<u>25,295,630</u>	<u>39,155,492</u>
Net increase in cash and cash equivalents	<u>199,464,462</u>	<u>58,983,257</u>	<u>64,660,653</u>	<u>25,295,630</u>
	-			
Supplemental cash flows information				
Non-cash transactions:				
Purchase of equipment for which cash has not been paid	10,736,150	18,217,316	2,315,740	2,576,836
Purchase of intangible assets for which cash has not been paid	-	62,520	-	56,260

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

Tipco Foods Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2017

1. General information

Tipco Foods Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The major shareholders of the Company is Supsakorn family. The Company is principally engaged in the manufacture and distribution of canned pineapple, pineapple juice concentrate (Subsequently transferred to a subsidiary as discussed in the next paragraph) and beverages. The registered address is 118/1 Rama 6 Road, Samsen-nai Sub district, Phayathai District, Bangkok.

On 5 January 2017, the extraordinary shareholders’ meeting No. 1/2017 of the Company passed a resolution to approve the Company’s restructuring plan by conducting a partial business transfer of the processed fruit segment to a subsidiary. The business transfer was completed on 2 October 2017. The Company transferred assets amounting to Baht 1,073 million and transferred liabilities amounting to Baht 426 million. The Company received cash payment for the net assets value amounting to Baht 647 million on the same date (Note 9).

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Tipco Foods Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage	
			2017 (Million Baht)	2016 (Million Baht)	2017 %	2016 %
Tipco F&B Company Limited (“TFB”)	Producing and distribution of ready-to-drink beverage product	Thailand	600.00	600.00	100.00	50.00
Tipco Retail Company Limited (51% owned by the Company and 49% owned by TFB)	Retail business	Thailand	50.00	50.00	100.00	75.50
Tipco Biotech Company Limited	Manufacturing of herbal extraction substance and agriculture business	Thailand	36.80	36.80	100.00	100.00
Tipco Pineapple Company Limited	Manufacturing and distribution of canned fruit and fruit juice	Thailand	700.00	-	100.00	-
TFB Distribution Company Limited (100% owned by TFB)	Dormant	Thailand	0.25	0.25	100.00	50.00

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which were effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards did not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which were effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

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

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

4.5 Agriculture

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

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

4.6 Investments

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).

4.7 Investment property - Land awaiting sale

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

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

4.8 Property, plant and equipment/Depreciation

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

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

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

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

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under installation.

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

4.9 Intangible assets

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

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

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

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

4.10 Related party transactions

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

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

4.11 Long-term leases

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

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

4.12 Foreign currencies

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

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

Gains and losses on exchange are included in profit or loss.

4.13 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, investment property and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, such reversal except for that of goodwill, is recognised in profit or loss. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.15 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result

of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

4.17 Derivatives

Forward exchange contracts

Forward exchange contracts are presented in the financial statements at fair value. Unrealised gain or loss from the forward contracts is recorded in profit or loss.

Interest rate swap contracts

Interest rate swap contracts are presented in the financial statements at fair value. Unrealised gain or loss from the interest rate swap contracts is recorded in profit or loss.

4.18 Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Allowance of diminution in value of inventory

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

Property plant and equipment/Depreciation

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

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

Deferred tax assets

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

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2017	2016	2017	2016	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Sales of goods	-	-	394	390	Cost plus certain margin
Rental income	-	-	1	2	Contract price
Service income	-	-	21	20	As agreed
Purchases of raw materials	-	-	16	15	Cost plus certain margin
Dividend income	-	-	10	-	
Transactions with associated company					
Dividend income	-	-	333	259	
Sales of goods	2	-	-	-	Market price
Rental and service expenses	1	-	1	-	Market price
Transactions with related companies					
Sales of goods	3	2	-	-	Market price
Rental and service expenses	46	50	17	22	Market price

As at 31 December 2017 and 2016, the balances of the accounts between the Company and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Trade and other receivables - related parties</u> (Note 7)				
Subsidiaries	-	-	28,021	18,327
Associate	1,341	1,206	-	20,611
Related companies (common shareholders and directors)	1,963	1,919	-	-
Total trade and other receivables - related parties	<u>3,304</u>	<u>3,125</u>	<u>28,021</u>	<u>38,938</u>
<u>Short-term loan to related party</u>				
Subsidiaries	-	-	8,000	-
Total short-term loan to related party	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
<u>Prepaid expenses - related parties</u>				
Related companies (common shareholders and directors)	615	905	494	858
Total prepaid expenses - related parties	<u>615</u>	<u>905</u>	<u>494</u>	<u>858</u>
<u>Retentions - related parties</u>				
Related companies (common shareholders and directors)	4,324	8,681	2,828	3,591
Total retentions - related parties	<u>4,324</u>	<u>8,681</u>	<u>2,828</u>	<u>3,591</u>
<u>Trade and other payables - related parties</u> (Note 13)				
Subsidiaries	-	-	26,556	2,640
Associate	824	453	554	34
Related companies (common shareholders and directors)	2,210	8,224	485	1,862
Total trade and other payables - related parties	<u>3,034</u>	<u>8,677</u>	<u>27,595</u>	<u>4,536</u>

Loans to related parties

As at 31 December 2017 and 2016, the balance of loans between the Company and those related companies and the movement were as follows:

(Unit: Thousand Baht)

Short-term loan to related party	Related by	Separate financial statements		
		Balance as at 31 December 2016	Increase during the period	Balance as at 31 December 2017
Tipco Retail Co., Ltd.	Subsidiary	-	8,000	8,000

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	29	43	25	35
Post-employment benefits	1	1	1	1
Total	30	44	26	36

Guarantee obligations with related parties

The Company and its subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 15 to the financial statements.

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - related parties (Note 6)				
Aged on the basis of due dates				
Not yet due	2,769	2,637	25,112	20,611
Past due				
Up to 3 months	435	12	167	-
Total trade receivables - related parties	<u>3,204</u>	<u>2,649</u>	<u>25,279</u>	<u>20,611</u>
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	428,697	518,858	10,110	232,785
Past due				
Up to 3 months	59,003	54,661	-	37,859
3 - 6 months	142	4,172	-	4,144
6 - 12 months	12	-	-	-
Over 12 months	751	7,235	-	6,479
Total	<u>488,605</u>	<u>584,926</u>	<u>10,110</u>	<u>281,267</u>
Less: Allowance for doubtful accounts	<u>(751)</u>	<u>(7,230)</u>	<u>-</u>	<u>(6,479)</u>
Total trade receivables - unrelated parties, net	<u>487,854</u>	<u>577,696</u>	<u>10,110</u>	<u>274,788</u>
Total trade receivables - net	<u>491,058</u>	<u>580,345</u>	<u>35,389</u>	<u>295,399</u>
Other receivables				
Amounts due from related parties (Note 6)	100	476	2,742	18,327
Amounts due from unrelated parties	79,007	103,871	1,363	3,227
Less: Allowance for doubtful accounts	-	(70)	-	(70)
Total amount due from - net	<u>79,107</u>	<u>104,277</u>	<u>4,105</u>	<u>21,484</u>
Advance to employees	641	709	56	154
Accrued income	2,932	4,533	30	92
Total other receivables	<u>82,680</u>	<u>109,519</u>	<u>4,191</u>	<u>21,730</u>
Trade and other receivables - net	<u>573,738</u>	<u>689,864</u>	<u>39,580</u>	<u>317,129</u>

8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	688,576	511,301	(70,035)	(17,555)	618,541	493,746
Work in process	8,432	34,703	(211)	-	8,221	34,703
Raw materials	224,442	304,593	(6,931)	(23,962)	217,511	280,631
Spare parts and factory supplies	53,209	55,363	(1,260)	(8,014)	51,949	47,349
Goods in transit	19,655	25,817	-	-	19,655	25,817
Total	<u>994,314</u>	<u>931,777</u>	<u>(78,437)</u>	<u>(49,531)</u>	<u>915,877</u>	<u>882,246</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	2017	2016	2017	2016	2017	2016
Finished goods	8,095	356,941	-	(9,989)	8,095	346,952
Work in process	4,491	5,833	-	-	4,491	5,833
Raw materials	9,740	65,253	(204)	(12,793)	9,536	52,460
Spare parts and factory supplies	28,170	33,281	(688)	(7,967)	27,482	25,314
Goods in transit	598	3,028	-	-	598	3,028
Total	<u>51,094</u>	<u>464,336</u>	<u>(892)</u>	<u>(30,749)</u>	<u>50,202</u>	<u>433,587</u>

9. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Cost	
	2017	2016
Tipco F&B Company Limited	729,050	279,050
Tipco Retail Company Limited	25,500	25,500
Tipco Biotech Company Limited	160,787	160,787
Tipco Pineapple Company Limited	700,000	-
Total	1,615,337	465,337

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

During the year, the Company received dividends from Tipco Biotech Company Limited amounting to Baht 10.3 million.

Investment in Tipco F&B Company Limited (“TFB”)

The Board of Directors Meeting No.2/2017 held on 21 February 2017 passed a resolution approving the Company's acquisition of 50 percent of ordinary shares of TFB at a price of Baht 450 million. Subsequently, on 23 February 2017, the Company entered into Share Purchase Agreement with Suntory Beverage & Food Asia Pte. Ltd., to acquire ordinary shares of such company. The Company paid for the shares and received the transfer of such shares on 13 March 2017.

As a result of the transactions, the shareholding of the Company in TFB increased from 50 percent to 100 percent and the Company recorded the effect of the change in TFB interest under the caption of “Non-controlling interests of subsidiary acquired by the Company at price higher than book value” in the consolidated shareholders' equity. The details are as follows:

(Unit: Thousand Baht)

	Consolidated financial statement
Purchase price	450,000
Less: Non-controlling interests of subsidiary adjusted	(369,233)
Non-controlling interests of subsidiary acquired by the Company at price higher than book value	80,767

Investment in Tipco Pineapple Company Limited (“Tipco Pineapple”)

From the resolution to approve the Company’s restructuring plan by conducting a partial business transfer of the processed fruit segment to a newly incorporated subsidiary as described in Note 1 to the consolidated financial statements, in March 2017, the Company invested in Tipco Pineapple Company Limited, the new company incorporated in Thailand with the registered capital of Baht 0.1 million, and principally engaged in the manufacture and distribution of canned fruit and fruit juice. As a result of the investment, the Company has 100 percent of shareholding in Tipco Pineapple.

On 11 April 2017, the Company entered into the partial business transfer agreement with Tipco Pineapple to transfer the above mentioned segment to Tipco Pineapple.

On 27 September 2017, the extraordinary shareholders’ meeting No. 2/2017 of Tipco Pineapple passed a resolution to approve the increase in its registered and paid up capital of Baht 999,900,000, through the issue of 99,990,000 ordinary shares of Baht 10 each. The Company has invested in such new shares in full. As a result of the capital increase, Tipco Pineapple’s registered and paid-up capital consists of 100 million shares of Baht 10 each, totaling Baht 1,000 million. Tipco Pineapple completed the share increase process and registered the new share capital with the Ministry of Commerce on 27 September 2017.

On 2 October 2017, the Company completed the partial business transfer process and received such transferred amount from Tipco Pineapple of approximately Baht 647 million on the same date. As a result of the transferred, the Company classified the operating results of such segment as discontinued operation and separately presented as “Profit for the year from discontinued operation” in the statement of

comprehensive income of separate financial statements. However, such presentation has no effect on the consolidated statement of comprehensive income.

The amount of assets and liabilities included in the processed fruit segment as at 2 October 2017 are as follows:

(Unit: Thousand Baht)

Assets	
Trade and other receivables	188,955
Inventories	467,752
Other current assets	8,183
Property, plant and equipment (Note 11)	406,436
Other non-current assets	1,419
Total assets held for sale	1,072,745
Liabilities	
Trade and other payables	29,492
Other current liabilities	10,071
Long-term loan (Note 14)	350,000
Provision for long-term employee benefits (Note 16)	36,523
Total liabilities directly associated with the assets held for sale	426,086
Net assets directly associated with disposal group	646,659

The operating results of the processed fruit segment as presented under “Profit for the year from discontinued operation” in the separate statement of comprehensive income for the year ended 31 December 2017 and 2016 are detailed below.

(Unit: Thousand Baht)

	2017	2016
Revenues		
Sales	1,703,987	2,388,867
Other income	32,828	43,265
Total revenues	<u>1,736,815</u>	<u>2,432,132</u>
Expenses		
Cost of sales	1,303,929	2,077,098
Selling expenses	70,825	99,560
Administrative expenses	65,619	50,366
Total expenses	<u>1,440,373</u>	<u>2,227,024</u>
Profit for the period from discontinued operations	<u>296,442</u>	<u>205,108</u>
Earnings per share (Baht)		
Basic earnings per share from discontinued operation	<u>0.62</u>	<u>0.43</u>

The revenues and expenses were allocated in accordance with bases assumptions determined by the Company's management.

The Company did not present separate cash flows from the discontinued operation since the Company was unable to clearly distinguish these cash flows.

On 24 November 2017, the extraordinary shareholders' meeting No. 3/2017 of Tipco Pineapple passed a resolution to approve the reduction of its registered and paid up share capital by Baht 300 million, through the retirement of 30 million shares of Baht 10 each. After the share reduction process, Tipco Pineapple's registered and paid-up capital will consist of 70 million shares of Baht 10 each, totaling Baht 700 million. Tipco Pineapple completed the share reduction process and registered the change in share capital with the Ministry of Commerce on 25 December 2017 and also returned the reduction of capital to the Company on 26 December 2017.

10. Investment in associate

The Company has investment in an associate, Tipco Asphalt Public Company Limited, which incorporate in Thailand and engaged in the Manufacture and distribution of asphalt and petroleum products. The shareholding percentage of the Company as at 31 December 2017 and 2016 are 23.6730 and 23.8173 percent, respectively.

10.1 Details of associate:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost	644,930	644,930	644,930	644,930
Carrying amounts based on equity method	3,030,377	2,894,860	-	-

10.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Share of profit from investment in associate during the year	600,610	740,750	-	-
Share of other comprehensive income from investments in associate during the year	(136,395)	(9,326)	-	-
Dividend received during the year	-	-	332,893	258,917

10.3 Fair value investment in listed associate

The fair value of investment in Tipco Asphalt Public Company Limited which is listed company on the Stock Exchange of Thailand as at 31 December 2017 and 2016 are Baht 8,248 million and Baht 7,028 million, respectively.

10.4 Summarised financial information about material associate

Summarised information about financial position as at 31 December 2017 and 2016:

(Unit: Million Baht)

	2017	2016
Current assets	9,294	9,361
Non-current assets	10,219	10,142
Current liabilities	6,225	6,312
Non-current liabilities	358	926

Summarised information about comprehensive income for the year ended 31 December 2017 and 2016:

(Unit: Million Baht)

	2017	2016
Revenue	28,842	24,295
Profit for the year	2,557	3,127
Other comprehensive income	(580)	(45)
Total comprehensive income	1,977	3,082

11. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and Land development	Buildings and complement	Machinery and equipment	Tools and equipment	Others	Assets under installation	Total
Cost							
1 January 2016	332,715	1,176,079	2,685,549	323,121	187,420	111,638	4,816,522
Additions	-	54	111	16,921	35,205	96,815	149,106
Disposals/write-off	(634)	(1,864)	(236,440)	(15,738)	(10,505)	-	(265,181)
Transfer in (transfer out)	-	27,588	115,105	30,693	5,690	(179,076)	-
31 December 2016	332,081	1,201,857	2,564,325	354,997	217,810	29,377	4,700,447
Additions	480	-	1,192	10,811	30,672	162,362	205,517
Disposals/write-off	(17,513)	(28,152)	(181,963)	(98,919)	(26,156)	(1,554)	(354,257)
Transfer in (transfer out)	16,811	22,382	48,874	12,649	3,404	(104,120)	-
31 December 2017	331,859	1,196,087	2,432,428	279,538	225,730	86,065	4,551,707
Accumulated depreciation							
1 January 2016	37,187	593,320	1,256,132	236,176	135,357	-	2,258,172
Depreciation for the year	4,005	53,640	113,960	37,184	44,126	-	252,915
Depreciation on disposals/ write-off	-	(1,982)	(62,737)	(13,370)	(10,368)	-	(88,457)
31 December 2016	41,192	644,978	1,307,355	259,990	169,115	-	2,422,630
Depreciation for the year	4,001	53,606	109,056	34,699	34,898	-	236,260
Depreciation on disposals/ write-off	(16,993)	(28,152)	(147,914)	(88,216)	(25,731)	-	(307,006)
31 December 2017	28,200	670,432	1,268,497	206,473	178,282	-	2,351,884

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and Land development	Buildings and complement	Machinery and equipment	Tools and equipment	Others	Assets under installation	Total
Allowance for impairment loss							
1 January 2016	-	-	243,856	-	-	-	243,856
Increase during the year	-	-	186,472	-	-	-	186,472
Decrease from disposals	-	-	(175,702)	-	-	-	(175,702)
31 December 2016	-	-	254,626	-	-	-	254,626
Increase during the year	-	-	-	5,524	-	-	5,524
Decrease from disposals	-	-	(30,958)	-	-	-	(30,958)
31 December 2017	-	-	223,668	5,524	-	-	229,192
Net book value							
31 December 2016	<u>290,889</u>	<u>556,879</u>	<u>1,002,344</u>	<u>95,007</u>	<u>48,695</u>	<u>29,377</u>	<u>2,023,191</u>
31 December 2017	<u>303,659</u>	<u>525,655</u>	<u>940,263</u>	<u>67,541</u>	<u>47,448</u>	<u>86,065</u>	<u>1,970,631</u>

Depreciation for the year2016 (Baht 200 million included in manufacturing cost, and the balance in selling and administrative expenses) 252,9152017 (Baht 181 million included in manufacturing cost, and the balance in selling and administrative expenses) 236,260

(Unit: Thousand Baht)

Separate financial statements							
	Land and Land development	Buildings and complement	Machinery and equipment	Tools and equipment	Others	Assets under installation	Total
Cost							
1 January 2016	210,114	661,380	1,258,941	135,511	74,985	11,327	2,352,258
Additions	-	-	41	5,040	1,701	49,940	56,722
Disposals/write-off	-	(254)	(29,762)	(4,405)	(7,672)	-	(42,093)
Transfer in (transfer out)	-	21,842	11,802	17,610	4,840	(56,094)	-
31 December 2016	210,114	682,968	1,241,022	153,756	73,854	5,173	2,366,887
Additions	-	-	1,192	4,723	1,134	102,976	110,025
Disposals/write-off	(16,993)	(28,152)	(154,858)	(52,627)	(17,726)	-	(270,356)
Transfer in (transfer out)	16,811	9,114	11,355	2,859	160	(40,299)	-
Business transfer to subsidiary (Note 9)	<u>(86,613)</u>	<u>(570,822)</u>	<u>(899,682)</u>	<u>(71,019)</u>	<u>(25,465)</u>	<u>(8,527)</u>	<u>(1,662,128)</u>
31 December 2017	<u>123,319</u>	<u>93,108</u>	<u>199,029</u>	<u>37,692</u>	<u>31,957</u>	<u>59,323</u>	<u>544,428</u>

(Unit: Thousand Baht)

	Separate financial statements						
	Land and Land development	Buildings and complement	Machinery and equipment	Tools and equipment	Others	Assets under installation	Total
Accumulated depreciation							
1 January 2016	36,154	425,229	853,165	101,293	64,471	-	1,480,312
Depreciation for the year	3,767	28,518	59,687	15,039	5,725	-	112,736
Depreciation on disposals/write-off	-	(245)	(29,334)	(2,384)	(7,452)	-	(39,415)
31 December 2016	39,921	453,502	883,518	113,948	62,744	-	1,553,633
Depreciation for the year	2,823	23,217	47,552	12,873	4,478	-	90,943
Depreciation on disposals/write-off	(16,993)	(28,152)	(123,900)	(51,189)	(17,645)	-	(237,879)
Business transfer to subsidiary (Note 9)	(25,751)	(407,425)	(728,121)	(53,454)	(20,339)	-	(1,235,090)
31 December 2017	-	41,142	79,049	22,178	29,238	-	171,607
Allowance for impairment loss							
1 January 2016	-	-	52,212	-	-	-	52,212
Decrease from disposals	-	-	(427)	-	-	-	(427)
31 December 2016	-	-	51,785	-	-	-	51,785
Increase during the year	-	-	-	5,524	-	-	5,524
Decrease from disposals	-	-	(30,958)	-	-	-	(30,958)
Business transfer to subsidiary (Note 9)	-	-	(20,602)	-	-	-	(20,602)
31 December 2017	-	-	225	5,524	-	-	5,749
Net book value							
31 December 2016	<u>170,193</u>	<u>229,466</u>	<u>305,719</u>	<u>39,808</u>	<u>11,110</u>	<u>5,173</u>	<u>761,469</u>
31 December 2017	<u>123,319</u>	<u>51,966</u>	<u>119,755</u>	<u>9,990</u>	<u>2,719</u>	<u>59,323</u>	<u>367,072</u>

Depreciation for the year

2016 (Baht 103 million included in manufacturing cost, and the balance in selling and administrative expenses) 112,736

2017 (Baht 83 million included in manufacturing cost, and the balance in selling and administrative expenses) 90,943

In 2016, a subsidiary company recorded impairment loss of its assets amounting to Baht 186 million in the profit or loss.

As at 31 December 2017, certain items of plant, machinery and equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,547 million (2016: Baht 1,738 million) (The Company only: Baht 58 million, 2016: Baht 972 million).

12. Intangible assets

The net book value of intangible assets as at 31 December 2017 and 2016 is presented below.
(Unit: Thousand Baht)

	Consolidated financial statements			
	Trade mark	Computer software	Computer software in progress	Total
Cost				
1 January 2016	26,051	26,023	13,047	65,121
Additions	-	464	26,775	27,239
Disposals	-	(287)	-	(287)
Transfer in (transfer out)	-	4,053	(4,053)	-
31 December 2016	26,051	30,253	35,769	92,073
Additions	-	20,960	2,882	23,842
Disposals	-	(4,404)	-	(4,404)
Transfer in (transfer out)	-	35,427	(35,427)	-
31 December 2017	26,051	82,236	3,224	111,511
Accumulated amortisation				
1 January 2016	-	18,709	-	18,709
Amortisation for the year	-	5,305	-	5,305
Amortisation on disposals	-	(41)	-	(41)
31 December 2016	-	23,973	-	23,973
Amortisation for the year	-	19,305	-	19,305
Amortisation on disposals	-	(4,225)	-	(4,225)
31 December 2017	-	39,053	-	39,053
Net book value				
31 December 2016	26,051	6,280	35,769	68,100
31 December 2017	26,051	43,183	3,224	72,458

(Unit: Thousand Baht)

	Separate financial statements			
	Trade mark	Computer software	Computer software in progress	Total
Cost				
1 January 2016	26,463	15,498	6,297	48,258
Additions	-	2,968	3,110	6,078
Disposals	-	(260)	-	(260)
Transfer in (transfer out)	-	3,069	(3,069)	-
31 December 2016	26,463	21,275	6,338	54,076
Additions	-	840	1,772	2,612
Disposals	-	(4,098)	-	(4,098)
Transfer in (transfer out)	-	7,053	(7,053)	-
Business transfer to subsidiary (Note 9)	-	(396)	(1,057)	(1,453)
31 December 2017	26,463	24,674	-	51,137
Accumulated amortisation				
1 January 2016	-	12,603	-	12,603
Amortisation for the year	-	5,534	-	5,534
Amortisation on disposals	-	(15)	-	(15)
31 December 2016	-	18,122	-	18,122
Amortisation for the year	-	3,430	-	3,430
Amortisation on disposals	-	(3,919)	-	(3,919)
Business transfer to subsidiary (Note 9)	-	(43)	-	(43)
31 December 2017	-	17,590	-	17,590
Net book value				
31 December 2016	26,463	3,153	6,338	35,954
31 December 2017	26,463	7,084	-	33,547

13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables - related parties (Note 6)	-	1,084	3,680	2,415
Trade payables - unrelated parties	304,269	306,025	25,854	135,814
Amounts due to related parties (Note 6)	3,034	7,593	23,915	2,121
Accrued expenses	351,603	362,908	33,640	93,483
Others	146,475	181,516	15,561	7,463
Total trade and other payables	<u>805,381</u>	<u>859,126</u>	<u>102,650</u>	<u>241,296</u>

14. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2017	2016	2017	2016
1	Rate referenced to THBFIX + 2.4%	Quarterly installments, as stipulated in the agreement, commencing from October 2017 (2016: Quarterly installments, as stipulated in the agreement, commencing from March 2016)	456,950	548,450	123,645	548,450
2	Rate referenced to THBFIX + 2.5%	Quarterly installments, as stipulated in the agreement, commencing from November 2017	450,000	-	450,000	-
3	Rate referenced to BIBOR + 0.525%	Quarterly installments, as stipulated in the agreement, commencing from October 2016	-	400,000	-	-

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2017	2016	2017	2016
Total			906,950	948,450	573,645	548,450
Less: Current portion			(197,500)	(171,500)	(86,200)	(91,500)
Long-term loans from financial statement - net of current portion			<u>709,450</u>	<u>776,950</u>	<u>487,445</u>	<u>456,950</u>

Loan No. (1) of the Company: With regard to the partial business transfer as mentioned in Note 9 to the financial statements, the Company has entered into the addendum to the agreement to revise the credit facilities with the bank by transferring the long-term loan of Baht 350 million to Tipco Pineapple Company Limited and changing in the mortgages of the assets of the Company. The Company has completed such addendum in October 2017.

On 25 April 2017, Tipco F&B Company Limited made a full repayment of the outstanding long-term loan to the bank.

Loan covenants

The loans No. (1) and (2) are secured by the mortgage of land, building and certain machines thereon. The loan agreements of the Company and a subsidiary contain certain restrictive covenants pertaining to, among others things, the maintenance of debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

Interest rate swap agreement

In September 2017, the Company entered into an interest rate swap agreement to swap a floating interest rate on a long-term loan from a local bank to a fixed rate interest at 3.95 percent per annum. As at 31 December 2017, the notional amount of Baht 123 million was outstanding. The notional amount reduces on a quarterly basis in accordance with the long-term loan repayment schedule of the Company in (1), starting from October 2017 and matures in December 2020.

15. Credit facilities

The credit facilities of the Company and its subsidiaries granted by financial institutions are secured by the following collaterals:

- The guarantees by the Company and a subsidiary.
- The mortgages of the assets of the Company of which the net book value as at 31 December 2017 and 2016 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Land	47	47	-	47
Buildings and complement	134	157	-	157
Machinery and equipment	125	154	-	154

16. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Provision for long-term employee benefits at beginning of year	79,097	56,682	55,553	37,125
Included in profit or loss:				
Current service cost	8,505	6,837	5,428	3,963
Interest cost	2,090	2,595	1,239	1,754
Included in other comprehensive income:				
Actuarial loss arising from				
Demographic assumptions changes	-	1,366	-	2,685
Financial assumptions changes	-	7,988	-	5,367
Experience adjustments	-	8,459	-	9,345
Benefits paid during the year	(3,843)	(4,830)	(2,523)	(4,686)
Business transfer to subsidiary (Note 9)	-	-	(36,523)	-
Provision for long-term employee benefits at end of year	<u>85,849</u>	<u>79,097</u>	<u>23,174</u>	<u>55,553</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of sales	4,939	-	2,599	-
Selling and administrative expenses	5,656	9,432	4,068	5,717
Total expenses recognised in profit or loss	10,595	9,432	6,667	5,717

The Company and its subsidiaries expect to pay Baht 4 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 9 years (The Company only: 9 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated/Separate financial statements	
	2017	2016
Discount rate	2.7%	2.7%
Salary increase rate	3.0% - 4.5%	3.0% - 4.5%
Turnover rate	0.0% - 50.0%	0.0% - 50.0%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

(Unit: million Baht)

	As at 31 December 2017			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(4)	4	(1)	1
Salary increase rate	4	(4)	1	(1)

17. Statutory reserve

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

18. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Salaries and wages and other employee benefits	744,680	748,536	372,458	426,074
Depreciation	236,260	252,915	90,943	112,736
Amortisation expenses	19,305	5,305	3,430	5,534
Finance cost	53,840	39,536	35,506	21,719
Costs related to production of goods and services (excluding of staff cost and depreciation)	2,284,260	2,866,397	1,361,284	2,075,392

19. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Current income tax charge	(6,406)	(3,963)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(16,029)	(12,040)	(15,477)	(5,315)
Utilisation of tax loss carried forward during the period	(25,063)	-	(25,063)	-
Income tax expense reported in the statement of comprehensive income	<u>(47,498)</u>	<u>(16,003)</u>	<u>(40,540)</u>	<u>(5,315)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax relating to actuarial loss	<u>-</u>	<u>3,246</u>	<u>-</u>	<u>3,479</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit before tax	751,276	781,848	512,626	386,235
Income tax at Thai corporate income tax rate of 20%	(150,255)	(156,370)	(102,525)	(77,247)
Utilisation of previously unrecognised tax losses	17,702	23,463	5,235	23,244
Effects of:				
Non-deductible expenses	(17,250)	(851)	(3,494)	(32)
Additional expenses deductions allowed	4,780	4,581	3,846	3,883
Exemption of income	-	-	68,639	51,783
Promotional privileges	-	170	-	-
Share of profit from investment in associate	120,122	148,150	-	-
Unused tax loss in the current year	(9,510)	(13,963)	-	-
Others	(13,087)	(21,183)	(12,241)	(6,946)
Total	85,055	116,904	56,750	48,688
Income tax reported in the statement of comprehensive income	(47,498)	(16,003)	(40,540)	(5,315)

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	-	1,310	-	1,310
Allowance for diminution in value of inventories	1,197	9,798	178	6,150
Allowance for asset impairment	41,697	50,925	1,129	10,357
Provision for long-term employee benefits	8,579	14,672	4,635	11,111
Unused tax loss	9,273	34,336	9,273	34,336
Others	14,300	12,083	202	67
Total	75,046	123,124	15,417	63,331
Deferred tax liabilities				
Amortisation of trademark	(1,740)	(1,450)	(1,740)	(1,450)
Difference depreciation for tax purpose	-	(6,283)	-	(6,283)
Others	(16,508)	(17,501)	-	(1,381)
Total	(18,248)	(25,234)	(1,740)	(9,114)
Deferred tax assets - net	56,798	97,890	13,677	54,217

As at 31 December 2017, the Company and its subsidiaries had deductible temporary differences and unused tax losses totaling Baht 356 million (2016: Baht 416 million) (The Company only: Baht 108 million (2016: Baht 259 million)), on which deferred tax assets have not been recognised as the Company and its subsidiaries believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

20. Earnings per share

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

21. Segment information

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

The following tables present revenue and profit information regarding operating segments of the Company and its subsidiaries for the years ended 31 December 2017 and 2016, respectively.

(Unit: Million Baht)

	Products of vegetable & fruit		Beverage		Others		Consolidation	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues from sales of goods and rendering of services	<u>2,092</u>	<u>2,394</u>	<u>2,674</u>	<u>2,788</u>	<u>104</u>	<u>91</u>	<u>4,870</u>	<u>5,273</u>
Gross profit	336	340	988	1,090	26	26	1,350	1,456
Other incomes							82	94
Selling expenses							(719)	(825)
Administrative expenses							(509)	(644)
Profit before share of profit from investment in associate, finance cost and income tax							204	81
Share of profit from investment in associate							601	741
Profit before finance cost and income tax							805	822
Finance cost							(54)	(40)
Income tax							(47)	(16)
Profit for the period							<u>704</u>	<u>766</u>

Geographic segment information for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Million Baht)

	Domestic sales		Export sales		Consolidation	
	2017	2016	2017	2016	2017	2016
Revenues from the sale of goods and the rendering of services	<u>2,533</u>	<u>2,625</u>	<u>2,337</u>	<u>2,648</u>	<u>4,870</u>	<u>5,273</u>
Gross profit	<u>898</u>	<u>586</u>	<u>452</u>	<u>870</u>	<u>1,350</u>	<u>1,456</u>

22. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
Final dividends for 2015	Annual General Meeting of the shareholders on 22 April 2016 Board of Directors’ meeting on 10 August 2016	120.1	0.25
Interim dividends for 2016		110.6	0.23
Total for the year 2016		230.7	0.48
Final dividends for 2016	Annual General Meeting of the shareholders on 24 April 2017 Board of Directors’ meeting on 10 August 2017	77.1	0.16
Interim dividends for 2017		120.5	0.25
Total for the year 2017		197.6	0.41

23. Commitments and contingent liabilities

23.1 Capital commitments

As at 31 December 2017 and 2016, the Company and its subsidiaries had outstanding capital commitments relating to the purchase buildings and complement, tool and equipment and computer software as follows:

(Unit: Million)

Foreign currency	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Baht	382	6	358	1

23.2 Operating lease commitments

As at 31 December 2017 and 2016, the Company and its subsidiaries have entered into several agreements in respect of the lease of buildings, warehouses, motor vehicles, office equipment, and other service agreements.

Future minimum rental and service fees payable under these agreements are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Payable within:				
1 year	65	71	18	24
2 to 5 years	74	96	3	26
More than 5 years	1	11	-	-

23.3 Guarantees

As at 31 December 2017 and 2016, the outstanding bank guarantees issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business are summarised below

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bank guarantees	33	44	14	19

24. Fair value of financial instruments

The assets and liabilities of the Company and its subsidiaries that were measured at fair value are derivatives. The level in determining the fair value of such assets and liabilities is level 2. As at 31 December 2017 and 2016, the fair value of such assets and liabilities are presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Financial assets measured at fair value				
Forward exchange contracts	1,019	43	-	-
Financial liabilities measured at fair value				
Forward exchange contracts	1,928	344	477	337
Interest rate swap contract	520	-	520	-

25. Financial instruments

25.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable and other receivable. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term borrowings and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2017 and 2016, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2017						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	51	148	199	0.05 - 0.50
Current investment	5	-	-	-	5	0.90 - 0.95
Trade and other receivables	-	-	-	574	574	-
	5	-	51	722	778	
Financial liabilities						
Bank overdrafts and short-term loans						MOR
from financial institutions	720	-	1	-	721	1.95 - 2.50
Trade and other payables	-	-	-	805	805	-
Long-term loans	-	-	907	-	907	Note 14
	720	-	908	805	2,433	

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2016						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	1	58	59	0.10 - 0.50
Current investment	4	-	-	-	4	0.95
Trade and other receivables	-	-	-	690	690	-
Restricted bank deposit	1	-	-	-	1	0.95
	5	-	1	748	754	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	417	-	-	-	417	MOR , MRR 1.93 - 3.70
Trade and other payables	-	-	-	859	859	-
Long-term loans	-	-	948	-	948	Note14
Liabilities under finance lease agreements	-	1	-	-	1	Note 4.47
	417	1	948	859	2,225	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2017						
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	36	29	65	0.05 - 0.50
Trade and other receivable	-	-	-	40	40	-
Short-term loan to related party	8	-	-	-	8	3.70
	<u>8</u>	<u>-</u>	<u>36</u>	<u>69</u>	<u>113</u>	
Financial liabilities						
Bank overdrafts and short-term loans from financial institutions	140	-	-	-	140	2.15 - 2.50
Trade and other payables	-	-	-	103	103	-
Long-term loans	-	-	574	-	574	Note 14
	<u>140</u>	<u>-</u>	<u>574</u>	<u>103</u>	<u>817</u>	

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2016						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	1	24	25	0.10 - 0.50
Trade and other receivables	-	-	-	317	317	-
	-	-	1	341	342	
Financial liabilities						MOR , MRR
Bank overdrafts and short-term loans from financial institutions	120	-	-	-	120	1.93 - 3.70
Trade and other payables	-	-	-	241	241	Note 14
Long-term loans	-	-	548	-	548	
Liabilities under finance lease agreements	120	-	548	241	909	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The Company and its subsidiaries seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2017 and 2016, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2017	2016	2017	2016	2017	2016
Foreign currency	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	4	7	1	1	32.68	35.83
JPY	-	-	-	2	0.29	0.31

	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2017	2016	2017	2016	2017	2016
Foreign currency	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	-	7	-	-	32.68	35.83

As at 31 December 2017 and 2016, the Company and its subsidiaries had outstanding forward exchange contracts which maturity date within one year were summarised below.

As at 31 December 2017						
Foreign currency	Consolidated financial statements		Separate financial statements		Contractual exchange rate	
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	2	4	-	-	32.49 - 34.02	32.55
Euro	-	1	-	1	-	39.56

As at 31 December 2016						
Foreign currency	Consolidated financial statements		Separate financial statements		Contractual exchange rate	
	Sold amount	Bought amount	Sold amount	Bought amount	Sold	Bought
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	0.4	0.3	0.4	-	34.86 - 34.93	35.63 - 35.91
Euro	-	0.1	-	-	-	37.65 - 37.90

25.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

26. Capital management

The primary objective of the capital management of the Company and its subsidiaries is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.59:1 (2016: 0.53:1) and the Company's was 0.41:1 (2016: 0.56:1).

27. Events after the reporting period

On 16 February 2018, the Company's Board of Directors meeting No. 1/2018 passed a resolution to propose the payment of a dividend of Baht 0.75 per share from the net profit of year 2017 or a total of Baht 361,934,730. However, during the year 2017, the Company paid an interim dividend of Baht 0.25 per share. Thus, a final dividend payment for the year 2017 is Baht 0.50 per share or Baht 241,289,820. The resolution will be proposed for approval at the 2018 Annual General meeting of the shareholders.

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2018.

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